COUNTRY REPORT

MAPPING DIGITAL MEDIA:
ESTONIA

OPEN SOCIETY
FOUNDATIONS

Mapping Digital Media: Estonia

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policymakers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate in and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switch-over from analog broadcasting to digital broadcasting;
- growth of new media platforms as sources of news;
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Estonia Executive Summary

Estonia blazed a trail, in terms of digitization, by completing digital switch-over of television in 2010, and adopting the relatively advanced MPEG-4 compression standard. This occurred five years ahead of the originally envisaged target of 2015.

However, only a minority of households was actually affected by the switch-over. The success of the simulcast transition period, the dominance of cable, and the rapidly expanding internet protocol television (IPTV) platform meant that the switch-off of analog signals went largely unnoticed. IPTV was already the main television platform for just under 20 percent of households, and its growth has threatened sustainable competition in free-to-air television. Of the four new digital channels licensed in 2008, only one remains (operated by the public broadcaster). Two others have been restructured as pay-TV offerings, and the fourth has closed altogether.

In other areas, Estonians have demonstrated a keen appetite for digital media uptake. More than three-quarters of the population accesses the internet regularly, and more than half of those are active on social networking platforms. Recent surveys suggest that nearly a quarter of internet users now connect via smartphones. As for traditional media, newspaper circulations have experienced a steady rather than dramatic decline over recent years, while television and radio audiences remain relatively stable.

Despite rapid growth in the readership of online news sites—predominantly those run by established media—broadcasting remains the dominant source for news and information. One key change in consumption over recent years has been the rapid growth of new thematic channels on cable and other pay-TV platforms, particularly among younger viewers. But this has not corresponded to an increase in news output, in terms of either quality or quantity. The most watched news programs have remained relatively unchanged, and there has been little progress toward more interactive services. A similar story can be told of online news, where most sites still do not produce original content or multimedia formats. Where they do, this tends to be limited in terms of context, analysis, and production values.

Thus, the potential for digital media to generate diversity in the overall news offer has not been fully realized, despite Estonia's advanced stage of digital media development. The relatively small and fragmented television market has made for intense ratings competition between news providers, raising fears that quality and diversity may in fact come under pressure in the new digital landscape.

The launch of the public broadcaster's second television channel in 2008 has, however, been a broad success—despite the modest scale of funds invested in it—adding a degree of niche and minority programming to the free-to-air television offer—although the decision to move the Russian-language newscast from the first to the second channel resulted in a significant drop in audience. The latest development plan of the public broadcaster foresees the expansion and improvement of its Russian-language services, and a widening of its role in the digital environment to include educational and informational services. Whether such ideals will be achieved remains uncertain, particularly in light of significant recent funding cuts.

In the meantime, Estonians are increasingly engaged in online news via social media platforms. More than a third of users are accustomed to posting links to news stories, or commenting on news via their social networking profiles. There is also a thriving culture of commenting on the news websites of established media. So much so that in a landmark case in 2009, the Supreme Court ruled that media organizations have editorial responsibility for these comment sections, adding a burden to online newsrooms that are already badly under-resourced.

Alongside the commenting culture, citizen journalism is developing independent of established media, as demonstrated by a dedicated self-publishing platform run by the Estonian Civic Journalism Order. Beyond this, however, recent research suggests that Estonians have not fully exploited the opportunities for citizenship and activism offered by digital tools, despite the availability of relatively advanced e-government services and a strong civil society presence online. One recent study found that only 11 percent of social media users have made a post, commented on, or asked questions about a theme related to politics or politicians.

More encouragingly perhaps, nearly a quarter of respondents had invited their "friends" to participate in civic engagements or initiatives, and Estonians have been increasingly active in single-issue campaigns over recent years, particularly via Facebook.

One of the most talked about has been a campaign called "My Estonia—Let's do it!", which mobilized more than 50,000 volunteers in 2008 to collect 10,000 tonnes of illegally dumped garbage across the country. The campaign made use of Google imaging software to identify target areas and social media platforms to generate awareness, demonstrating the full potential of digital tools in civil society activism. Since then, it has developed into a global civil society movement involving 96 countries and 7 million volunteers around the world in the World Cleanup Action of 2012.

The extent to which such successful digital mobilizations rely on support from traditional media remains unclear. What is certain is that journalists at traditional newspapers continue to face budget cuts, redundancies, reductions in output, and the cancellation or postponement of long-form journalistic projects. In short, cost-

cutting has become the default feature of traditional newspaper business models with potentially harmful consequences for news quality and diversity. In particular, the demands on print journalists to carry out multiple production, publishing, and editing tasks at ever greater speeds, combined with a growing intake of younger and relatively inexperienced journalists, has fashioned a newsroom culture that is de-professionalized, more top-down, and less creative. Of most concern from the perspective of public interest news, periodic survey data suggest that journalists increasingly identify with the goals of their employers over the social role of their profession. This is reflected partly in a dramatic decline in trade union membership among journalists: from 60 percent in 1988 to just 17 percent in 2009.

The problem is particularly acute in online newsrooms where the "click value" of stories—defined by the number of visitors they attract—often leads to flawed editorial decisions and generates misleading or distorted headlines. The abundance of space and sources combined with increasingly scarce time has led to over-reliance on PR material, promotional writing, political leaks, or second-hand stories from other news outlets. Few journalists have the capacity or autonomy to engage in long-form, investigative, or in-depth journalism.

This has resulted in missed opportunities, particularly given the proactive disclosure of data that has taken place in tandem with the growth of digital media. Public electronic databases enforced by law (such as the commercial register) and documents made available by state municipal and public institutions have certainly increased the potential for investigative journalism. The development of open and data journalism also offers users increasingly interactive and dynamic ways to access news. However, this has not offset the impact of resource cuts on professional investigative journalists, and while blogs offer a cost-effective means of dissemination, their output is characterized as being opinion-based, irregular, and ephemeral. Several prominent blogs have faded away almost as soon as they gained notoriety, and there is evidence to suggest that the blogosphere in Estonia has passed its peak.

As for conventional media, there have been no enduring new entrants in the news market over recent years, despite minimal cross-ownership regulation. Attempts by outside interests to capitalize on the convergence and proliferation of Estonia's media market have to date ended in spectacular failure. In 2008, Kalev Meedia purchased several magazines, a cable channel, and a radio station, and launched an online news site and digital free-to-air television channel. Within a year, all its media operations had closed, the company itself was bankrupted, and some 200 employees lost their jobs.

Market fragmentation in television has benefitted incumbents who can exploit their established brands and leverage content across increasing numbers of outlets and platforms. Growth has taken place on cable and other pay-TV platforms, rather than on terrestrial platforms. One major sticking point concerns the ability of commercial terrestrial broadcasters to be compensated by cable companies for carrying their content. In December 2012, the law was amended to clarify the right of terrestrial broadcasters to claim such compensation; agreement with the cable companies followed shortly after.

Although television advertising revenues were hit hard by the global economic downturn—falling by 31 percent in 2009—recovery is now well under way. The same cannot be said for public broadcasting, whose

annual state budget allocation remains some way off its high point in 2008. But it is newspapers that have been hit hardest by cyclical pressures, losing over 40 percent of advertising revenue in 2009. More ominously, the recession appears to have catalyzed both advertiser and reader migration to online platforms, with little sign of publishers being able to monetize online news content.

There is still some life left in newspapers due to their well-established position within the Estonian media landscape; for only in 2010 did television advertising revenues eclipse those of newspapers for the first time. Advertising losses to date have also been largely offset by cutbacks and savings in distribution costs enabled by digital technologies. But there is a strong sense that both newspapers and broadcasters have gone as far as they can in reducing costs, adding to the uncertainties stemming from the small scale of the market, the fragmentation of audiences, and the unpredictability of consumption patterns in the ever-changing digital environment.

In the face of such uncertainty, policymakers have stood by their commitment to technological and service neutrality—two principles enshrined in the Radio Frequency Allocation Plan adopted in 2005. At the same time, the law provides for regulatory intervention to ensure efficient use of spectrum, and the authorities have demonstrated their willingness to implement this. In one recent case, a digital license was revoked after the operator failed to launch a multiplex within the specified time period. Regulatory intervention has also been forthcoming in respect of Levira, which enjoys a natural monopoly as transmission network operator but has been subject to price controls and specific orders aimed at neutralizing its gatekeeping power.

Though licensing procedures are generally considered transparent and free from political bias, there has been some controversy as regards the absence of a formal independent media regulator—Estonia being the only EU member state without such a body. Only in early 2013 were proposals to establish an independent regulator revived, having languished for more than 10 years. At this time of writing, the changes are under parliamentary procedure and the final outcome cannot be assessed or even fully described.

As for publishers, though there are some statutory provisions that allow for government agencies and the courts to intervene in press regulation, both have tended to defer to self-regulatory mechanisms. But rather than providing an effective means of accountability, sanction, and redress, self-regulation has served primarily as a shield to protect the press against external criticism.

On a positive note, the press and news organizations remain in general relatively free of political influence; and although there is significant cross-media ownership and little opportunity for new entrants, digitization does not appear to have exacerbated this situation and there remains a degree of competition and pluralism within all sectors. The quantity of the overall news offer has undoubtedly increased over recent years, but not necessarily the spectrum of choice. And while the explosion of social media platforms has enabled various and growing numbers of groups to share their views and tell their stories, resource cuts have compromised the provision of good-quality public interest news. It remains to be seen whether the emergence of new business models will reverse or exacerbate this decline.

In conclusion, the reporters call for the development of media policy that will incentivize television service providers to introduce the additional digital television services that were promoted during switch-over. They also call for long-term predictable funding mechanisms to ensure that public service media, Estonian Public Broadcasting (*Eesti Rahvusringhääling*, ERR) above all, provide quality output.

Context

With a population of just 1.3 million, Estonia is one of the least populous members of the European Union (EU). It is a multi-ethnic country, although the significant Russian-speaking minority (30 percent) is concentrated within just two of the country's 15 regional counties.

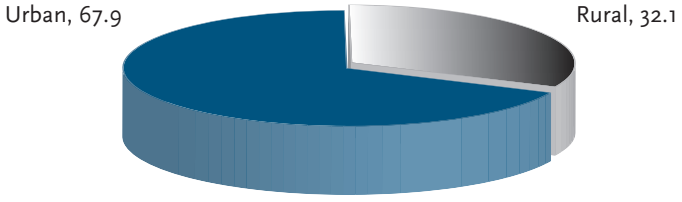
As a relatively young parliamentary democracy, Estonia has developed a strong tradition and international reputation for both political and press freedom. Since gaining independence from the Soviet Union in 1991, it has also developed a stable and robust market economy characterized by high levels of growth and employment. Although significantly affected by the global recession between 2008 and 2010, indicators in 2012 suggest the recovery is well under way, driven by strong export growth. Estonia maintains a low level of public debt and as of 2012 was, significantly, the only EU country to have achieved a budget surplus. However, there remain deep regional and demographic inequalities, with the country's wealth overwhelmingly concentrated in the capital, Tallinn.

Estonia is also considered among the most advanced countries in the world in terms of digital media development and uptake, completing digital switch-over of television in 2010, far ahead of schedule. But the relatively small and fragmented media market, among other factors, has impeded progress toward a more plural and diverse media ecology.

Social Indicators

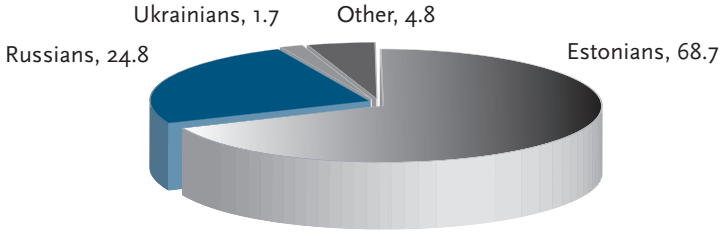
Population (number of inhabitants): 1.3 million (2011 census)
Number of households: 585,100 (2011 census)

Figure 1.
Rural–urban breakdown (% of total population), 2011



Source: Data from Statistics Estonia, 2011 census, preliminary findings, at http://www.stat.ee (accessed 10 January 2013)

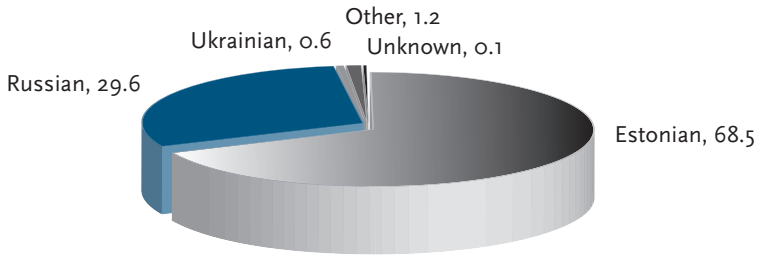
Figure 2.
Ethnic composition (% of total population), 2011



Source: Data from Statistics Estonia, 2011 census, preliminary findings, at http://www.stat.ee (accessed 10 January 2013)

Figure 3.

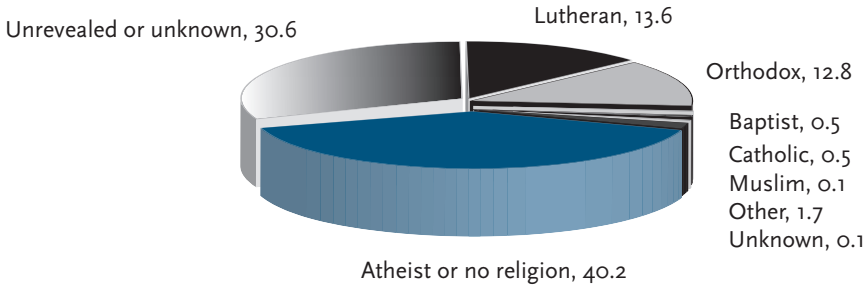
Linguistic composition (% of total population), 2011



Source: Data from Statistics Estonia, 2011 census, preliminary findings, at http://www.stat.ee (accessed 10 January 2013)

Figure 4.

Religious composition (% of population over 15 years old), 2000



Source: Data from Statistics Estonia, 2000 census

Economic Indicators

Table 1.

Economic indicators

	2005	2006	2007	2008	2009	2010	2011	2012°
GDP (current prices, US$ billion)	13.9	16.8	21.6	23.7	19.3	19.2	19.8	20.7
GDP (current prices, US$), per head	10,317	12,499	16,160	17,651	14,402	14,416	14,948	15,607
Gross National Income (GNI), (current US$), per head	15,920	18,160	20,160	20,970	19,230	19,380	20,830	n/a
Unemployment (% of total labor force)	7.9	5.9	4.6	5.5	13.7	15.5[1]	16.3	14.4
Inflation (average annual rate, % against previous year)	4.0	4.4	6.6	10.3	–0.0	3.0[2]	1.9	2.0

Notes: o: outlook; n/a: not available

Sources: International Monetary Fund (IMF) for GDP, unemployment, and inflation data, unless otherwise stated; World Bank for GNI

1. Data from Statistics Estonia, 2010, Q3, at http://www.stat.ee (accessed 15 February 2011).
2. Data from Statistics Estonia, 2010, at http://www.stat.ee (accessed 15 February 2011).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment

Digital reception is expanding rapidly in Estonia, enabled by broadband internet access. The latter has been technologically bound up with cable television, which is also switching to digital transmission. The terrestrial television switched over to digital transmission mode on 1 July 2010, freeing spectrum for a "digital dividend," and requiring households to obtain either set-top boxes or television sets with built-in MPEG-4 receiving ability. However, according to the market research company TNS Emor, up to 1.5 percent of households were unprepared for switch-over and faced a sudden loss of television signal.[3] Those receiving signal via cable (including IPTV) or satellite (Viasat), on the other hand, were unaffected by switch-over. Upgrading to digital cable is expected to take place gradually over the coming years.

The number of television sets within households has been growing steadily. In about a quarter of households there are now two television sets in working order, 9 percent have three working television sets, and some 2–3 percent operate four or more television sets within the household. Many of these television sets became dysfunctional as a result of switch-over as they were not equipped with digiboxes. The proportion of households without a television set in working order amounted to 2–2.5 percent prior to switch-over, increasing to 4.2 percent immediately afterwards. About 1.4 percent of households had a functional television set but could not receive any program on it. As described in the Final Report by the Government Commission on Transition to Digital Terrestrial Television, this contingent was heterogeneous: it comprised both young and elderly, predominantly in southern and rural Estonia. It included those people leaving the technical upgrading to the last minute and those not valuing television enough to spend money on new electronic devices or who could not afford it.[4]

3. Data by TNS Emor, retrieved from "Maapealse analoogtelevisiooni levitamise lõpetamine ja täielikule digitaalsele levile üleminek Eestis aastatel 2007–2010" (End of Terrestrial Analog Television Broadcasting and Overall Transition to Digital Broadcasting in Estonia 2007–2010), Final Report of the Government Commission on Transition to Digital Terrestrial Television, 9 November 2010, at http://www.emor.ee (accessed 12 December 2012) (hereafter, TNS Emor, 2010).

4. TNS Emor, 2010.

Table 2.

Households owning equipment, 2005–2011

	2005		2006		2007		20108		2009		2010[5]		2011	
	No. of HH[6] ('000)	% of THH[7]	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV set	492	93.0	517	98.0	509	98.9	507	98.9	507	98.9	497	96.9	497	96.9
Radio set[8]	511	96.6	505	95.7	489	95.1	477	93.0	471	92.0	468	91.3	n/a	n/a
PC	227	43.0	274	52.0	293	57.0	305	59.6	333	65.1	389[9]	69.2	409	71.4

Note: n/a: not available

Sources: Calculations by OSF editors based on data from International Telecommunication Union (ITU), Statistics Estonia, and TNS Emor

1.1.2 Platforms

Ultimately, digital switch-off affected only 13.5 percent of households, with a further 36 percent having already made the switch during the simulcast period beginning in 2005.

The first schedule for digitization, in the "Concept for Digital Television" (2004), envisaged that switch-over would happen by 2015. This date was rescheduled to 2010 a couple of years later.[10] This policy foresaw that terrestrial and mobile digital television would be the most promising digital platforms in Estonia. The "Concept" argued that digital satellite television probably had no future as the country's small size does not qualify for a major satellite market. It was therefore surprising that the Viasat digital satellite service was introduced subsequently. By 2008, IPTV was making inroads into the digital broadcasting market. 2008 also saw an increase in satellite television reception, while cable usage remained constant. The use of satellite reception subsequently decreased. This was presumably due to the extension of IPTV—by then reaching remote private households—and the inadmissibility of attaching receiver disks to apartment building facades. Later, terrestrial pay-TV was also launched.

According to the Final Report of the Government Commission on Transition to Digital Terrestrial Television (DTT), cable maintained its share among television reception platforms during the initial transition to DTT,

5. After the switch to digital, according to data from TNS Emor, 4.2 percent of households did not possess a TV set capable of receiving a digital signal. See U. Jaagant, "Aruanne: digilevile üleminek kahekordistas telekatõrjujate arvu" (Report: Digital Switch-over Doubled the Number of TV-defiers), *Eesti Päevaleht*, 1 December 2010, at http://www.epl.ee/news/eesti/aruanne-digilevile-uleminek-kahekordistas-telekatorjujate-arvu.d?id=51287662 (accessed 10 January 2013).
6. Total number of households owning the equipment.
7. Total number of households in the country.
8. At least one radio set in the household. Data by TNS Emor (Q1 sample), at http://www.emor.ee.
9. Data from Statistics Estonia, at http://www.stat.ee.
10. See U. Loit, "Estonia," in *Television across Europe: Regulation, Policy and Independence,* OSI, Budapest, pp. 612–613 (hereafter, Loit, *Television across Europe*).

growing slightly after 2008. According to the report, the share of digital cable distribution has maintained its rate at 15 percent.

Along with online, the i-Pad and tablet platform is establishing itself for newspapers, even though currently it tends to be used for entertainment, developed mainly by the Ekspress Group (*Eesti Ekspress, Eesti Päevaleht*). Thus far, surveys show that only 23 percent of internet users use smartphones for accessing the internet, and only 10 percent use tablet computers for that purpose.[11] However, usage is growing and up to 44 percent of young people (15–29 years old) access Facebook via smartphones.

Table 3.
Platform for the main TV reception and digital take-up, 2005–2010[12]

	2005		2006		2007		2008		2009		2010	
	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH	No. of HH ('000)	% of TVHH
Terrestrial reception	273	48.6	261	45.8	190	33.5	155	26.9	170	29.8	145	25.8
– of which digital	n/a	n/a	n/a	n/a	3	0.5	16	2.7	60	10.5	115	20.4
Cable reception	246	43.8	247	43.4	307	54.3	318	55.5	296	51.8	293	52.1
– of which digital	n/a	n/a	n/a	n/a	14	2.4	20	3.4	22	3.9	14	2.6
Satellite reception	23	4.1	35	6.1	32	5.6	46	8.0	48	8.4	32	5.7
IPTV	n/a	n/a	n/a	n/a	31	5.6	56	9.8	73	12.8	108	19.2
Total digital	n/a	n/a	27	4.8	86	15.2	135	23.6	190	33.3	254	45.1

Notes: HH: total number of households owning the equipment; TVHH: total number of TV households in the country; n/a: not available

Source: Mediamétrie/Eurodata TV Worldwide

Even though Estonia ranked fifth in the world for mobile broadband quality in 2010,[13] the same study indicated that broadband quality needed to be improved across the country—particularly fixed broadband networks in rural regions. The Estonian Broadband Development Foundation (*Eesti Lairiba Arenduse Sihtasutus*, ELASA), a body founded at the initiative of the Ministry of Economic Affairs and Communications and by the members of the Estonian Association of Information Technology and Telecommunications (*Eesti Infotehnoloogia ja Telekommunikatsiooni Liit*, ITL), has set the goal of providing all residential houses, businesses, and authorities with connections to a next-generation broadband network, and achieving a data transmission speed of up to 100 Mbit/s by the year 2015.[14] This will entail the installation of more than 6,000 km of fiber-optic cable and the construction of more than 1,400 connection points to ensure that 98

11. Survey by GfK Custom Research Baltic and the PRB Agency, conducted in February 2012, at http://www.gfk.com/gfkbaltic/public_relations/press_releases/index.ee.html (in Estonian, accessed 30 January 2013).

12. The figures refer to the main TV set in multi-TV households.

13. Situation in September 2010—Broadband Quality Score III, "A Global Study of Broadband Quality," October 2010, Said Business School, University of Oxford. This study indicates, however, that broadband quality needs to be improved across the country, particularly fixed networks in rural regions.

14. This project is called EstWin: see http://www.elasa.ee/index.php?page=3 (accessed 20 February 2013).

percent of residences, businesses, and authorities are located closer than 1.5 km to the basic network. This vision for the future has been approved by the government.

The overall internet usage rate in Estonia is slightly higher (78.4 percent) than the EU27 average (73 percent), as at the beginning of 2012, according to a government report.[15] Estonia still lags behind the leader countries (in Sweden and Netherlands the rate is almost 90 percent): 75 percent of households (and over 90 percent of households with children) have internet connection, technically mainly broadband, of which half still does not enable high-speed connection (40+ Mbit/s). High-speed internet connection is, according to the government overview referring to a Praxis study,[16] available to only 45 percent of households, mainly in apartment blocks in larger urban areas. There is a digital divide between urban and rural regions (a difference of over 6 percentage points) with some regions (Pärnu, Jõgeva, Valga, and Viljandi Counties) lagging even further behind (7 percentage points below the rural average). The study points out that in 70 municipalities out of 226 there are no facilities equipped to provide broadband, which leaves 92,000 inhabitants without any high-speed internet access.

As to demographics, men and women use the internet almost in equal numbers—male use had caught up with female use by 2012. The government overview points out that unemployed persons constitute the most vulnerable group in terms of the digital divide along with persons of low educational level, who need to be supported, according to the evaluation.

Elderly people have also been spotlighted as a group with comparatively low internet usage: 56 percent of people aged 55–64 use the internet (an increase from 2011 of 6 percentage points), while only 27 percent of people aged 65–74 use the internet. The internet usage rate among the age group up to 44 years exceeded 93 percent in 2012.

Table 4.
Internet penetration rate (total internet subscriptions as % of the total population) and mobile penetration rate (total active SIM cards as % of total population), 2005–2011

	2005	2006	2007	2008	2009	2010	2011
Internet	14.6	19.2	21.2	24.2	25.6	25.2	n/a
– of which broadband	13.3	18.4	18.8	21.0	22.5	25.1	27.1
Mobile telephony	107.4	123.4	125.2	121.0	117.1	123.2	139.0
– of which 3G[17]	n/a	n/a	n/a	n/a	n/a	27.0	n/a

Note: n/a: not available

Sources: OSF calculations based on ITU data

15. See Government of Estonia, "Ülevaade arvuti- ja internetikasutusest Eestis 2012" (Overview of Computer and Internet Use in Estonia in 2012), at http://valitsus.ee/et/valitsus/tegevusprogramm/e-riigist-i-riigiks/infoyhiskonna-arengu-hetkeseis/arvuti-ja-internetikasutus-eestis-2012 (accessed 20 February 2013).

16. O. Harjo, "Kiire internet vajab inimeste ja riigi panust" (High-speed Internet Needs Input from People and State), Postimees Online, 29 August 2012, at http://arvamus.postimees.ee/954906/olav-harjo-kiire-internet-vajab-inimeste-ja-riigi-panust (accessed 20 February 2013).

17. "The Estonia Telecommunications Report 2011" estimates that 3G subscribers accounted for over 27 percent of the total mobile customer base at the end of 2010. See http://www.researchandmarkets.com/reports/1535395/estonia_telecommunications_report_2011.pdf (accessed 15 February 2011).

1.2 Media Preferences

1.2.1 Main Shifts in Media Consumption

News consumption by platform differs along linguistic lines. A survey in 2002–2003[18] showed that the proportions of Estonians' news consumption by media type were divided almost equally between national daily newspapers and national television (around 55 percent and 60 percent, respectively), while radio was considered an important source of news for a third of Estonians. An almost equal proportion of Estonia's Russian-speaking community—a third of it—considered that television programming from Russia was an important news source. The internet, according to this survey, served as an important news source for 21 percent of all respondents regardless of their first language.

More recent audience research by TNS Emor shows rapid growth in the use of websites for acquiring news over the past five years (in the case of Delfi.ee it has almost doubled), while newspaper circulation has experienced a slight decline. Concurrently, print media's share in the breakdown of advertising expenditure is declining, especially compared with television, and the internet advertising share is growing.

The television news audience shares, as well as radio listenership (shares), have remained relatively stable over recent years. Overall, television viewing has increased slightly over the last five years, exceeding four hours per day on average. Russian speakers watch television daily about an hour more than Estonian speakers.[19] Viewing of niche television channels on cable networks both nationally and locally has increased exponentially over the last five years. Whereas in 2005 such viewing was almost non-existent, by 2010 it had grown to over 10 minutes per day.[20]

The newly licensed digital channels have left the free-to-air market and switched to the pay-TV (conditional access networks) sector to save on distribution costs (Kanal 11, TV 6), or gone bankrupt (Kalev Meedia). Thus, the sole addition to the free-to-air market has been ETV2, the second channel of the public service broadcaster.

Also, on several occasions, the large commercial television broadcasters have considered removing Kanal 2 and TV 3 from free-to-air distribution—so they can earn revenue from being distributed only over conditional access networks—as the free-to-air networks were not willing to pay the television broadcasters (who actually invest money in content production), justifying this practice with reference to the "must carry" clause in the

18. MeeMa, "Mina. Maailm. Meedia" (Me. The World. The Media), survey by the University of Tartu in cooperation with Faktum research. Published as V. Kalmus et al. (eds), *Eesti elavik 21. sajandi algul* (Estonian Habitation at the Beginning of the 21st Century), Tartu Ülikooli Kirjastus, Tartu, 2004 (hereafter, "MeeMa Survey").

19. In January 2011, 5 hrs 1 min for Russian-speakers and 4 hrs 14 mins for Estonians. Television viewing data by TNS Emor.

20. Data by TNS Emor, sourced from "Raha vs. vaadatavus: Eesti telemaastik 2010" (Money vs. Viewership: Estonian TV Landscape 2010), in *Eesti Akadeemilise Ajakirjanduse Seltsi aastaraamat 2009/2010* (Yearbook of the Academic Society of Estonian Journalism 2009/2010), Tartu Ülikooli Kirjastus, Tartu, 2011, p. 110.

Electronic Communication Act.[21] In 2012, these threats became serious; at the end of the year, Kanal 2 and TV 3 were no longer shown on the STV and Starman networks, respectively, due to outstanding royalty payments owed to the content-providing broadcasters. (See section *6.3.*)

1.2.2 Availability of a Diverse Range of News Platforms

The Broadcasting Act and the new Media Services Act obliges every television and radio media service provider (formerly the broadcasters) to reserve at least 5 percent of the daily transmission time of their program service on at least six days a week for transmitting self-produced news programs, except for the program service transmitted on national holidays.[22]

However, presumably due to the relatively small scale of the Estonian media market and its limited resources, television news output has not increased in line with the growth of television channels under the digital shift. The contest for digital national broadcasting licenses brought three new channels into the market. Only one of them (Kalev Sport) started to have regular newscasts and is now bankrupt. Kanal 11, operated by Kanal 2, reruns the latter's daily late-night infotainment show, "*Reporter*." TV 6 fulfills the legal requirements by having text-TV news slides during the night and providing the static web-camera footage from the studio of the affiliated radio station Star FM. Other small channels, distributed by local or nationwide cable networks, similarly fulfill the obligatory news volume mainly by running news text slides at "dead time" slots (with relatively low audiences).

Thus, the main newscasts on television have remained the same despite the digital switch-over and new interactive services have not blossomed. However, the news archives of the major television channels have emerged online, allowing audiences to watch archived clips on demand. The few thematic and niche television channels do not produce original news content.

Digital switch-over has marginally expanded access to multichannel television, but only one terrestrial provider (Levira) has launched a terrestrial pay-TV service (ZoomTV) in co-operation with Starman. The overall share of terrestrial broadcasting is still relatively insignificant, and consequently digitization has not revolutionized television viewing for most Estonians.

As for online-only news services, websites such as Delfi.ee now produce original news content on various platforms including video (Delfi.TV). But the output remains limited in quantity and quality. Much of it consists of user-generated content (UGC) with little in the way of context and analysis or professional production values. They do, however, offer exclusive news content (primarily interviews with sources). The website of *Äripäev* business daily provides video content with production values that sometimes rival

21. Article 90 stipulates, at section 1, that cable distribution service providers "must guarantee the continuous retransmission of television programs transmitted by a provider of television services with unrestricted access … for the transmission of which the provider of television services requires no charge." The first reaction by the Minister of Economic Affairs and Communication was that television service providers already had the right to collect royalties. However, in autumn 2012, Parliament amended the Article, granting free-to-air channels the right to collect royalties.

22. Effective as of January 2011.

television. Overall, online news services (provided by both established media and "pure-play" outlets) have demonstrated the potential to diversify the overall news offer in Estonia, but this potential has yet to be fully realized.

1.3 News Providers

1.3.1 Leading Sources of News

1.3.1.1 Print Media

Postimees and *Õhtuleht* are among the most read national newspapers. But regional and local papers serve as an important source of news in Estonia. Newspaper circulation as a whole has experienced a slight decline during the past five years, while traffic to the websites of newspapers has been growing. By the beginning of 2010, unique visitor figures for the *Postimees* site almost equaled that of its print circulation, while online traffic generated by the business daily *Äripäev* exceeded its print circulation.

Table 5.

Newspaper titles' reach (% of adult population), 2005–2010

Newspaper	Q1 2005	Q1 2006	Q1 2007	Q1 2008	Q1 2009	Q1 2010
Postimees	22.0	24.4	21.9	22.6	22.6	19.2
(SL) Õhtuleht	24.3	26.0	22.6	22.0	19.3	17.1
Eesti Päevaleht	15.3	12.4	13.8	12.8	12.5	10.3
Äripäev	7.1	7.3	7.4	8.0	7.9	4.0
Molodezh Estonii (Russian)	6.8	5.8	4.5	3.9	3.0	n/a
Postimees (Russian)	n/a	5.6	5.3	6.0	5.7	5.6
Vesti Dnya (Russian)	4.7	4.8	4.2	3.4	2.9	n/a
Local papers (aggregated)[23]	33.2	33.4	32.0	31.8	30.0	26.1

Notes: In the absence of yearly averages, quarterly data are presented; n/a: not available

Source: TNS Emor. Readership of an average issue as a percentage of the total audience. 100 percent equals 1,050,000 inhabitants aged 15–74, purchased directly from TNS Emor

1.3.1.2 Online

The Russian-language version of the online news service Delfi[24] has experienced rapid growth in readership, while several other Russian-language print dailies ceased operating in 2009, mostly due to economic reasons coupled with the growth of Delfi. However, *Postimees*' Russian-language title has maintained the same level of coverage since its launch in 2005. Its online counterpart has also maintained its coverage since its launch in 2007.

23. This aggregation includes the following local outlets: *Harju Elu, Hiiu Leht, Järva Teataja, Koit, Lääne Elu, Meie Maa, Nädaline, Põhjarannik, Pärnu Postimees, Sakala, Severnoye Poberezhye* (Russian), *Tartu Postimees, Valgamaalane, Virumaa Teataja, Vooremaa, Võrumaa Teataja.*

24. By March 2012, the editorial board of Delfi had merged with the board of the second-biggest daily, *Eesti Päevaleht*. Delfi continues to provide online news content and *Eesti Päevaleht* continues in print. Estonian and Russian national versions of Delfi have separate newsrooms, and their output is not identical. Delfi is a cross-border venture based in the Estonian capital, and operating also in Latvia, Lithuania, and the Ukraine.

The public service broadcaster, Estonian Public Broadcasting (*Eesti Rahvusringhääling,* ERR) launched its website Uudised.err.ee in 2006 (in Estonian), which was followed by a Russian-language site in 2007 and an English-language one in 2010. Even though the reach of Uudised.err.ee remained only a fraction of that commanded by Delfi in 2010, it still serves as a reliable, though not exclusive, source for commercial radio news services.[25]

Table 6.
News websites' reach (% of adult population), 2005–2010

Online portal	Q1 2005	Q1 2006	Q1 2007	Q1 2008	Q1 2009	Q1 2010
Delfi.ee	10.8	12.3	15.3	16.5	18.4	18.1
Delfi.ee (Russian)	2.5	3.9	5.1	6.2	7.9	8.1
Postimees.ee	5.4	6.2	9.1	12.6	18.2	17.9
Postimees.ee (Russian)	n/a	n/a	n/a	2.2	3.0	3.0
Epl.ee	4.0	5.1	6.3	6.7	9.5	8.3
Ohtuleht.ee	4.3	5.7	5.4	9.1	12.6	13.4
Aripaev.ee	0.7	1.3	2.1	3.3	5.0	4.8
Err.ee[26]	n/a	n/a	n/a	n/a	1.7	3.2

Notes: In the absence of yearly averages, quarterly data are presented; n/a: not available

Source: TNS Emor. Readership of an average issue as a percentage of the total audience. 100 percent equals 1,050,000 inhabitants aged 15–74

Distinguishing between commercially oriented and non-commercial news providers is difficult as the borderlines appear to be blurred, due to the relatively small scale of the media market and the resulting merging of formats. Using qualitative analysis, commercial features can at times be found in outlets that define themselves as "quality papers" (*Postimees, Eesti Päevaleht*), and vice versa. Among the daily newspapers, *Õhtuleht* has outlined itself as a tabloid and the same applies to its online version. Most of the online portals maintain celebrity news sections and other features of a commercial character alongside regular non-commercial news.

1.3.1.3 Television

According to Eurobarometer, 85 percent of people in Estonia watch television every day or almost every day.[27] The average daily viewing time exceeds 4 hours a day.[28] The most watched channels are local, terrestrial,

25. The news bulletin items on commercial radio channels are very often based on open online news services, such as the above-mentioned Uudised.err.ee or Postimees.ee. Many radio stations judge that the pay-newswire Baltic News Service (BNS) is too expensive. Levels of original news production are mainly low, except for Radio Kuku.

26. ERR's online news services—Uudised.err.ee, as well as News.err.ee and Rus.err.ee—occur as sub-pages within the main corporate home page, Err.ee.

27. Eurobarometer survey, "Estonia national report," autumn 2010, at http://ec.europa.eu/eesti/pdf/eurobarometre/eb74_estonia_national__report_final.pdf (in Estonian, accessed 25 February 2013) (hereafter, Eurobarometer, "Estonia national report").

28. Data for January 2013, by TNS Emor.

large, and old. However, the introduction of new digital options (both national and global channels) has decreased their shares by 6 or more percentage points over the last six years. By 2012, the shares of large local broadcasters were broadly equal, while the public channel ETV had reinforced its position among the most watched channels, with ETV2 showing particular progress. Increasing parity can be observed also among shares of the channels preferred by Russian-speaking audiences (PBK, NTV Mir, RTR Planeta). Smaller newcomers and niche channels have also established themselves.

Table 7.

TV channels' daily share of total viewing time (%), November 2006–November 2012

Channel	November 2006	November 2007	November 2008	November 2009	November 2010	November 2011	November 2012
ETV	17.1	15.3	15.4	15.3	14.8	14.6	16.3
Kanal 2	24.8	23.7	20.9	18.8	17.2	17.2	16.5
TV 3	18.0	18.1	18.2	16.1	13.3	12.8	12.0
ETV2	n/a	n/a	0.4	1.3	2.1	2.9	2.7
Kanal 11	n/a	n/a	1.1	1.6	2.5	2.0	1.6
TV 6	n/a	n/a	1.1	2.3	2.5	2.0	2.0
Seitse	n/a	0.1	0.2	0.3	0.2	0.2	0.2
Tallinna TV	n/a	n/a	n/a	n/a	n/a	0.2	0.5
PBK	11.1	14.2	12.2	12.4	10.9	10.6	8.7
NTV Mir	2.4	2.4	3.3	2.8	4.2	4.4	5.1
RTR Planeta	3.9	2.8	3.5	3.5	4.0	3.6	3.9
National Geographic	n/a	n/a	n/a	0.1	0.2	0.2	0.3
Fox Life	n/a	n/a	n/a	0.6	0.8	1.0	0.8

Note: n/a: not available

Source: TNS Emor, TV Audience Survey, universal, age four and above

1.3.1.4 Radio

People in Estonia are radio enthusiasts: 66 percent listen to radio every day or almost every day.[29] As to the linguistic divide, Estonians listen to radio slightly more than Russian speakers. The average daily listening time is 3 hours 40 minutes,[30] which has not changed much over the years. Estonians aged 12–74 keep listening to 3.2 radio stations. Over 50 percent of respondents in the MeeMa Survey claim to listen to radio news; 32 percent do this frequently.[31]

29. Eurobarometer, "Estonia national report."

30. Data from autumn 2012 by TNS Emor, "Raadioauditooriumi ülevaade 2012. Aasta sügisel" (Overview of Radio Audiences in Autumn 2012), at http://www.emor.ee/raadioauditooriumi-ulevaade-2012-aasta-sugisel (accessed 20 February 2013).

31. "MeeMa Survey." Questions about radio were put only to Estonian-speaking respondents.

Table 8.

Radio listening (stations primarily with talk format) daily reach (%), 2005–2012

Channel	Q2 2005	Q2 2006	Q2 2007	Q2 2008	Q2 2009	Q2 2010	Q2 2011	Q2 2012
Vikerraadio: Prime channel of the PSB, mainly talk and news format	24.8	22.3	21.5	23.2	21.4	21.8	23.2	20.3
Radio 4: PSB radio channel in Russian, mainly talk and news format	13.9	14.0	13.8	13.2	12.6	10.6	11.1	10.4
Kuku: Prime talk and news channel among the private stations (Trio LSL Group)	5.7	5.9	7.0	5.7	5.3	6.1	6.0	5.7
Other radio stations	61.3	60.3	61.1	62.9	62.3	62.1	62.2	60.6

Source: TNS Emor Radio Diary Survey, participants aged 12–74

The prime sources of radio news and current affairs coverage (the public service broadcaster's Vikerraadio, Russian-language Radio 4, and the private Kuku) have maintained their listenership. The differences between the channels' reach are a result of, among other things, their varied footprints. Given that the PSB has 100 percent coverage guaranteed by law, Kuku broadcasts if frequencies are available—and they can be exploited profitably.

1.3.2 Television News Programs

News bulletins have been predominantly produced by the largest television channels (ETV, Kanal 2, and TV 3). Digitization has not yet changed their output qualitatively. Some niche channels also produce news bulletins, including the newly launched municipal Tallinn Television, but many of them fill the news slots with formal content (text-TV) just to meet the requirements of the law. Thus, the newcomers launched as a result of digitization have not contributed to diversifying the total news output.

The changes in ratings during the last five years are insignificant. The exception was the Russian-language newscast of the public service broadcaster, which was switched from the first channel to the recently launched second channel, and experienced a huge drop in its already low ratings as a result. Since May 2010, the bulletin has been duplicated on TV 3+ in a bid to enlarge the audience. The ratings for 2010 showed a slight drop for the newscasts of all channels. However, there is not enough hard evidence to link this to any specific cause. Inter alia, the increase in internet news consumption may be one cause, as well as the effect of the economic recession.

The public service ETV's "*Aktuaalne kaamera*" (Actual Camera) newscast has been in tight competition with Kanal 2's infotainment show "*Reporter.*" TV 3's newscast lags slightly behind. As to the schedule, the newscasts of Kanal 2 and TV 3 run simultaneously, albeit with seasonal variations.

With respect to the Russian-speaking community, the newscasts broadcast on Pervyi Baltiiski Kanal originating from Russia (and rebroadcast in all the Baltic countries) are the most watched. But as the data by TNS Emor

reveal, the half-hour local Estonian news slot has higher ratings than the central newscast from Moscow. The Russian-language newscast of the ETV lags far behind, as the overall audience share for Estonian-language channels among the Russian-speaking community is low. Switching the Russian "*Aktualnaya kamera*" to digital ETV2 also served as a reason for the sudden drop in viewing figures in 2009. According to several surveys, the majority of the audience for the Russian-language programming on ETV is made up of Estonians.

Table 9.
Ratings of major newscasts (%), 2005–2010

TV channel	Newscast	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010
Eesti Televisioon (ETV)	"*Aktuaalne kaamera*"	14.9	13.0	12.4	11.3	13.4	11.8
	"*Aktualnaya kamera*" (Russian language)	3.5	3.8	3.6	3.7	N.A	0.8
Kanal 2	"*Reporter*"	12.6	12.7	13.9	12.8	14.5	11.7
TV 3	"*Seitsmesed/TV 3 uudised*"	11.0	12.2	8.1	11.5	10.2	8.6
Pervyi Baltiiski Kanal (Russian)	"*Vremya*" (from Russia)	4.1	5.0	4.8	5.9	6.3	5.4
	"*News of Estonia*"	6.8	5.8	5.8	6.5	8.0	7.1

Note: In the absence of yearly averages, data available for a specific month are presented

Source: TNS Emor. TV Audience Survey, universal, age four and above. Percentage of total audience average per minute

1.3.3 Impact of Digital Media on Good-quality News

Qualitative improvement as a result of digitization cannot yet be observed in news output. The requirements deriving from the specifics of ratings competition in the digital age lead to channels producing more news with less quality, as the expansion of technological means has not been accompanied by an expansion in the labor force.

However, given the coincidence of economic recession with digitization over the last five years, it is hard to isolate and measure the specific impact of the latter on news quality. This applies both to commercial and non-commercial output, regardless of the channel. As digital technology tends to facilitate news production, the lackluster quality of the news content is presumably to be explained, in the first instance, by the discouraging financial conditions.

1.4 Assessments

The digital news outlets have changed the total news offer very little. On the one hand, the news flow via digital media, especially online news, has increased the total news output. However, this has not increased the quality and, indeed, may have contributed to a deterioration. Digital news lacks universally recognized criteria in news reporting, such as accuracy and comprehensiveness.

The transition of television broadcasting to the digital mode has so far not produced any diversification or qualitative change in the news offer of television channels. The influential news bulletins are provided by the main generalist national channels (ETV, Kanal 2, and TV 3), while the majority of digitally introduced niche channels meet news quota obligations in formal terms only: they provide text-based slides or reruns of newscasts produced by the parent mainstream channel without contributing anything original.

2. Digital Media and Public or State-administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

Public service broadcasting was instituted to replace the established state broadcasting operators by adopting the Broadcasting Act in 1994.[32] The then separate public radio and public television were integrated into one legal entity—*Eesti Rahvusringhääling* (ERR)—on 1 July 2007 by the newly adopted Estonian National Broadcasting Act, which also concretized the objectives and functions of the public broadcaster.

The relatively high audience shares for PSB in the early 1990s declined rapidly for several reasons: abandoning shows of a commercial nature (e.g. the "*Dating Game*"); foreign owners' investment in the programming of commercial channels and the subsequent rise in competition between the channels; several managerial errors at public service television, predominantly due to insufficient state funding for the PSB. However, cancellation of advertising on ETV (the television arm of ERR) as of July 2002 worked in favor of the public service image which, as experts have concluded, should not be based on high ratings but on influence and credibility.[33]

By 2012, ETV had regained the highest daily share among television channels,[34] and the second channel ETV2 has shown some increase in viewership over recent years. In 2011, only some 12 percent of the Russian-speaking community claimed to watch ETV almost every day.[35] However, ETV attracts a relatively high proportion of educated audiences.

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32. For a more detailed background, see Loit, *Television across Europe,* pp. 577–578.

33. See Loit, *Television across Europe*; also H. Shein, "Rahvusringhäälingu kuvandiraamistik: taustategurid ja muud hüpoteesid" (Image Framework of the PSB: Background Factors and Other Hypotheses), on the blog Memokraat.ee, 7 February 2010, at http://memokraat.ee/2010/02/rahvusringhaalingu-kuvandiraamistik-taust (accessed 10 January 2011).

34. TNS Emor, "Teleauditooriumi ülevaade juunikuus 2012" (Survey of the TV Audience in June 2012), news item released on 6 June 2012, at http://www.emor.ee/teleauditooriumi-ulevaade-juunikuus-2012 (accessed 20 July 2012).

35. H. Kaldaru, "Eesti elanikkonna meediateemaline arvamusuuring 2011" (Survey of Media-related Opinions of the Estonian Population), omnibus survey, November 2011, by Turu-uuringute AS for ERR, at http://err.ee/files/Uuringud_Meediaaruanne_2011.pdf (accessed 10 January 2013).

ETV2 was at its initial stage envisaged for programming in Russian,[36] especially after the "Bronze Soldier" riots,[37] and is currently running almost all the Russian-language production in Estonia, but it has failed to attract a significant proportion of the Russian-speaking audience. The management is considering giving up plans of having anything more than one Russian-language news bulletin, the ratings for which are also low.[38] The ERR 2011 Annual Report puts the matter simply: "Russian-language programming could only be produced with the help of single-purpose project financing."[39] (This programming consisted of two talkshows, reduced to one a week in the autumn.)

Table 10.
Annual average audience share of PSB TV channels (%), 2005–2010

	2005	2006	2007	2008	2009	2010
ETV	17.1	17.3	16.4	15.6	15.7	15.3
Estonians	25.0	25.5	25.1	23.5	23.7	23.0
Russian-speakers	1.8	2.1	1.7	1.8	1.5	1.7
Higher education	20.8	21.1	21.0	20.5	21.1	21.1
ETV2	—	—	—	0.2	1.1	2.1
Estonians	—	—	—	0.3	1.5	3.1
Russian speakers	—	—	—	0	0.4	0.4
Higher education	—	—	—	0.2	1.5	2.5

Source: TNS Emor, sourced from ERR

Research conducted by ERR in 2009 found that slightly more than 70 percent of programming on ETV and ETV2 was originated in Estonia, compared to 29.8 percent on Kanal 2, 22.1 percent on TV 3, 11.4 percent on Kanal 11, and 5.5 percent on TV 6.[40]

Not surprisingly, the proportion of U.S.-originated programs is relatively low among public service broadcasters (3.2 percent for ETV and 6.1 percent for ETV2), compared with private channels (29.9 percent on Kanal 2, 36.8 percent on Kanal 11, 45.4 percent on TV 3, and 56.4 percent on TV 6).[41]

36. See "Eesti Rahvusringhäälingu arengukava 2010–2013" (Development Plan for Estonian National Broadcasting 2010–2013), adopted by the Council of National Broadcasting on 3 March 2009, at http://err.ee/files/ERRArengukava_2010-2013.pdf (accessed 10 January 2013).

37. The government's April 2007 relocation of a 1947 war memorial to the Soviet army—known as the "Liberator of Tallinn"—triggered two nights of riots in Tallinn by members of Estonia's Russian-speaking community. Experts called for better, more integrative information to be provided to the Russian-speaking community. See more in "The Last Soviet in Tallinn: Saga of the Bronze Soldier," at http://www.tallinn-life.com/tallinn/estonian-russian-relations; Wikipedia; http://en.wikipedia.org/wiki/Bronze_Soldier_of_Tallinn (both accessed 20 July 2012).

38. D. Leitmaa, "Allikmaa: vene kanali ideest tuleks loobuda" (Allikmaa: The Idea of a Russian Channel should be Abandoned), *Eesti Päevaleht*, 5 March 2011.

39. ERR, "ERR majandusaasta aruanne 2011" (ERR Annual Report 2011), at http://err.ee/files/ERR_aastaaruanne2011_kinnitatud.pdf (accessed 10 January 2013).

40. Data by ERR Research Center, retrieved from the ERR Annual Report 2009. The textual forms (text-TV, split-screen, and schedule displaying) have not been included in the overall volume of programming.

41. Data by ERR Research Center, retrieved from the ERR Annual Report 2009.

The Development Plan for 2011–2014 underlines the PSB's role "to shape civic society by framing the public discussion field." This somewhat passionately phrased aim is to be achieved by providing independent, instant, and comprehensive news "to equip the public with resources for political decision-making," providing knowledge, and "carrying [a] continuous cultural flow" of facts and experiences.[42] The plan also emphasizes journalistic quality as fundamental to the public interest.

According to respondents in a credible survey,[43] ETV1 was singled out for outstanding programming in political issues and current affairs (according to 54 percent of all respondents) and cultural topics (49 percent). Documentaries (42 percent) and news and sports (39 percent) were also widely commended. These trends were observed as of 2008, according to the survey.

Concurrently, feature films, serials, and especially entertainment were considered to be the specialty of commercial channels. The best entertainment came from Kanal 2 (according to 37 percent of respondents). But the survey also revealed divergent preferences between the Estonian- and Russian-speaking communities, with the latter considering PBK as the best channel for all genres.

The quantity and quality of the output of news and current affairs have not changed significantly over the last five years. The most significant change was the launch by the ERR of the online news service Uudised.err.ee in 2006, which helped boost the share of news and information in the total output of the broadcaster.

Table 11.

Share of news and current affairs programs on ETV and ETV2 (%), 2005–2010

	2005		2006		2007		2008		2009		2010	
ETV	**Hours**	**%**	**Hours**	**%**	**Hours**	**%**	**Hours**	**%**	**Hours**	**%**	**Hours**	**%**
News	532	8.2	533	6.1	526	6.0	546	6.2	444	5.1	448	5.1
Online text news on screen	0.0	0.0	1,767	20.3	1,797	20.5	1,702	19.4	2,115	24.1	2,054	23.4
Information	449	6.9	463	5.3	575	6.6	548	6.2	557	6.4	535	6.1
Factual	674	10.3	707	8.1	888	10.1	720	8.2	878	10.0	661	7.5
Total no. of hours	**6,523**	**100**	**8706**	**100**	**8,760**	**100**	**8,784**	**100%**	**8,760**	**100**	**8,760**	**100**
ETV2	n/a						**Hours**	**%**	**Hours**	**%**	**Hours**	**%**
News							0	0.0	143	1.6	166	1.9
Online text news on screen							2,730	77.8	5,943	67.8	4,621	52.8
Information							11	0.3	182	2.1	314	3.6
Factual							2	0.1	274	3.1	480	5.5
Total no. of hours							**3,509**	**100**	**8,760**	**100**	8,760	100

Source: ERR

42. "Eesti Rahvusringhäälingu arengukava 2011–2014" (Development Plan for Estonian National Broadcasting 2011–2014), adopted by the Council of National Broadcasting on 2 March 2010, at http://err.ee/files/ERR_arengukava_2011-2014.pdf (accessed 10 March 2011).

43. Turu-uuringute AS, "Meedia 2010," audience survey of the population aged 15–74, conducted at the request of ERR, at http://err.ee/files/Uuringud_Eesti_elanike_meediauuring2010.pdf (accessed 14 March 2011) (hereafter, Turu-uuringute AS, "Meedia 2010").

The newscasts provide a generalist choice of news. Qualitatively, there has been no notable change in the ETV's news offer in recent years. The newsroom employs several local reporters across the country but only three permanent reporters abroad (in Brussels, Moscow, and the United States; reporters are planned for Helsinki (by 2013) and Berlin (2014)).[44] ETV2 provides news in sign language (for those with hearing disability) and in Russian. The night slots have been filled by online text. As ETV2 does not have a 24-hour schedule, the share of these text-news services is relatively large.

As ERR does not include advertising in its broadcasting output,[45] the commercial competition does not immediately influence its day-to-day operations. Hanno Tomberg, a member of ERR's management board, says that competition has had no influence on ETV's programming choices.[46] According to him, ongoing market fragmentation requires the PSB to find ways to reach minorities and various interest groups. However, the annual Development Plans says little about how to achieve this. The Plan for 2011–2014 suggests developing a daily bilingual tele-novella by 2013.[47] The Plan for 2012–2015 assigns the date for the tele-novella to 2014, expanding its aim to include bringing together national groups and increasing social cohesion.[48] Only the Development Plan for 2012–2015 addresses "minorities and various interest groups" more broadly: "offering prompt and daily useful information about life in Estonia, and opportunities for interactive debate on lively issues in the Russian language."[49] For this as yet modest ambition, the Plan envisages the following activities:

- to consolidate and unify the daily Russian-language program zone on ETV2 (by 2012) across the week
- to launch a weekly review in Russian (by 2013)
- to broadcast annually at least 250 hours of original programs in Russian
- to provide programs on ETV2 with optional subtitles and add topics relevant to the Russian audience
- to decide upon further developments for Russian programming

The Development Plan for 2013–2016 remains quite general about the issue, stating that "there is a continual need for efforts to make the Estonian media space acceptable also for the Russian-speaking community," and indicating that "programs with Russian subtitles, the Russian online news service, Russian television news and some Russian-language television debates shall continue."[50] A new emphasis has been put on online

44. "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), adopted by the Council of National Broadcasting on 2 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 20 February 2013).

45. According to the National Broadcasting Act, Article 11, ERR shall not transmit advertising and teleshopping and shall not receive support from sponsorship, except with the approval of the National Broadcasting Council in cases related to the broadcasting rights of international major events acquired via the European Broadcasting Union, or cultural or sports events of significant public interest.

46. Email interview with Hanno Tomberg, member of the ERR management board, 11 March 2011.

47. "Eesti Rahvusringhäälingu arengukava 2011–2014" (Development Plan for Estonian National Broadcasting 2011–2014), adopted by the Council of National Broadcasting on 2 March 2010, at http://err.ee/files/ERR_arengukava_2011-2014.pdf (accessed 10 January 2013).

48. "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), adopted by the Council of National Broadcasting on 2 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 10 January 2013).

49. "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), p. 26, adopted by the Council of National Broadcasting on 2 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 10 January 2013).

50. "Eesti Rahvusringhäälingu arengukava 2013–2016" (Development Plan for Estonian National Broadcasting 2013–2016), p. 17, adopted by the Council of National Broadcasting on 27 February 2012, at http://err.ee/files/ERR_arengukava_2013-2016.pdf (accessed 10 January 2013).

environments, enabling interactive discussions in Russian. All the plans have usually been implemented in accordance with (rather meager) financial resources, as prescribed in the National Broadcasting Act.[51] Additional financing needs to be provided for these plans to be fulfilled.

2.1.2 Digitization and Services

Digitization allowed ETV to launch its second channel in 2008. ETV2 started with transmissions from the Beijing Olympic Games. After this, the channel served as a children's program outlet with various shows from the archives (as there was no sufficient funding added to develop and maintain fully original programming). In this role—as a channel of children's programs—ETV2 has already established its importance. Although in 2009 Russian-language programming was transferred to ETV2, the channel retained a focus on children. The audience survey of media consumption for 2010 indicates that 11 percent of respondents cited ETV2 as the best provider of children's programs.[52] This was a lot compared with ETV2's ratings of 0–3 percent for other genres. However, by the time the survey was carried out, the channel had already cut its children programming.

Instead, according to the evaluation by the PSB management,[53] ETV2 has diversified its programming and that of ERR as a whole. Archived programs in niche genres such as original television theater have been given a wider audience platform compared with their original broadcasts. At the same time, the channel is credited with serving niche interests primarily through documentaries and alternative feature films targetted at specific audiences.

As indicated in section *1.3.1*, ERR launched an online news service in 2006, Uudised.err.ee (in Estonian), which was shortly followed by services in Russian and English. Uudised.err.ee serves as a reliable, though not exclusive, source for commercial radio news output.

It provides general news and information in several specific areas (science, elections, sports, etc.). The Development Plan envisages that ERR's online presence will have an educational as well as informational role.[54] ERR also intends to develop its websites as parallel supplementary resources to radio and television programs, in order to enable both linear and non-linear consumption and provide accessible archives of its content. The economic recession forced ERR to improve the structure of the portals' editorial units, making the output compatible in Estonian and Russian languages.[55] In fact, the English portal is the only daily news source about Estonia in that language.

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51. "Public Broadcasting shall transmit programs which, '*within the limits of the possibilities* of Public Broadcasting, meet the information needs of all sections of the population, including minorities'" (Article 5, section 1, subsection 8; emphasis added).
52. Turu-uuringute AS, "Meedia 2010."
53. Email interview with Hanno Tomberg, member of the management board, 11 March 2011.
54. "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), adopted by the Council of National Broadcasting on 8 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 10 March 2011).
55. ERR Annual Report 2009.

Table 12.

Breakdown of ETV and ETV2 programming by genre (%), 2011

Genre	ETV	ETV2
News	5.4	1.9
Online text news on screen	24.7	47.3
Information	5.8	3.5
Factual	8.4	5.1
Culture, education, science, religion	6.9	10.9
Infotainment	11.3	1.7
Sports	3.4	1.6
Music performances	3.2	3.7
Entertainment	5.1	2.7
Fiction	22.8	19.4
Self-advertising, sponsorship, and other	3.0	2.2
Total no. of hours	8,760	8,760

Source: ERR Annual Report 2011

2.1.3 Government Support

State funding of PSB increased between 2006 and 2008 as a result of the Estonian National Broadcasting merger in 2007, which provided for the launch of ETV2. However, the economic recession resulted in a 10 percent reduction in state funding, and a 16 percent fall in ERR's total income between 2008 and 2010.

According to the evaluation by the ERR management board, the state has in no way affected the independence or diversity of the PSB service. The content-related decisions have been made by the statutory organs of ERR. No legal advantages or privileges have been offered to the PSB to develop digital services. On the contrary: according to an evaluation by Andres Jõesaar, a former chair of the National Broadcasting Council, the private channels were offered more favorable terms for digital switch-over. In particular, the broadcasting license fees for television broadcasters were waived, and the new digital channels (TV 6 and Kanal 11) were granted licenses for free.[56] This waiver was justified on the basis that digital programming can be disseminated by cable, IPTV, and satellite—without employing terrestrial networks.

2.1.4 Public Service Media and Digital Switch-over

Digitization has caused television audience fragmentation even among Estonia's relatively small population. Nevertheless, the combined audience reach of the PSB television channels (ETV and ETV2) has increased since digital switch-over, as was clearly seen in 2012, while that of the major private broadcasters (Kanal 2,

56. A. Jõesaar, "Raha vs. vaadatavus: Eesti telemaastik 2010" (Money vs. Viewership: Estonian TV Landscape 2010), in *Eesti Akadeemilise Ajakirjanduse Seltsi aastaraamat 2009/2010* (Yearbook of the Academic Society of Estonian Journalism 2009/2010), Tartu Ulikooli Kirjastus, Tartu, 2011, p. 112 (hereafter, Jõesaar, "Raha vs. vaadatavus").

Kanal 11, TV 3, and TV 6) has decreased.[57] While it is too early to make further assessments of the impact of digital switch-over, it may be surmised that ETV's sudden increase in popularity is related to its perceived professional standards, the public appetite for serious reporting and analysis of the economic crisis and its impact, and the funding challenges facing commercial broadcasters, which affect the quality of their news output.

2.2 Public Service Provision

2.2.1 Perception of Public Service Media

Although ERR was legally constituted as a public institution in 1994, and the concept of public broadcasting was introduced in 1989, ERR and its entities—radio and television—are still often referred to as "state broadcasting" (television, radio). Linguistic distinctions apart,[58] the broader concept of public service broadcasting may seem unfamiliar to the general public. Even politicians in parliamentary debates at times refer to "state television." Media coverage and media reports also tend to adopt this term. The notion of state over public broadcasting is further underlined by the fact that ERR is funded directly from the state budget and there is no license fee payable by viewers.

The television analyst, recent chair of the National Broadcasting Council, and former Director General of ETV, Hagi Shein, recommends that ERR should find allies for improving the image of public media and for having spokespersons besides the ERR employees themselves. ETV seemed to be successful in this during the "rule" of Ilmar Raag (2002–2005), but ERR's management has since lost many of its allies, according to Mr Shein.

The journalist Andres Laasik, on the other hand, underlines the necessity to reach younger generations, as has been achieved by the Finnish public broadcaster, Yleisradio (YLE).[59] According to the 2010 research, trust in ERR was the highest among the over-60 age group (the number of respondents "fully trusting" among this group exceeds more than twice the number in the 15–19 age group). Also, ETV is relatively more valued in all genres by people with higher education.[60]

2.2.2 Public Service Provision in Commercial Media

Under Estonian legislation the only type of media regulated by law is broadcasting. No content prescription applies to print media or the internet.

57. H. Tomberg, "Kas digipööre oli edukas?" (Was the Digi-turn Successful?), *Postimees*, 18 January 2011.
58. The prefix "*riigi-*" (state) sounds shorter and sharper in Estonian than the longer "*avalik-oiguslik*" (public), despite its recent abbreviation to "*avaoiguslik*."
59. A. Laasik, "Vajatakse nooruslikku arengukava" (A Youthful Development Plan Needed), *Eesti Päevaleht*, 17 March 2011.
60. Turu-uuringute AS, "Meedia 2010."

A news quota of 5 percent of total programming applies both to commercial radio and television services, although exceptions can be made for thematic channels (music, film, or sports). Commercial television channels are also obligated to ensure that 10 percent of their monthly output consists of their own original productions and at least half of this is transmitted during prime time between 7 p.m. and 11 p.m. (again, with exceptions for thematic channels). Furthermore, news, sports events and games, advertising, teletext services, and teleshopping cannot be included in the quota.[61]

Commercial radio and television outlets are also obliged, like the PSB, to immediately and without charge transmit emergency notices, which may include official announcements by Parliament, the president, and the government in the event of threats to national security or constitutional order; or information that is necessary to protect human lives, health, and security or to prevent material damage or danger to them, as well as for the prevention or reduction of environmental damage.[62]

2.3 Assessments

As has been underlined by Mr Jõesaar, digital switch-over primarily embraces a quantitative dimension: making frequency resources usage more effective, freeing up part of the analog resource for broadband communication facilities, and concurrently extending the number of channels for television as well. However, this has not corresponded to a qualitative change in PSB output.[63] The official documents of ERR indicate that the public broadcaster has been underfinanced and needs additional professional resources.[64] Thus, much of the PSB output springs from the enthusiasm of the broadcaster(s).

Nevertheless, the launch of ETV2 in 2008 has provided opportunities for the PSB to develop a more diverse package of television programs. ETV2 addresses smaller and more specific audiences, providing Russian-language programming, shows for children, and programs about science, education, and culture.[65] Launching online news services in Russian and English has also enabled the furthering of public service goals through multimedia and non-linear services.

With respect to measurable indicators, ERR has rather gained than lost from the digitization process.

2012 saw a dramatic rise in ratings for PSB television. This may merely be the result of a short-term effect of the economic recession on television consumption. Alternatively, it may yet prove to mark an enduring trend.

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61. Media Services Act, Article 8.
62. Media Services Act, Article 18.
63. Jõesaar, "Raha vs. vaadatavus."
64. As assessed in "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), adopted by the Council of National Broadcasting on 8 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 10 March 2011).
65. "Eesti Rahvusringhäälingu arengukava 2012–2015" (Development Plan for Estonian National Broadcasting 2012–2015), adopted by the Council of National Broadcasting on 8 February 2011, at http://err.ee/files/Arengukava_2012-2015.pdf (accessed 10 March 2011).

The structural reform of ERR in 2007 also brought clarifications in the law about the remit and functions of the PSB. However, the elaborated functions include those to be performed in the case of additional financing, e.g. programming for minorities. The digital switch-over in 2010 was purely technical and imposed no additional legal content obligations on ERR.

3. Digital Media and Society

3.1 User-Generated Content (UGC)

3.1.1 UGC Overview

The majority of Estonia's 10 most popular websites provide users with at least one, but usually several, opportunities for user-generated content (UGC) creation (see Table 13).[66] Only the most popular search engines like Google.com, Google.ee, and the e-bank service by Swedbank provide no UGC opportunities.[67]

Table 13.
The 10 most popular UGC websites, January 2013

Website	Ranking	Type of site	User information for Estonia
Facebook	3	International social network	508,500 users*
YouTube	4	Sharing and uploading videos	n/a
Wikipedia	8	A free collaboratively built encyclopedia	n/a
Vkontakte	9	Russian social network	n/a
Blogspot	11	Blogging platform	n/a
Odnoklassniki	12	Russian social network	n/a
LinkedIn	27	International social network	n/a
LiveJournal	34	Blogging platform	n/a
WordPress	41	Microblogging site	260,994**
Twitter	43	International microblogging site	n/a

Notes: * Facebakers.com; ** Quantcast.com; n/a: not available

Source: Alexa.com, 21 January 2013

66. See http://www.alexa.com (accessed 18 January 2013).

67. See http://www.alexa.com (accessed 18 January 2013).

The most popular social media websites in Estonia, i.e. sites that are exclusively user-created are Facebook, YouTube, Wikipedia, and a social networking site, Vkontakte, which is intended for Russian-speaking individuals.[68] The other most frequently visited websites in Estonia are run by established media such as Delfi.ee and Postimees.ee.[69] The former is the biggest online news and entertainment website, which also offers a variety of UGC opportunities to engage in civic journalism, comment on news stories, and participate in forum discussions, online dating, and chat-rooms.

Postimees.ee is an online version of the daily *Postimees*, offering online business news, foreign news, entertainment, sports, and other news that users can comment upon. The seventh-ranked most popular website according to Alexa.com is Mail.ru portal,[70] the largest free e-mail service for Russian-speaking individuals. In addition to providing a personal e-mail account, it offers an opportunity to upload photos, videos, and files, keep a blog, as well as to socialize via instant messaging, create a social network profile, and play online games.

3.1.2 Social Networks

The results of the "MeeMa Survey" indicate substantial differences in the Social Networking Site (SNS) preferences of Russian- and Estonian-speakers. Facebook is currently the most popular site among Estonian speakers (attracting 83 per cent of Estonian-speaking social media users).[71] In fact, with 508,500 users, almost 40 percent of Estonia's population (and 51 percent of those with internet access) has a profile on Facebook.[72]

The second most important SNS among Estonian-speaking internet users was Orkut.com (27.5 percent).[73] The most popular SNS among Russian speakers was Odnoklassniki.ru (ranked 12th on Alexa.com), used by 80 percent of the sample, and Vkontakte.ru (9th on Alexa.com), with 75 percent having a profile there.[74] Both of these sites are strongly oriented toward the Russian-speaking community and have become immensely popular in Russia and other Eastern European countries.

The findings of the MediaCom survey from 2010 indicate that both Estonian- and Russian-speaking Facebook users are motivated to use the site to keep in contact with their friends.[75] A comparative analysis of Facebook user practices of the Estonian- and Russian-speaking communities suggests that the Estonian speakers engage in a wider variety of practices. For instance, compared with the Russian-speaking Facebook users, Estonian-speaking users (49 percent) were more likely to regard the site as an important platform for obtaining information, rather than just a resource for social activity. They are also more active in joining

68. See http://www.alexa.com (accessed 18 January 2013).
69. See http://www.alexa.com (accessed 18 January 2013).
70. See http://www.alexa.com (accessed 18 January 2013).
71. "MeeMa Survey," database.
72. See http://www.facebakers.com (accessed 21 January 2013).
73. "MeeMa Survey," database.
74. "MeeMa Survey," database.
75. P. Kupenko and T. Ülesoo, *MediaCom Survey report*, Tallinn: MediaCom, 2010 (hereafter, Kupenko and Ülesoo).

communities and the web pages of institutions, brands, and organizations (47 percent), or taking part in social media marketing campaigns (40 percent).[76]

The MediaCom survey suggests that people are motivated to join specific SNS communities and fan pages of organizations and companies when they consider the information provided on these pages interesting enough (56 percent), when the theme or topic under discussion in that community is aligned with their interests or hobbies (48 percent), or when the page itself is entertaining and full of interesting information (46 percent). Merely expressing an opinion about the organization or brand, however, is not a strong motivation (24 percent).[77]

In recent years, the spirit of digital activism has been growing. According to the "MeeMa Survey" results, 11 percent of social media users have made a post, commented, or asked questions about a theme related to politics or politicians; and 23 percent of social media users have invited their "friends" to join a civic engagement initiative or community.[78] Nevertheless, it has been noted that not all users of such communities are active; rather, their involvement in the SNS is mostly passive and referential—more a presence than actual engagement.[79]

3.1.3 News in Social Media

The analysis of the most often visited UGC sites among Estonians indicates that they engage in UGC on SNS, where there is a need to fill in pre-given formats, but they are also quite active in producing content on personal blogs, which require and enable their users to employ more creative skills and freedom. For instance, the Fabulous Journalism Award for 2010 was awarded to Daniel Vaarik for an analysis on his blog Memokraat. The article was about the controversy surrounding the construction of the monument in Tallinn dedicated to the victorious Estonian War of Independence (see section *4.3.2*).[80]

According to the findings of a recent Eurostat survey, 91 percent of Estonian internet users used the net in 2012 to read online news and newspapers.[81] Furthermore, the "MeeMa Survey" found that 35.9 percent of social media users have become accustomed to posting links to news stories, commenting on news, or posing questions about the news they have read on their SNS profiles. In comparison with the youngest age groups, who are most active in commenting and sharing news on social media (45.4 percent of 15–19-year-olds; 44 per cent of 20–29-year-olds), this activity is much less popular among older social media users (20.8 percent of 45–54-year-olds, and 15.4 per cent of 55–64-year-olds).[82]

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76. Kupenko and Ülesoo.

77. Kupenko and Ülesoo.

78. "MeeMa Survey," database.

79. V. Kalmus et al., "Mapping the terrain of 'Generation C': Places and Practices of Online Content Creation Among Estonian Teenagers," *Journal of Computer-Mediated Communication*, 14(4) (2009), pp. 1257–1282 (hereafter, V. Kalmus et al., "Mapping the terrain of 'Generation C'," 2009).

80. "Oivalise ajakirjanduse preemia pälvis Daniel Vaarik" (Prize for Excellent Journalism Awarded to Daniel Vaarik), Postimees Online, 21 October 2010, at http://www.postimees.ee/?id=329848 (accessed 10 December 2010).

81. More than half of internet users post messages to social media. See http://epp.eurostat.ec.europa.eu/cache/ITY_PUBLIC/4-18122012-AP/EN/4-18122012-AP-EN.PDF (accessed 21 January 2013).

82. "MeeMa Survey," database.

In addition to commenting on news on social media platforms, various studies suggest that Estonia also has a thriving culture of newspaper commenting. Young people in particular participate in this actively: 82 percent of students read comments on online news at least sometimes, and 43 percent comment on news.[83] Furthermore, most of the students (71 percent) believe that the value of comments lies in the discussion and debate they initiate, while 41percent agree that comments help them to understand the news better.

Estonian citizens are also launching news websites that are solely based on citizen journalism. For instance, a non-profit-making association Estonian Civic Journalism Society (founded in 2010) launched an information portal Kylauudis.ee, where people can write their own news stories related to everyday life and events taking place in their county.[84] A dozen volunteer editors and contributors work for the site, which is visited by 10,000 unique users per month.[85] Activists from the non-profit organization Uus Maailm (New World) launched a community radio called Uue Maailma Raadio (Radio of the New World), which broadcasts live once a month.[86] Hence, at least in this area, UGC has found its place next to the institutionally provided content.

Despite the fact that thousands of households in Estonia make use of information technology for everyday activities and to improve their quality of life, researchers[87] indicate that people are still not that actively engaged in making use of information technology for the benefit of civil society. Authors of these studies[88] regard the democratic potential of information and communication technologies in terms of the provision of e-services by both national and local governments to be rather good in Estonia. However, Estonian citizens are not very active in making use of these opportunities. It has been suggested that people are especially reluctant to take part in citizen initiatives, polls, and signing of petitions; participating in online debate and forums; communicating with officials and online records management, and so forth.[89] Recent studies suggest that young people using social media have become increasingly active in civic society activities compared with older people and those individuals who are not that active in social media;[90] hence, the statement that only the most active internet users are regularly engaged in e-participation initiatives still holds true.[91]

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83. V. Kalmus et al., "Mapping the terrain of 'Generation C'," 2009.

84. See http://www.kylauudis.ee/kylauudis-ee (accessed 10 December 2010).

85. O. Tammik, "Citizen Journalists Hold Conference," 2011, at http://news.err.ee/895d0d86-f026-4990-b368-9b26cf8442be (accessed 28 February 2013).

86. See http://www.uusmaailm.ee/raadio.

87. P. Pruulmann-Vengerfeldt, M. Keller, and K. Reinsalu, "Quality of Life and Civic Involvement in Information Society," *Information Society Yearbook 2009, 2010*, at http://www.riso.ee/en/pub/2009it/#p=1-1-4 (accessed 10 December 2010) (hereafter, Pruulmann-Vengerfeldt et al., "Quality of Life and Civic Involvement").

88. Pruulmann-Vengerfeldt et al., "Quality of Life and Civic Involvement," 2010.

89. Pruulmann-Vengerfeldt et al., "Quality of Life and Civic Involvement," 2010.

90. "Kodanikualgatust toetavad väärtused ja käitumismustrid Eesti elanikkonnas 2011–2012" (Values and Behaviour Patterns which Support Civic Activism amongst the Estonian Population 2011–2012), at http://www.kysk.ee/sisu/10_26918226_Uuringuraport_Kodanikualgatust_toetavad_vaartused_ja_kaitumismustrid_Eesti_elanikkonnas_2011-2012_uuringu_teostaja_Kodanikeuhiskonna_uurimis-ja_arenduskeskus_Tallinna_Ulikool.pdf (accessed 26 February 2013).

91. P. Runnel, P. Pruulmann-Vengerfeldt, and K. Reinsalu, "Estonian Tiger Leap from post-communism to the information society: from policy to practices," *Journal of Baltic Studies*, 40(1) (2009).

3.2 Digital Activism

3.2.1 Digital Platforms and Civil Society Activism

Social media environments, Facebook in particular, have become popular platforms for allowing the general public to express their dislike or show their support of a certain topic.

One of the most famous campaigns of the kind was launched in April 2011 to show support for Andrus Veerpalu, Estonia's twice Olympic 15-km cross-country ski champion after he tested positive for a banned growth hormone. Several Facebook fan communities including "A human-chain to support Andrus Veerpalu," "Andrus Veerpalu is clean," "Backfiring on Estonian media,"[92] and "We believe Andrus Veerpalu," the last of which was joined by more than 68,000 individuals,[93] were created to show support for the athlete. The failure of attempts to clear the disgraced skier's name has not changed the attitude of 62,283 supporters of the Facebook fan community.[94]

92. "Doping Scandal: Are Estonians Sore Losers?." See http://news.err.ee/sports/afe00ac4-7c65-4af7-b049-2ae325ee6406 (accessed 21 January 2013).

93. "Saksamaa portaal imestab 'Usume Andrus Veerpalu' kommuuni populaarsuse üle" (German portal is surprised at the popularity of the "We believe Andrus Veerpalu" group), at http://sport.postimees.ee/451574/saksamaa-portaal-imestab-usume-andrus-veerpalu-kommuuni-populaarsuse-ule (accessed 21 January 2013).

94. "We believe Andrus Veerpalu Facebook community," at http://et-ee.facebook.com/pages/Usume-Andrus-Veerpalu/194487653920408?sk=info (accessed 21 January 2013).

Online and offline protests against ACTA

One of the most successful protest attempts generated through social media in recent years has been a protest against the Anti-Counterfeiting Trade Agreement (ACTA). Estonians have protested against ACTA in several ways. For instance, they created various multimodal platforms—e.g. online games[95] and music videos[96]—that mocked politicians who supported ACTA (such as Prime Minister Andrus Ansip), and actively distributed them through online media. More than 7,200 people signed an online petition against ACTA,[97] and there were several anti-ACTA communities and events organized via Facebook. For instance, more than 4,300 Estonian Facebook users declared their intention to take part in the anti-ACTA protest in Tallinn,[98] and more than 2,400 in Tartu in February 2012.[99] Even though only around 3,000 protesters actually turned up at the event in Tallinn, the protest was named the biggest civic engagement initiative in the history of Estonia since the Singing Revolution (1987–1991).[100]

According to a recent study, Estonians are most active in joining single-issue support groups on Facebook, followed by political party support groups, nationalist, feminist, and sexual minorities, environmental and activist movement support groups.[101] The most popular online single initiatives so far have been "Down with Tallinn TV—money to kindergartens" (14,414 likes),[102] which demands that the money spent on producing Tallinn TV should be spent on kindergartens; and "A worthy salary for a teacher,"[103] which supports higher pay for teachers (10,693 likes).

One of the most talked about civic initiatives in Estonia that has made active use of digital technologies has been a campaign called "My Estonia—Let's do it!"[104] The first event of the initiative, "Let's do it—Let's clean Estonia," took place on 3 May 2008 when more than 50,000 volunteers turned out to collect 10,000 tonnes

95. "Lõbus mäng: Ansip sööb seemneid" (Funny Game: Ansip Eats Seeds), at http://publik.delfi.ee/news/naljad/lobus-mang-ansip-soob-seemneid.d?id=63899393 (accessed 21 January 2013).

96. "Kuula DJ Fooliumi poliitilist tümakalugu 'Ansipi ACTA'" (Listen to the political beat-song 'Ansip's ACTA' by DJ Foolium), Õhtuleht online, 13 February 2012, at http://www.ohtuleht.ee/video/464477 (accessed 21 January 2013).

97. "Ei ACTA-le" (No to ACTA), at http://petitsioon.ee/ei-acta-le (accessed 21 January 2013).

98. "ACTA-vastane protest (Tallinnas, Islandi Väljakul, 11.02.)" (Protest against ACTA in Tallinn), at http://www.facebook.com/events/314029425310101 (accessed 21 January 2013).

99. "ACTA-vastane protest (Tartus 11. veebruaril—ülemaailmne protestipäev)" (Protest against ACTA in Tartu), at http://www.facebook.com/events/293549444038917 (accessed 21 January 2013).

100. T. Kaukvere, "Protestijad: 'Poliitikud ei tea ise ka, mis see ACTA on!'" (Protesters: "Politicians do not know themselves what ACTA is!"), 2012, at http://www.ohtuleht.ee/464341 (accessed 21 January 2012).

101. M.-L. Jakobson et al., 2012. "Populism in the Baltic States," 2012, is a research project funded by the Open Estonia Foundation and conducted by Tallinn University Institute of Political Science and Governance, and partners. See http://www.oef.org.ee/fileadmin/media/valjaanded/uuringud/Populism_research_report.pdf (accessed 21 January 2013).

102. "Maha Tallinna TV—raha lasteaedadele" (Down with the Tallinn TV—money to kindergartens), see https://www.facebook.com/mahattv?ref=ts&fref=ts (accessed 21 January 2013).

103. "Õpetajale vääriline palk" (A worthy salary for a teacher), at https://www.facebook.com/pages/%C3%95petajale-v%C3%A4%C3%A4riline-palk/140245219403684?ref=ts&fref=ts (accessed 21 January 2013).

104. See http://www.minueesti.ee (accessed 10 December 2010).

of illegally dumped garbage in various parts of Estonia that had been previously located by special Google Earth positioning software for mobile phones and mobile phones with GPS.[105] The "Let's do it!" campaign spread from Estonia to become one of the fastest growing civic movements in history.[106]

After the great success of the first year, in February 2009 the volunteers behind the campaign launched a virtual "happiness bank" (Onnepank.ee) with "the objective to promote non-monetary values, to help people to return to the deeper values."[107] In order to discuss and exchange ideas on how to improve the neighborhood and the whole country, a series of brainstorming sessions were organized on 1 May 2009. The initiators of the undertaking hoped that the brainstorming sessions would yield at least around a thousand small or large initiatives, leading to an improved quality of life in Estonia. Social media platforms like Facebook, Orkut, and Twitter, but also a project blog and homepage, were used to inform the public, gather ideas, register discussion groups, etc. The IT opportunities presented on the "My Estonia" website were called the "democracy machine" by the organizers, in order to illustrate the idea that they were offering active people and community leaders the chance to continue to engage in the process of solving problems of the greatest importance to the people.[108]

All in all, 527 discussion groups (16 of which were only virtual) with 11,800 participants from all over Estonia took place.[109] An additional 17 brainstorming sessions with more than 200 participants were held in 12 different countries around the world (among them Finland, Sweden, Denmark, France, the Netherlands, Luxemburg, the Czech Republic, Georgia, and the United States).[110] The initiative received extensive media coverage in Estonia, but also abroad (e.g. news stories were published in World News Network, *The Times,* BBC, *Hindustan Times, China Daily, Corriere della Sera*, etc.).[111]

The subjects discussed most often during the "My Estonia" brainstorming sessions were further addressed in 10 workshops held all over the country later in 2010. The project website provided the users with an opportunity to see and express support for the ideas and suggestions expressed during the discussion workshops, which were all publicly available in the "idea bank." The website also holds a "deed bank," which contains projects and initiatives initiated by the discussion bees and already brought to life. For example, "Let's do it: job offers"—an exchange site that helps people find temporary jobs or hire somebody—was jointly realized by the leading recruitment website in the Baltics, CV Online, and the "My Estonia" organizing committee. The aim of the initiative is to reduce unemployment and give people the chance to quickly help one another for

105. A. Reigas, "Estonians plan virtual 'happiness bank' to fight recession," AFP, 28 February 2009, at http://www.minueesti.ee/index.php?lng=en&leht=87,96 (accessed 10 December 2010) (hereafter, Reigas, "Estonians plan virtual 'happiness bank'").

106. A bottom-up global movement uniting 96 countries and growing, at http://www.letsdoitworld.org/news/press-release-bottom-global-movement-uniting-96-countries-and-growing (accessed 13 January 2013). In 2012, 96 countries and 7 million volunteers around the world participated in the global volunteer action World Cleanup 2012, at http://letsdoitworld.org (accessed 21 January 2013).

107. Reigas, "Estonians plan virtual 'happiness bank'."

108. See http://www.minueesti.ee/index.php?leht=88,291&modID=291 (accessed 10 December 2010).

109. See http://www.minueesti.ee/?&lng=en (accessed 10 December 2010).

110. "My Estonia brainstorming Session started with 7300 Participants," press release, 1 May 2009, at http://www.minueesti.ee/?lng=en&leht=87&mod=arhiiv&artikkel=693 (accessed 20 March 2013).

111. See http://maps.google.com/maps/ms?ie=UTF8&hl=en&t=p&source=embed&msa=0&msid=109033996416148644888.000464af43340accd6a35&ll=21.616579,-2.109375&spn=133.12823,360&z=2 (accessed 10 December 2010).

a short period of time.[112] However, it has to be noted that despite the initiative's success in mobilization, no legal action followed the suggestions received through the "idea bank" or brainstorming sessions.

On 7 January 2013, the People's Assembly Rahvakogu (Rahvakogu.ee), an online platform for crowd-sourcing ideas and proposals to amend Estonia's electoral laws, political party law, and other issues related to the future of democracy in Estonia, was launched. The aim of the initiative is to strengthen the role of civic society in politics between the elections, and to stop the politicization of public offices.[113] In the first phase of the initiative the general public can make proposals on the subject as well as criticise and comment on the proposals of others. In the second phase of the initiative a group of analysts will group the various suggestions together and carry out an impact analysis of these scenarios. In the end, the most preferred scenarios will be selected in public meetings and later presented to Parliament by the president of Estonia.[114] Within a period of three weeks, the platform was visited 245,324 times, and 1,238 users have logged in to the site to make a proposal or comment on the proposals of others.[115]

3.2.2 The Importance of Digital Mobilizations

The "My Estonia" project is currently the largest grassroots project (the majority of professionals and specialists from the public, private, and third sectors work as volunteers) to make extensive use of digital media technologies. However, other platforms have been launched to provide users with an opportunity to create content and participate in public policy debate. For instance, due to the need to update online content on a regular basis, the established media have started to make more active use of grassroots journalism. Compared with the year 2004 (when editors-in-chief of Estonian regional papers considered citizens' participation in the news-making process to be insignificant),[116] a range of established media organizations now encourage the practice.

Furthermore, previous studies have shown that people with traditionally low political involvement seem to be considerably more e-active on local issues.[117] For instance, although Estonians have been found to be relatively uninterested in engaging with traditional media (such as by writing letters to newspapers), they are far more active in commenting on news online than their Norwegian counterparts.[118]

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112. "CV Online and My Estonia launch job exchange site," 12 October 2009, at http://www.minueesti.ee/index.php?lng=en&leht=87&mod=arhiiv&artikkel=1135 (accessed 10 December 2010).

113. See http://www.rahvakogu.ee/pages/what-is-rahvakogu (accessed 21 January 2013).

114. See http://www.rahvakogu.ee/pages/what-is-rahvakogu (accessed 21 January 2013).

115. M.Teder, "Rahvakogu külastajate arv kõigub 1500 ja 3000 vahel" (The amount of Visitors to People's Assembly between 1,500 and 3,000), Postimees Online, 21 January 2013, at http://www.postimees.ee/1110312/rahvakogu-kulastajate-arv-koigub-1500-ja-3000-vahel (accessed 21 January 2013).

116. S. Laev, "Osalusajakirjandus ja Eesti maakonnalehtede toimetajate hinnang selle praktikate kohta" (Estonian Regional Paper Editors' Opinions about Civic Journalism and its Practices), thesis for Bachelor's degree in journalism, manuscript, Tartu, 2004.

117. K. Reinsalu and M. Winsvold, "Does civic culture influence the use of online forums? A comparative study of local online participation in Estonia and Norway," *Journal of Public Administration and Public Policy* 1(1) (2008), pp. 51–67 (hereafter, Reinsalu and Winsvold, "Does civic culture influence the use of online forums?").

118. K. Reinsalu, "Kohalike omavalitsuste online-foorumite kasutamisest Eestis ja Norras" (Local Governments' Use of Online Forums in Estonia and Norway), *Riigikogu Toimetised* 16 (2007), pp. 88–95; Reinsalu and Winsvold, "Does civic culture influence the use of online forums?"

At the same time, the analysis suggests that the success of digital mobilizations does not solely depend on the fact that there are increasing opportunities to voice one's opinion on the online platforms of various mainstream media organizations. Although the number of platforms which provide e-participation options as well as various civic engagement initiatives has grown over the years, researchers have indicated that UGC opportunities "do not require particular resources but depend mainly on user agency: motivation, creativity and setting one's priorities."[119] In other words, potential civic engagement does not merely depend on the availability of various technological devices and platforms, but rather people's motivation, willingness, and interest in contributing their thoughts, suggestions, and concerns are crucial in developing civic culture and society.

3.3 Assessments

Estonia presents an interesting research example as it began to develop a civic culture in parallel with the emergence of virtual communications, and the two are therefore linked to a greater extent than in more mature democracies. Thus, it has been suggested that e-participation is probably more integrated with the notions of democracy and citizenship in the minds of Estonians, where the connection between online and offline political action is weaker compared with other societies, e.g. Norway, where e-participation platforms are viewed as just another alternative for engaging in civic activities.[120]

Although various civic initiatives and the internet are becoming increasingly integrated in Estonia, there is a need to distinguish between manifestations of spontaneous democracy and institutional participatory democracy.[121] In fact, the number of people actively involved and willing to engage in the public online debates and participate in developing civic society is still relatively low. Therefore, the analysis of UGC in Estonia suggests that "the existence of space does not in itself affect democratic practices,"[122] as changes in the values, norms, and thinking patterns of the nation are needed in order for the engagement to be more widespread.

119. P. Runnel, *Transformation of the internet usage practices in Estonia*. Dissertation for the commencement of the degree of Doctor of Philosophy (in Media and Communication), Tartu University Press, 2009, p. 64.

120. Reinsalu and Winsvold, "Does civic culture influence the use of online forums?"

121. Pruulmann-Vengerfeldt et al., "Quality of Life and Civic Involvement."

122. K. Reinsalu, *The Implementation of Internet Democracy in Estonian Local governments*. Dissertation for the commencement of the degree of Doctor of Philosophy (in Media and Communication), Tartu University Press, Tartu, 2009, p. 48.

4. Digital Media and Journalism

4.1 Impact on Journalists and Newsrooms

4.1.1 Journalists

Along with digitization, recent developments in journalists' work have been influenced by the economic recession. Although at the time of writing this report the crisis should be recovering from its lowest point, the economic consequences continue to affect the work of editorial boards through budget cutbacks, dismissals, reduction of output, and cancellation or postponement of costly projects. In short, keeping costs to a minimum has become the default feature of many media business models.

The problems resulting from the low-cost business model of online media have been pointed out inter alia by the Supreme Court of Estonia in the case *Vjatšeslav Leedo* v. *Delfi*. Here, the court ruled that media organizations should implement measures sufficient to avoid moral damage not just in articles but also in the comment sections. The Supreme Court indicated that the comment sections are part of the media organization's core content-producing business rather than simply a technical, automatic, and passive service, which is what Delfi had argued.[123]

This ruling broadens the legal responsibilities of media organizations and consequently adds to the professional burden and range of required skills for journalists. Employers expect journalists trained in the traditional print medium to be able to edit for online publications, and also to edit and set up audio and audiovisual pieces as media output increasingly converges.[124]

The changes in the work patterns of Estonian journalists have not been studied within the last five years, but several studies plot the changes based on surveys conducted in 1988, 1995, and 2009. They tend to indicate that the most significant changes have taken place in the levels of professionalism.[125] The early 1990s were

123. The Supreme Court Case 3-2-1-43-09 dated 10 June 2009 (*Vjatšeslav Leedo* v. *Delfi*), at http://www.riigikohus.ee/?id=11&tekst=RK/3-2-1-43-09 (in Estonian, accessed 20 January 2011).

124. Statement by Priit Hõbemägi, the then editor-in-chief of the influential weekly *Eesti Ekspress*, at the public meeting held by the Academic Society of Journalism in Tartu on 21 January 2011.

125. P. Tali, "Eesti ajakirjanike töö iseloomu muutumine, 1988–2009" (Changes in the Character of the Work of Estonian Journalists, 1988–2009), thesis for a Master's degree in journalism, manuscript, Tartu, 2010, at http://dspace.utlib.ee/dspace/bitstream/10062/15841/1/Tali_Piret.pdf (accessed 20 January 2011) (hereafter, Tali, "Eesti ajakirjanike töö iseloomu muutumine, 1988–2009").

characterized by a generational shift: the inflow of young, often inexperienced journalists to the profession as a result of a major restructuring of the industry (departure of older generations of journalists, creation of new jobs, etc.). However, this reign of young and inexperienced journalists (so-called "juvenile reporters") was curbed by the emergence of a certain degree of professionalization within the sector. By 2009, however, there was again a shortage of senior journalists as digital media provided new opportunities for younger and inexperienced reporters to gain a foothold in the industry. One problem is that this new generation of journalists had limited capacity to see events through the prism of recent history that they themselves had witnessed.[126]

With regard to the organizational changes, editorial offices in Estonia tend to be editor-centric and heavily supervised. The journalists' workloads seem to be high, while their freedom of choice is limited. The 2009 questionnaire by Piret Tali revealed that journalists place less importance on the freedom of professional choice than before. The experts interviewed in the study also suggested that transition from the controlled system to independent journalism had a much stronger impact on Estonian journalists than the subsequent technological revolution.

Ms Tali concluded that:

> The only significant contribution of the technological revolution seems to be online journalism, which has become the main tool undermining the culture of professional journalism. The new job of a web reporter has made it increasingly easy for inexperienced journalists to enter the profession and created a new wave of juvenile journalists, which is not as numerous as in the 1990s, but still exists. The application of web-based approaches to newspaper-making has left its mark on the traditional quality requirements and customary working practices. …
>
> The character of Estonian journalism has undergone considerable changes, which have brought about generational differences, with representatives of the pre-revolution generation moving away from journalism and creating a new wave of young and inexperienced web reporters, all of this leading to de-professionalization. The relationships in editorial offices have become more hierarchical and more individualistic, whereas journalists have become less creative.[127]

The dominance of individualistic values in journalists' self-perception of their role has been confirmed by another study by Maret Einmann.[128] When asked about the key purpose of their profession, respondents

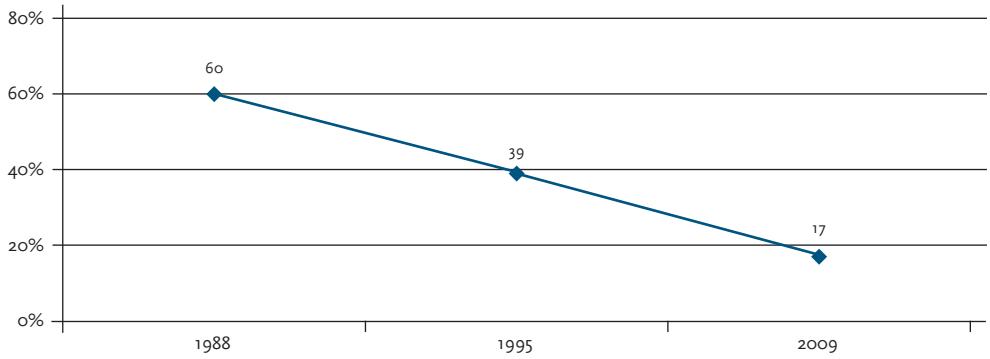
126. U. Loit and H. Harro-Loit, "Media policies and regulatory practices in a selected set of European countries, the EU and the Council of Europe: The case of Estonia," ELIAMEP, Athens, 2010, at http://www.mediadem.eliamep.gr/wp-content/uploads/2010/05/Estonia.pdf (accessed 20 January 2011) (hereafter, Loit and Harro-Loit, "Media policies and regulatory practices").

127. Tali, "Eesti ajakirjanike töö iseloomu muutumine, 1988–2009."

128. M. Einmann, "Eesti ajakirjanike rollikäsituse muutumine 1988–2009" (Changing Role Perceptions of Estonian Journalists in 1988–2009), thesis for a Master's degree in journalism, manuscript, Tartu, 2010, at http://dspace.utlib.ee/dspace/bitstream/10062/15849/1/Einmann_Maret.pdf (accessed 20 January 2011).

in 1988 cited the social role of journalists' work, while by 1995 creative self-realization was seen as the major purpose. When queried about major professional skills in 1995, journalists underlined the importance of morals and ethics, while in 2009 technical (interpretation) skills were seen as being most important. Journalists increasingly define their societal role in a pragmatic way—as just another way to make a living. The increasing individualism of journalists and identification with their employing company rather than with the profession in general are reflected in declining trade union participation.

Figure 5.
Participation in the Journalists' Union (%), 1988, 1995, and 2009



Source: Tali, "Eesti ajakirjanike töö iseloomu muutumine, 1988–2009"

The study by Maret Einmann revealed several role conflicts; in particular, the journalists' professional values and the interests of the organization were often found to be in conflict. Above all, these role conflicts were evident in relation to *online* media; the journalists noted that their work was negatively influenced by group pressure or a compulsion to work faster, more productively, and to offer more stories that "sell," while at the same time compromising on professional standards. A new type of pressure has been identified as the "click value" of news items—the value defined by a particular item's number of visitors, often leading to flawed editorial decisions and generating misleading or distorted headlines. However, Einmann concludes, journalists treated the limitations to their autonomy as normal.

The output of major television channels demonstrates that changes in this mode of production sphere have not yet led to extensive changes in journalists' work—except for in their use of professional equipment which in the past was the job of technicians—as digital television has not yet launched most of the services enabled by the digital switch-over (e.g. interactive services, subtitling, providing live translation, etc.).

4.1.2 Ethics

Expanding online news presents a challenge to professional journalism. The possibilities of unlimited space mean that online journalists have to produce several news items per day, forcing them to rely on more readily available sources of information such as PR material, promotional writing, translations of other online information services, and so forth. The colonization of online news content by PR material is part of a wider

social practice, but in the context of expanding online publishing possibilities, it is important to estimate how much original, professional journalistic input is provided by media organizations.[129]

Several media organizations, including television stations, have launched sections of "public" or "citizen" journalism, items of which sometimes appear in the mainstream news. In this context, the new definition of a journalist (or an editor) has yet to be articulated: to what extent should the editor be engaged in the news flow created by the audience—editing, verifying, and upgrading it. As the Supreme Court case *Leedo* v. *Delfi* has established (see section *4.1.1*), the media organization has to take responsibility for these public postings in their digital environment, but further implications of this remain to be seen.

The Estonian Journalists' Code of Ethics,[130] adopted in 1997, has so far not been amended to reflect online journalism. In several aspects the code is also applicable to digital output, but in many respects it does not deal with online specifics. As the code imposes certain responsibilities both on journalists and media organizations, it would be reasonable to expect the same allocation of obligations in the case of digital media.

The pressure from the *Leedo* v. *Delfi* case helped to finalize the implementation of the notice-and-take-down policy relating to internet commentary sections. This policy relies on readers to report on comments that are off-topic, offensive, or advertising-related, which subsequently have to be removed by the website owner.[131] However, this measure does not always work effectively or promptly, especially in cases of large numbers of comments.

Members of the Newspaper Association adopted an agreement about the extent of reasonable quoting of online news items among themselves. When adopted in 2005, this agreement limited the extent of reasonable and justified quotation to five sentences. In 2009, the limit for direct reproduction was cut to one sentence in addition to the headline. This limitation caused some dispute among media managers. Some (e.g. Igor Rõtov, the director general of the business daily *Äripäev*) argued that the news needed to flow freely and the corresponding business models should support it. Others (e.g. Erik Roose, the director general of the daily *Postimees*) insist on respecting the copyright of the news item, which should protect the channels producing the news themselves from those who only take advantage of others' work.[132]

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129. A. Balčytienė and H. Harro-Loit, "Between reality and illusion: Re-examining the diversity of media and online journalism professionalization in the Baltic States," *Journal of Baltic Studies* 40(4) (2009), p. 517.

130. See, e.g. http://www.asn.org.ee/english/code_of_ethics.html (accessed 20 January 2011).

131. This principle has also been adopted by the council of the Estonian Newspaper Association (30 October 2008).

132. Cited in "Rõtov: Delfi näitas Postimehe nõrkust" (Rõtov: Delfi Revealed Weakness of *Postimees*), a news item by *Äripäev*, 29 June 2009, based on the talkshow "*Pressiklubi*" on Radio Kuku.

4.2 Investigative Journalism

4.2.1 Opportunities

As investigative journalism represents a substantial element of the overall quality of journalism, its occurrence indicates the general health of the news media. However, despite foreign investment since the late 1990s, there has been, as Peter Gross has put it, no sign to confirm "that the Eastern European media outlets that came under Western European ownership have in any way measurably improved their journalism."[133]

The restrictions set by economic circumstances tend to discourage the development of investigative journalism. Exposés are often the result of political leaks (often deliberate), rather than the result of enterprising journalism. Few journalists, mainly in weeklies, have the resources (including time and finances) to deal in depth with certain topics and dig out issues that have not yet been leaked to the press. Here, the speed and volume of the news flow in the new digitized media serve more as an obstacle for investigative journalism than an advantage.[134]

However, the means and tools created by digitization have also improved the work of journalists. The public electronic databases enforced by law (e.g. the commercial register, the register of real estate, etc.) and the public document registers of all state municipal and public institutions have greatly facilitated journalistic investigation and data verification processes, as these can be done around the clock and with minimum restrictions. If some of the information is provided for a fee (e.g. in the commercial register), payment is enabled via e-banking.

The commercial register provides public data about legal entities—for example, the names of board members, the bylaws, annual reports (also submitted electronically). Some journalists regularly screen the electronic register of the correspondence of ministries and other state bodies to gather information and find angles and leads for coverage.

Internet searches also prove effective for background research, but they can also be treacherous as many online data require additional verification, as the information may be out-of-date, deliberately false, or in other ways confusing.

4.2.2 Threats

Threats to investigative journalism derive more from the small size of the media market in Estonia and related economic issues than from any political interference. The government in Estonia often tends to withdraw even in cases where state involvement is needed (as in cases of noncompliance with the provisions of the law, broadcasting license conditions, or good practice).[135]

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133. P. Gross, "Between Reality and Dream: Eastern European media transition, transformation, consolidation, and integration," *East European Politics and Societies* 18(1) (2004), p. 125.

134. See U. Loit, E. Lauk, and H. Harro-Loit, "Estonia: Fragmented accountability," in T. Eberwein et al. (eds) *Mapping Media Accountability—in Europe and Beyond,* Herbert von Halem Verlag, Köln, 2011.

135. Results of research by the Institute of Journalism and Communication at the University of Tartu under the Framework Seventh project, Mediadem, in 2010. See U. Loit and H. Harro-Loit, "Media policy in Estonia: Small market paradoxes," in E. Psychogiopoulou (ed.), *Understanding Media Policies. A European Perspective*, Palgrave Macmillan, Basingstoke, 2012, pp. 87–88.

Thus, limited financial resources ultimately account for the deterioration of investigative journalism in Estonia.[136] Media organizations cannot afford to have journalists working on particular issues for weeks, given the increasing pressures of daily output production in a saturated and converged media market.

The WikiLeaks cases have produced professional debate about the widespread availability of often classified documents to the public via the internet. Jane Singer[137] argues that inundation with documents can lead to an overabundance of information, which causes journalists to become confused and lose control of the story, as it tends to obscure the relevance of the leaked items to the public. In Estonia, the leaks have so far resulted in a series of short news items of inconsequential facts rather than generated pieces of investigative journalism. These leaks may also prove to be manipulative, as the sources are less transparent compared with personal communication. The leaks producing subsequent journalistic investigation can also be the result of a manipulative agenda aiming at dissembling other issues or rearranging the focus of investigations.[138]

The media organizations also drew attention to the recently adopted law amending several earlier laws to legally introduce protection of sources and punitive damages in cases of defamation. The criticism of the draft law was heavy, as it envisaged the possibility of requiring journalists to reveal their sources in certain cases, including leaks.[139] This item was in the end excluded from the law during a parliamentary debate to which media organizations were also invited. The punitive damages were also heavily criticized due to their potential impact on media organizations' economic performance.

Opponents remarked that so far the media had hardly ever been held financially responsible for defamation, and the draft legislation according to which the complainant does not need to provide evidence of moral damage would benefit society. Analysts argued that possible financial damage could be avoided by more rigorous fact checking and editorial evaluation prior to publication—and the size of the damage award would always be within the judges' discretion. With regard to editorial evaluation, the freedom of the press has so far been well preserved.[140]

In short, the internet has not resulted in any threats to investigative journalism, except in so far as the online services' business model erodes support for investigative journalism by reducing the available resources (staff, time, funds). As the old business models for journalism have collapsed in tandem with the economic recession, it is hard to assess the prospective impact of online news media development trends on investigative genres.

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136. See A. Balčytienė and H. Harro-Loit, "Preserving journalism 2010," in B. Dobek-Ostrowska, M. Głowacki, K. Jakubowicz, and M. Sükösd (eds), *Comparative Media Systems. European and Global Perspectives*, CEU Press, Budapest, 2010, pp. 193–208.

137. J. Singer, "The socially responsible existentialist: A normative emphasis for journalists in new media environment," *Journalism Studies* 7(1) (2006), pp. 2–18.

138. Interview with Halliki Harro-Loit, Professor of Journalism at the University of Tartu, Tartu, 25 January 2011.

139. See, e.g. "National newspapers of Estonia use blank pages to protest against draft legislation on the protection of source information," 18 March 2010, a news item by the Estonian Newspaper Association, at http://www.eall.ee/uudised/2010/18_03_10_2.html (accessed 20 January 2011).

140. See, e.g. "Meediaõppejõud: pole põhjust karta, et kohus hakkab sõnavabadust piirama" (Media Educator: No Need to Fear that Court will Restrain Freedom of Speech), 27 November 2010, a news item by Delfi.ee, at http://www.delfi.ee/news/paevauudised/eesti/meediaoppejoud-pole-pohjust-karta-et-kohus-hakkab-sonavabadust-piirama.d?id=35647427 (accessed 20 January 2011).

4.2.3 New Platforms

The amount of investigative journalism done through blogs is insignificant. Some blogs with an analytical approach toward key public issues cover media too. However, entries tend to be few (up to 10 monthly) and limited in scope, often by the same author. Many blogs appear, only to fade away after a relatively short period.

Research of user behavior is in its infancy, so comprehensive statistics on the influence of social media are scarce. The estimated number of active blogs was (as of spring 2010) about 6,500.[141] This is less than one year earlier (8,000). The number of entries per week reached 7,300 (a year earlier the number was 10,000). The peak of blogging in Estonia was the spring of 2009. An average blogger in Estonia is a 20-year-old woman. The proportion of men and women among bloggers is 28:72.

In 2010, the influential media owner Hans H. Luik granted his newly established award for "excellence in journalism"[142] for the amount of € 6,400 (US$ 8,294) to Daniel Vaarik, the creator of the blog Memokraat, which often publishes pieces from other authors too. Mr Luik praised the blog for its good-quality journalism, especially its innovative format.[143] However, most of the entries in this blog, as in several other serious blogs (e.g. Isekiri.blogspot.com), tend to be well substantiated and well written opinions rather than investigative reporting.

4.2.4 Dissemination and Impact

Digitization by itself has not yet created new practices for the dissemination of investigative journalism, nor has it had any noticeable impact on it. The journalists interviewed for this report noted ambivalent attitudes toward new opportunities.[144] For them, digitization tends to shorten the impact period of investigative reports. As Mihkel Kärmas defined it, the scandal launched by digitally disseminated journalistic investigation "may shine more brightly but it lasts shorter than in traditional media." Digital (online) formats tend not to accommodate the profundity necessary for investigative reporting and may even prove to be unprofitable if disseminated for free. However, digital publications remain traceable and might provide interactive means for data presentation.

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141. Data in this passage about the blogosphere by T. Toots (CEO, Freqmedia OÜ), "Sotsiaalmeedia statistikast" (About Statistics of Social Media), at http://www.slideshare.net (accessed 23 October 2010).

142. "*Oivaline ajakirjandus*" (in Estonian).

143. See "Oivalise ajakirjanduse preemia sai Daniel Vaarik" (Award for Excellent Journalism goes to Daniel Vaarik), a news item by ERR, at http://uudised.err.ee/index.php?06218026 (accessed 20 January 2011).

144. Email interviews with Tarmo Vahter (30 January 2011) and Mihkel Kärmas (21 January 2011) from *Eesti Ekspress*; Argo Ideon (1 February 2011) and Priit Pullerits (31 January 2011) from *Postimees*.

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

Some of the most sensitive social issues to emerge from the Soviet era concern issues of language and nationality, and the consequences of a demographic reshaping of society,[145] which started 70 years ago. While this has not led to major political crises, confrontations between communities do nonetheless emerge occasionally, due to different views of Estonia's past, present, and future. This, as mentioned in several cases in this report, results inter alia in different media consumption patterns and consequently diverse information fields, which do not encourage integration and stability.

Such was the case of the riot by members of the Russian-speaking community in spring 2007 following the relocation of a bronze monument of a Soviet soldier from the city center to a military cemetery (see sections *2.1.1* and *3.1.3*). The Soviet period has also left deeply entrenched prejudices toward possible future economic immigration from Russia, on which matter the Human Rights Report for 2011 calls for tolerance.[146]

The courts carry no records of hate speech cases. Intolerance toward various minorities (based on sexual orientation, gender, religion, etc.) is, however, a common topic in opinion sections of newspapers. At this time of writing, the Ministry of Justice is drafting a law defining in more detail the substance of hate speech, in line with suggestions from EU institutions. The current law prescribes penalties in the event that the enmity inflicted also directly threatens someone's life, health, or property. According to the draft, penalties may also be imposed when hostility is incited systematically or in a disturbing manner.[147]

Such intolerance occasionally also occurs in real life. However, violent collisions do not tend to happen, either in society or in the media.

4.3.2 Coverage of Sensitive Issues

Any kind of discrimination and incitement to hatred, violence, or discrimination is prohibited under the constitution. No further legal regulation regarding the media has been introduced. In most cases this falls under self-regulation practices, such as those introduced by the code of ethics of the Estonian press.

Incitement to hatred, violence, and discrimination are also prohibited in the comment sections of news websites. As a rule, hateful and offensive comments are expurgated. In certain cases, the online services censor comments or closes the thread down.

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145. The proportion of ethnic Estonians in the total population fell from 88.1 percent (in 1934) to 61.5 percent (in 1989), while the proportion of Russians, Ukrainians, and other Russian-speaking ethnicities grew almost fourfold during this period: see census data for 1934 and 1989 from Statistics Estonia).

146. K. Käsper and M. Meiorg (eds), *Human Rights in Estonia 2011*, Annual Report of the Estonian Human Rights Centre, Tallinn, 2012.

147. P. Talv, "Justiitsministeerium soovib muuta vaenu õhutamise kuriteoks" (Ministry of Justice Wants to Make Hate Speech a Crime), Ministry of Justice press release, 30 July 2012, at http://www.just.ee/57068 (accessed 20 February 2013).

The number of cases related to unethical coverage of sensitive issues is too small for general conclusions to be drawn. Public assault (verbal or physical) against any minorities or weaker parties is usually so shocking in Estonia that it gains wide and sometimes sensational media coverage, creating a distorted picture.[148]

Minorities have only been mentioned in the Estonian National Broadcasting Act where one of the functions of the PSB laid down is to "transmit programs which, within the limits of the possibilities of National Broadcasting, meet the information needs of all sections of the population, including minorities."[149] On public television, this has been implemented by allocating a portion of broadcasting in Russian (including a daily newscast). PSB Radio 4 (a Russian-language channel) provides an assortment of programs targetting ethnic minorities in their own languages (Belarusian, Ukrainian, Azerbaijani, etc.). There are also several Russian-language private radio programs, mainly appreciated for their choice of music by the target language group.[150]

On the print front, several Russian-language weeklies are published in Estonia, though they tend not to have online versions. The Russian-language national dailies have by and large fallen victim to market competition and have closed in recent years (except for the Russian-language version of *Postimees* and *Den za Dnjom* (Day After Day), a weekly owned by *Postimees*).

4.3.3 Space for Public Expression

The Delfi news website also has a Russian edition. It tends to be valued primarily for its interactive commenting features. The comments in Russian sometimes express heated antagonism toward the state and its institutions, which is rarely found in comments in Estonian.

No innovative technological solutions have been deployed by the mainstream media for enhancing platforms of public expression for minorities. The newscasts and other programming targetted at the Russian-speaking community on ETV2 provides only linear output, and has not yet been formatted as a digital service with optional features (translation either using subtitles or as voice-over).

Thus, digitization has not yet made an impact on media coverage of these issues. However, due to the increasing use of social media, the activists of various minorities do now have access to wider audiences.

148. Interview with Halliki Harro-Loit, Professor of Journalism at the University of Tartu, Tartu, 24 February 2013.

149. Estonian National Broadcasting Act, Article 5, section 1, clause 8.

150. H. Kaldaru, *Eesti elanikkonna meediateemaline arvamusuuring 2011* (Survey of Media-related Opinions of the Estonian Population), omnibus survey by Turu-uuringute AS for ERR, November 2011, at http://err.ee/files/Uuringud_Meediaaruanne_2011.pdf (accessed 10 January 2013).

4.4 Political Diversity

4.4.1 Elections and Political Coverage

Regulation of media coverage of elections has not changed substantially during the last five years. Despite the growth in the number of television channels during the transition to digital, election coverage has not been expanded. Most private television broadcasters do not carry political pre-election debates. ETV, now with two national channels, has not increased the quantity of pre-election debate.

However, the PSB has launched a pre-election website within its online presence to feature a "voter guide" and "monitoring of candidates conduct reports" along with a selection of news items and audio clips.

The recent Media Services Act designed to replace the Broadcasting Act and enacted as of 16 January 2011, limits the requirement of political balance only to the period of the active election campaign, except for the PSB, where political impartiality is a perpetual obligation. The principles of political balance remain the same: "upon granting transmission time to a political party or a political movement to present its position, a television or radio service provider shall also provide an opportunity to grant transmission time in the same program service for other political parties or movements without undue delay."[151] In other words, broadcasters must charge all parties the same fees for the aired programs.

Along with this, the PSB is required to provide rules for reflecting elections in the program services of national broadcasters. These rules are to be approved by the National Broadcasting Council and disclosed up to a week after the date elections have been announced.[152]

Providing an open and pluralistic floor in pre-election debates has been standard practice for several election seasons. The smaller political parties (often not represented in Parliament) and individual candidates have protested that their involvement in the television campaigns has been limited. In 2009, the Estonian Greens contested the in-house rules for resolving pre-election disputes by the PSB, as they could not participate in the debates due to a short candidate list. The courts did not uphold the case as they found the claim ungrounded.

4.4.2 Digital Political Communications

Politicians employ new media technologies in their political communications. They have launched blogs, Facebook, and Twitter accounts as a means of addressing the general public less formally, sometimes deliberately posting comments to attract attention. Media, especially online media, frequently quote these sources.

Sometimes politicians use social media tools to bypass the gatekeepers of the mainstream media. For instance, on the dawn of the general election day in 2011,[153] Evelyn Sepp MP, having collected over 4,600 friends on

151. Media Services Act, Article 14.

152. Estonian National Broadcasting Act, Article 6, section 5.

153. Elections took place on 6 March 2011.

Facebook,[154] suggested that a rival candidate should "set himself on fire"[155] because of his remarks during a parliamentary debate.

Social media have definitely widened the choice of political sources. At the same time, this information tends to be fragmented, dispersed, and irregular. This information may easily be distorted while being constructed, framed, and mass-circulated by the professional news media.[156] The interest in political discussions has grown slightly, due more to negative trends in the overall political culture (e.g. a government that does not listen to any criticism, muddled financing of the political parties, and so forth) than to the internet or digitization more generally.

4.5 Assessments

Digitization has intensified the workload of journalists, but it has not significantly influenced the quality of output. The internet has undoubtedly improved the information gathering process, but at the same time it has created the burden of greater scrutiny of sources. The posting of mass quantities of raw documents, often classified, may be staged to mislead journalists and the general public.

The output of various online news sites consists of short news items, often based on one longer event or speech, or even a talkshow either on television or radio. The contexts for such news items are often missing, potentially limiting the promotion of understanding and significance of important public interest issues. The self-regulation of online media is still being shaped—the code of ethics and other principles of good practice for the press are being adapted for online application.

Although television broadcasting has technically been switched over to the digital signal, the content of terrestrial programs has not been given any digital characteristics such as on-demand capability. Only some non-terrestrial (not-on-air) communication networks (Elion's IPTV service or Starman's digital cable service) have provided a recording option for certain television channels.

The shortcomings of digitally distributed journalism are primarily a result of economic limitations and the relatively small size of the market rather than direct political intervention. Digitization has created some specialized online sites for election coverage by the mainstream media outlets. But despite an increase in the number of digital television channels, there has been no noticeable increase in election coverage and debate. The same can be said about the coverage of marginalized groups. Although digitization provides additional platforms and space for more coverage, the financial and human resources remain the same, or have even been cut because of the economic recession.

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154. Standing at 22 March 2011. However, she gained only 416 votes in the elections.

155. See "Evelyn Sepp Tõnis Kõivule: pane ennast põlema" (Evelyn Sepp to Tõnis Kõiv: Set Yourself on Fire), Postimees Online news item, 13 January 2011, at http://www.postimees.ee/?id=371557 (accessed 20 January 2011).

156. Interview with Halliki Harro-Loit, Professor of Journalism at the University of Tartu, Tartu, 25 February 2013.

5. Digital Media and Technology

5.1 Broadcasting Spectrum[157]

5.1.1 Spectrum Allocation Policy

The spectrum allocation policies in Estonia are in line with EU regulations. Spectrum falls under the domain of the Ministry of Economic Affairs and Communications. The direct regulatory body for spectrum-related issues is the Technical Surveillance Authority (*Tehnilise Järelevalve Amet*, TJA), particularly its Electronic Communication Division. The general principles for spectrum allocation have been laid down in the Electronic Communications Act (adopted in 2004). The law envisages the radio frequency allocation plan to "determine the manner, regime and purpose of using radio frequencies,"[158] as laid down by the minister.

According to officials interviewed for this report,[159] a key objective underpinning this plan is the efficient and purposeful use of radio frequencies. In other words, unused spectrum must be minimized. This principle applies also to spectrum licensees, who may for competitive reasons engage in spectrum hoarding. For instance, frequencies have been revoked from Elion after it failed to launch a multiplex for which the spectrum was allocated (see section *5.1.3*). This kind of sanction is enshrined in legislation rather than being merely a prerogative of the regulator.

The Radio Frequency Allocation Plan has adopted the principle of technological neutrality since 2005, and the principle of service neutrality as of 25 May 2011. This means that in accordance with the plan, frequencies have been distributed based on neutral functions and purposes, not specifying any particular technology or service type. The digital dividend has produced frequencies both for broadcasting (lower spectral band) and broadband electronic communication services (higher spectral band).

157. By broadcasting spectrum, we refer to the radio frequencies or waves in the electromagnetic spectrum which carry radio (including mobile phone), television, and radar signals.

158. Including the radio frequencies used in Estonia for rescue, safety, and national defense purposes; Electronic Communications Act, Article 9, section 1.

159. Interviews with Tõnu Nirk, head of the Communications Department of the Ministry of Economic Affairs and Communications, and Priit Soom, the head of the Electronic Communication Division of the Technical Surveillance Authority (*Tehnilise Järelevalve Amet*, TJA), Tallinn, 5 April 2011.

There are no political preferences regarding the spectrum allocation policy, according to interview respondents. Currently, the development of mobile communications is regarded as the most promising trend among all options as regards frequency uses that will yield the greatest content value in monetary terms. State aid is not provided to the telecommunications sector and spectrum users pay fees for licenses to be granted and renewed. The fees depend on the type of the license and have been imposed by the State Fees Act.

5.1.2 Transparency

The Electronic Communications Act requires the radio frequencies to be "managed on the basis of objective, transparent, non-discriminatory and proportionate criteria."[160] A definitive type of tender for spectrum allocations has not, however, been established. The terms for every individual issuance of frequency licenses are to be determined by the Minister of Economic Affairs and Communications on a case-by-case basis.[161] A one-off fee may be established for the license issuance (up to € 1,597,000 (approx. US$2 million)). The deposit required has to be equal for all participants and must not exceed the one-off license fee.[162] The type of tender depends mostly on levels of demand for the frequency in question. Auctions have not yet been employed by the regulator, reflecting a political decision to encourage investment in new communications infrastructure rather than licenses.[163] The TJA is the body that conducts the tenders.

Regarding digital terrestrial broadcasting, the first three multiplexes were awarded to the broadcasting transmission company Levira under a provision in the Electronic Communications Act.[164] This was a political act to launch the new technology and the company was also obliged to develop the infrastructure to technically facilitate the digital switch-over. However, at that stage there was only muted demand from commercial players for multiplex licenses.[165] The Estonian Competition Authority proclaimed Levira to be a venture exercising a dominant influence on the broadcasting transmission market, and ordered the company to provide greater accessibility for other market participants (e.g. regarding transmission facilities higher than 100 m), non-discriminating service conditions, transparency, and control over prices and costing (a natural monopoly).[166]

There is no evidence to controvert the argument that broadcasting spectrum is in general awarded in a transparent and non-biased way (with the exception of a few single isolated cases, where the proceedings may have given grounds to question them, but without setting a precedent of non-transparent spectrum allocation).

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160. Electronic Communications Act, Article 8, section 2.

161. Electronic Communications Act, Article 9, section 4.

162. Electronic Communications Act, Article 9, sections 2(2) and 2(4).

163. Interviews with Tõnu Nirk, head of the Communications Department of the Ministry of Economic Affairs and Communications; and Priit Soom, the head of the Electronic Communication Division of the TJA, Tallinn, 5 April 2011.

164. Article 190, section 6.

165. Interviews with Tõnu Nirk, head of the Communications Department of the Ministry of Economic Affairs and Communications; and Priit Soom, the head of the Electronic Communication Division of the TJA, Tallinn, 5 April 2011.

166. Effective as of August 2011. Resolution ref. 05.04.11 No. 8-3-12/11-001, at http://www.konkurentsiamet.ee/public/Aprill_2011_T18_otsus.pdf (in Estonian, accessed 19 April 2011).

5.1.3 Competition for Spectrum

A healthy level of competition is secured by law, and is based on technological neutrality and service neutrality. According to the Radio Frequency Allocation Plan, the frequencies have been distributed based on neutral functions and purposes, not specifying any particular technology or service type. State-run competition management ensures that all service providers have equal access to basic services provided by natural monopolies (such as Levira's broadcasting transmission services).

As mentioned in section *5.1.1*, the license for digital broadcasting frequencies (channel 37) was revoked from the telecoms company Elion after it failed to launch a multiplex for which spectrum had been allocated. The channel was issued in early 2009 and a year later, during an inspection, non-employment of the frequencies was established by the TJA. Under the Electronic Communications Act (Article 18, section 3, subsection 1), the license was revoked, as "radio spectrum is a limited resource and there is high public interest in their availability."[167] The above-mentioned clause allows a license to be revoked if the frequencies have not been used for six months.

Both broadcasting and new broadband communication services have benefitted from the digital dividend. Much depends on the prevailing trends in the telecoms sector (especially in the EU) and the regulator's stand with regard to these. Various details, of course, can always be questioned—for instance, whether it might always be in the public interest to have some spectrum resources set aside for future purposes—but these do not detract from the bigger picture, which is one of general adherence to the public interest in spectrum allocation.

5.2 Digital Gatekeeping

5.2.1 Technical Standards

The technical standard for digital broadcasting (DVB-T using MPEG-4 compression) was determined by Levira, the company that was awarded the first three multiplexes to launch digital broadcasting. Some 49 percent of Levira's stocks belong to the state and 51 percent to the French company TDF. State authorities (due to the technological neutrality principle) have not legally determined the standards and, theoretically, any further multiplex operator could choose its own standard.[168]

However, this would be impractical as, for one reason, viewers have been equipped with MPEG-4 devices. Levira made this technological decision based on a larger consensus of market partners: the PSB, other broadcasters, etc. The state authorities were also consulted regarding their capacity to maintain a wide-based solution.[169]

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167. Case description based on email interview with Alo Einla, head of the Radio Frequency Management Department of the TJA, 30 January 2013.

168. Interview with Tõnu Nirk, head of the Communications Department of the Ministry of Economic Affairs and Communications, Tallinn, 5 April 2011.

169. Email interview with Indrek Lepp, Director of the Division of Multimedia Services, 18 April 2011.

As communicated to the general public, MPEG-4 was chosen over MPEG-2 due to its relatively large technical capacity and future adjustability: enabling twice as many channels, possessing higher efficiency, including capability for the soon anticipated utilization of High Definition television and Dolby stereo sound.[170] Estonia was among the first countries to launch the MPEG-4 standard. According to Jüri Pihel, who heads the Government Commission on Transition to Digital Terrestrial Television, other countries can now reap the benefits of Estonia's groundwork.[171] Indrek Lepp from Levira pointed out that choosing MPEG-4 enabled the launch of ZoomTV, a terrestrial conditional access network, which would not have been possible using MPEG-2.[172]

5.2.2 Gatekeepers

Access-related problems posed by gatekeepers have not occurred in Estonia, according to the regulator and to the best of our knowledge.[173]

5.2.3 Transmission Networks

As mentioned in section *5.1.2*, Levira exercises a dominant influence over the television broadcasting market in view of its natural monopoly as the transmission network operator. As a result, the company's operations are under greater scrutiny by the regulators. In September 2011, after two years of investigation, the Estonian Competition Authority established that Levira had earned unreasonably high profits in the fiscal years 2007/2008–2009/2010 due to offering parallel services both for analog and digital broadcasting. However, the authority established that since digital switch-over, the company's profits had normalized and thus the investigation was concluded without further charges.[174]

At an earlier stage in this case, the Competition Authority obliged Levira to disclose on its website the technical conditions for its access services, quality levels, ordering procedures, due deadlines for producing services, and the price components constituting the total price. The Authority prohibited Levira from including infrastructure construction costs in the admission fee, in case the constructed facility remains in Levira's possession and produces a profit in future operations. In December 2011, all the major television broadcasters (ERR, Kanal 2, and TV 3) initiated legal proceedings against Levira in a bid to reclaim the overpayments of service fees (around € 600,000 (US$ 777,734) each). At this time of writing, the court proceedings are still at the stage of preliminary hearings.

When it comes to the involvement and influence of transmission networks in spectrum allocation, no such cases have occurred.

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170. From the FAQ at the official site of transition to digital broadcasting, at http://www.digilevi.ee/?mis=kkk (accessed 17 April 2011).

171. Quoted in "Digitelevisioon toob lisakanaleid ja investeeringuid" (Digital Television will Add Channels and Investment), Forte.ee, 17 October 2010, at http://forte.delfi.ee/archive/print.php?id=33211487 (accessed 17 April 2011).

172. Email interview with Indrek Lepp, Director of the Division of Multimedia Services, 29 January 2013.

173. Interviews with Tõnu Nirk, head of the Communications Department of the Ministry of Economic Affairs and Communications; and Priit Soom, head of the Electronic Communication Division of the TJA, Tallinn, 5 April 2011.

174. Ruling by the Estonian Competition Authority on concluding the administrative proceedings invoked upon applications by the Association of Estonian Broadcasters of 7 July 2009, and Eesti Digitaaltelevisiooni AS of 19 March 2010, on 16 September 2011, Ref. No. 5.1-5/11-020, at http://www.konkurentsiamet.ee/public/Otsused/2011/o2011_20.pdf (accessed 30 January 2013).

5.3 Telecommunications

5.3.1 Telecoms and News

There is one broadcasting transmission company operating in the digital terrestrial market (Levira) which itself does not produce media content. This was pointed out by KPMG's 2010 report on the digital switch-over in Central and Eastern Europe, noting that Levira functions as a content-neutral distributor causing no pressure on broadcasters' content.[175] The major cable networks Starman and STV also do not produce media content, and nor does the IPTV provider Elion. Their earlier attempts have not proved to be effective (often broadcasting text-TV or flames in a fireplace during periods of dead airtime). This has helped to shore up competition in the broadcasting sector and to preserve the principle of net neutrality in the online sphere.

The Estonian Association of Information Technology and Telecommunications, conjoining the major cable operators, has been lobbying for a reintroduction of the "must carry" principle with regards to free-to-air television programs—to guarantee, for instance, that pay-TV packages include the PSB channels. For these purposes, the association has made legal representations directly to the parliamentary commissions, bypassing the Ministry of Culture, which is accountable for issues related to media content and copyright. The television broadcasters themselves have, however, resisted the motion due to copyright reasons, in order to preserve the right to either allow or forbid the transmission by a particular pay-distributor and to collect royalties for program transmission.

5.3.2 Pressure of Telecoms on News Providers

There have been no cases where cable and telecoms operators have exerted pressure on news providers.

5.4 Assessments

In Estonia, spectrum allocation is in line with EU rules. The law explicitly requires the radio frequencies to be "managed on the basis of objective, transparent, non-discriminatory and proportionate criteria." No cases of political interference in spectrum allocation have emerged.

The spectrum regulation of Estonia has proved to be appropriate for the country. There is a healthy level of competition that is secured by laws, and it is based on technological and service neutrality.

Although the Electronic Communications Act does not mention the "public interest" verbatim, the purpose of the law defined in Article 1 is to "create the necessary conditions for the development of electronic communication to promote the development of electronic communications networks and communications services without giving preference to specific technologies and to ensure the protection of the interests of

175. Cited in "Digitelevisioon toob lisakanaleid ja investeeringuid" (Digital TV will Add Channels and Investment), Forte.ee, 17 October 2010, at http://forte.delfi.ee/archive/print.php?id=33211487 (accessed 17 April 2011).

users of electronic communications services by promoting free competition and the purposeful and just planning, allocation and use of radio frequencies and numbering"—this reference to "users" can be definable as "the public."

There is nothing to controvert the argument that the legal framework is in line with the EU requirements and aimed at the general good of the public. Also, the regulator in this field is following generally good principles of administration and no major discrepancies have been revealed which would indicate misrule in the sector.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

Media ownership in Estonia has generally not had sector-specific regulation, and this has not changed over the last five years. General rules for concentration and other related matters apply equally to all industries, including the media. The only provision addressing media ownership directly has been embedded in the Broadcasting Act, which was replaced by the Media Services Act, enforced in January 2011.

The regulation imposed an option for the licensing authority (Ministry of Culture) to refuse to issue a broadcasting license in case "a person operating as a television and radio broadcaster or the responsible publisher of a daily or a weekly newspaper would become simultaneously a person operating as a television and radio broadcaster and the responsible publisher of a daily or a weekly newspaper in the territory planned for the broadcasting activity or a part of the territory of Estonia."[176]

Crucially, however, the Broadcasting Act provided only the grounds for refusing to issue a broadcasting license, not for revoking a license. As reported in 2005, monopoly or cartel conditions are not listed as one of the reasons for which a license may be revoked, nor is there any general statement prohibiting concentration in the market.[177] Partly as a consequence of this, significant concentration and cross-media ownership has been allowed to persist since the law was introduced in 1994. One case in particular involves the ownership by the Norwegian company Schibsted of 50–100 percent of several newspapers (including the leading daily *Postimees* and several local papers), 100 percent of a national television station (Kanal 2), and 32 percent of one of the two largest radio businesses (Trio LSL).[178]

Another probable cause for the lack of implementation of the cross-ownership rule is its reliance on the voluntary declarations of ownership by the media businesses themselves. Furthermore, the possessions of Schibsted have been registered under different legal entities: Kanal 2 is registered as a property of Schibsted,

176. Broadcasting Act, Article 40, section 4, subsection 8.

177. Loit, *Television across Europe*. Budapest: OSI, 2005.

178. See Loit and Harro-Loit, "Media policies and regulatory practices."

while *Postimees* is registered as the property of Eesti Meedia. This has allowed the argument that Schibsted's holdings do not exhibit concentration according to the law.

The recent law has not made the regulation any clearer: it stipulates that the broadcasting license (henceforth "activity license") may not be granted in cases where the applicant is "by means of the governing effect over management connected to the undertaking that has been granted the activity license for provision of television and radio service and this may substantially damage the competition in the media services market, particularly through creation or reinforcement of the dominant position in the market."[179] Moreover, the provision can still only be enforced in the case of new license applications, and does not provide any grounds for cancellation or non-renewal of existing licenses.

6.1.2 New Entrants in the News Market

There have been no enduring new entrants in the Estonian news market in the last five years. Attempts by outside interests to capitalize on the convergence and proliferation of the Estonian media market have to date ended only in spectacular failure.

In 2008 Kalev Meedia, an affiliate of holdings that include the widely known chocolate factory Kalev and milk-manufacturing company Tere, started its operations in the Estonian media market. Several magazines were purchased, a digital free-to-air Kalev Meedia television channel was launched, another cable channel (Neljas) was purchased, as well as radio station Sun FM (in Tartu and Pärnu), and an internet news site was also added to the service portfolio. Throughout the year the activities were under the scrutiny of competitors: Kalev Meedia did not start advertising sales or otherwise increase its income, whilst running up exorbitant costs.[180] According to some estimates, the owner of the stock company Oliver Kruuda lost € 220,000 (US$ 285,152) per month in the magazine business, and in total between around €1 million and €1.4 million (US$1.3 million–1.8 million) per quarter.[181] By the first half of 2009 all the media businesses of Kalev Meedia were halted, the company itself was bankrupted, and some 200 employees were dismissed.

6.1.3 Ownership Consolidation

Small markets like Estonia tend not to possess enough resources in terms of the information society to ensure a versatile and thereby superb flow of information. The small size of the market does not favor competition by several media companies, as it causes fragmentation of resources. As Gillian Doyle has put it, "It is possible that a more monopolistic industry structure would yield a greater diversity of media output (content) than would be economically feasible in a more fragmented and competitive industry structure."[182]

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179. Media Services Act, Article 32, clause 3.

180. See "Peeter Raidla: Kalev Meedia oli kui rahapõletusahi" (Peeter Raidla: Kalev Meedia was like a Cash Cremator), *Õhtuleht*, 16 January 2009.

181. See "Peeter Raidla: Kalev Meedia oli kui rahapõletusahi" (Peeter Raidla: Kalev Meedia was like a Cash Cremator), *Õhtuleht*, 16 January 2009; U. Jaagant, "Kruuda maksis iga kuu ajakirjadele peale 3,5 miljonit" (Kruuda Paid Extra EEK 3.5 million (€0.2 million) to the Magazines), *Eesti Päevaleht*, 14 January 2009.

182. G. Doyle, *Media Ownership*, Sage, London, 2002, p. 17.

While the small scale of the Estonian media sector favors oligopolistic market conditions, media convergence and developing cross-media ownership affect the journalists' job market and thus the level of professional journalism and professional ethics in news production and content. The supremacy of one or two large media concerns might be counterbalanced by effective policy measures that address the public need for balanced and credible information. Existing examples are the news quota obligation imposed on broadcasters, and the Media Services Act, which provides a statutory underpinning for self-regulation of the press (in certain areas such as adverts for food and children's goods). Content regulation, however, may impact negatively on freedom of expression.[183]

Another paradox of the small market concerns a tension between two basic functions of the media in a democratic society: pluralism and integration.[184] Thus, the expansion of channels that might lead to increased choice—but might also decrease the function of the media in promoting a common culture and national identity—is not a significant factor in Estonia, given that the scale of the media market itself limits the proliferation of outlets. However, commercialization and the necessity for cheaper production might make this advantage dysfunctional. Oligopoly can easily turn into monopoly: the balance is vulnerable and fragile.

With respect to the aspects discussed above, no major consolidations of the media market have emerged over recent years. Nevertheless, some changes have occurred, slightly before releasing the current report.

First, newsrooms of the second-biggest daily *Eesti Päevaleht* and the Delfi online service were merged in March 2012, while the legal bodies remained as separate entities. This was due to the fact that Ekspress Group also acquired the rest of the shares in the company publishing the daily. At first, it took some effort to align the different working cultures.[185] The professor of journalism Halliki Harro-Loit pointed out that to produce a qualitative shift as a result of the merger, it would necessitate corresponding investments in professional content production and the development of new (interactive) genres. While the quantitative output is large, perhaps too large, Professor Harro-Loit has as yet not observed any notable implementation of the investments needed to provide the quality shift, whereas the existing media business models have become obsolete.[186]

Mr Luik (owner of Ekspress Grupp) claimed at a media policy conference in December 2012 that this merger had not led to the expected economic constraints. On the other hand, he claimed that the merger had helped to spawn synergies between the operations of the two outlets.[187] A full evaluation of this step is, however, not yet possible.

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183. U. Loit and H. Harro-Loit, "Media policy in Estonia: Small market paradoxes," in E. Psychogiopoulou (ed.), *Understanding Media Policies: A European Perspective*, Palgrave Macmillan, Basingstoke, 2012, pp. 85–99.

184. K. Karppinen, "Making a difference to media pluralism: a critique of the pluralistic consensus in European media policy," in B. Cammaerts and N. Carpentier (eds), *Reclaiming the Media: Communication Rights and Democratic Media Roles*, Intellect Books, Bristol, 2007, p. 15.

185. T. Tammeorg, *Koosolekukommunikatsiooni analüüs Eesti Päevalehe näitel võrdluses Irish Timesiga* (Analysis of communication at the meetings in *Eesti Päevaleht* compared to those in *The Irish Times*), thesis for Master's degree in journalism, manuscript, Tartu 2012, at http://dspace.utlib.ee/dspace/bitstream/handle/10062/27445/tammeorg_teele.pdf?sequence=1 (accessed 20 February 2013).

186. Interview with Halliki Harro-Loit, Professor of Journalism at the University of Tartu, Tartu, 25 February 2013.

187. Hans H. Luik, at the conference "Media policy: News journalism and media competency—how can the watchdog be nourished?," held by the Chair of Journalism at the University of Tartu, Tallinn, 7 December 2012.

Another very recent change in ownership involved radio: at the end of 2012, the Estonian Competition Authority approved the purchase of the remaining radio business shares by the Schibsted-owned Eesti Meedia—publisher of *Postimees* daily (see section *6.1.1*)—from Communicorp Group Ltd (from Ireland). This sale was triggered by the vendor's economic situation; Eesti Meedia's newsrooms remain separate, no public announcements have been made about changing output, and no actual changes have been observed.

With regard to pluralism, the media still play an integrating role in Estonian society. Media pluralism in Estonia exists to the extent that there are at least two competing daily mixed-type good-quality newspapers, as reported at a discussion of the Estonian Academic Society of Journalism.[188] There are besides this two large competing commercial television channels, and they are above all balanced by the output of the PSB television and radio services.

6.1.4 Telecoms Business and the Media

The main players in the telecoms market have remained the same. The largest by both subscribers and sales is Elion (the former telephone company Eesti Telefon), which offers "triple-play" services—phone lines, broadband internet, and IPTV. Starman started as a cable company and after some mergers 10 years ago has also become a provider of triple-play services. Other fixed-line operators also provide triple-play services through interconnection with Elion's network, and mobile operators (such as Elisa) offer broadband services (3.5G and 4G).

The first three multiplexes were licensed to Levira, a broadcasting transmission company that was obligated to develop the digital terrestrial networks (one multiplex for free-to-air channels and two for pay-TV) guaranteeing 100 percent coverage over the entire territory of the country. This needed additional developing, as the analog television coverage was less than 100 percent. In 2011, on the basis of a tender, Starman was also awarded a license for three multiplexes, which they operate from the facilities of Levira (as the natural monopoly of television broadcasting antennas).

By 2011, the telecoms companies had withdrawn from content provision (people still vividly recall the 24-hour transmissions of waterfalls or flames) and focussed instead on distributing the content of others. While the reasons for this withdrawal are not clear, it was presumably the result of a rationalization of resources and the acceptance that direct competition with content providers was not the optimum business model going forward.

6.1.5 Transparency of Media Ownership

Data regarding all legal interests in media corporations are publicly available and accessible online via the Commercial Register, and no cases have occurred in which unclear or hidden proprietary relations have affected media performance. However, the registration of interests is not formally audited by the regulatory authorities, and there is some evidence to suggest that this has impeded implementation of Estonia's already minimal cross-ownership rules (see section *6.1.1*).

188. On 17 March 2011, in Tartu.

6.2 Media Funding

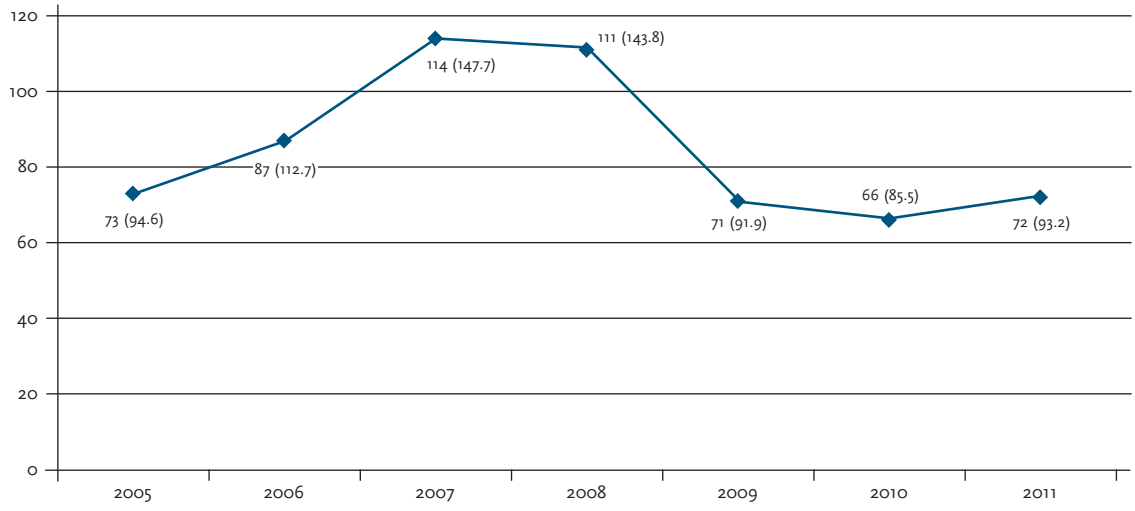
6.2.1 Public and Private Funding

From 2005 to 2007, advertising showed rapid growth: all sectors grew at a yearly rate of over 20 percent, and online advertising grew from 66 percent to 69 percent year on year.[189]

The first signs of economic recession appeared in the results of 2008, when the total advertising spend was slightly down (by 3 percent) compared with 2007. In 2008, the newspaper sector declined by 13 percent, magazines by 10 percent, and television by 2 percent. Next year, the drop was more excessive—36 percent—and advertising in all media sectors decreased: newspapers by 41 percent, magazines by 56 percent, television by 31 percent, radio 26 percent, and online by 24 percent. In 2010, some growth in some sectors could be observed but in total the trend was still downward, by 7 percent. The most developing sector was online with 6 percent growth, and television and outdoor advertising also showed marginal growth. All other sectors were shrinking—newspapers, for instance, by 20 percent.

The total advertising expenditure in 2011 remained slightly below the level of 2005 (see Figure 6).

Figure 6.
Total advertising expenditure (€ million (US$ million)), 2005–2011



Source: TNS Emor

ERR is not involved in the advertising market, and it receives most of its income from state allocations. These allocations have been decreasing since 2008 (by 3.6 percent in 2009 and 7 percent in 2010). In 2011 and 2012, the state allocations remained below the level of 2008. ERR's other income is generated by the broadcaster itself, in the form of various services.

189. Data in this section sourced from TNS Emor, at http://www.emor.ee (accessed 10 April 2011).

Table 14.

ERR's budget (€ million (US$ million)), 2006–2010

		2006		2007	2008	2009	2010
State allocations for daily operations	Radio	7.2 (9.3)	20.6 (26.6)	22.0 (28.4)	25.1 (32.4)	24.2 (31.3)	22.5 (29.1)
	TV	13.4 (17.3)					
Total budget (all income)	Radio	7.5 (9.7)	23.4 (30.2)	29.6 (38.3)	34.0 (44.0)	28.8 (37.2)	28.6 (37.0)
	TV	15.9 (20.5)					

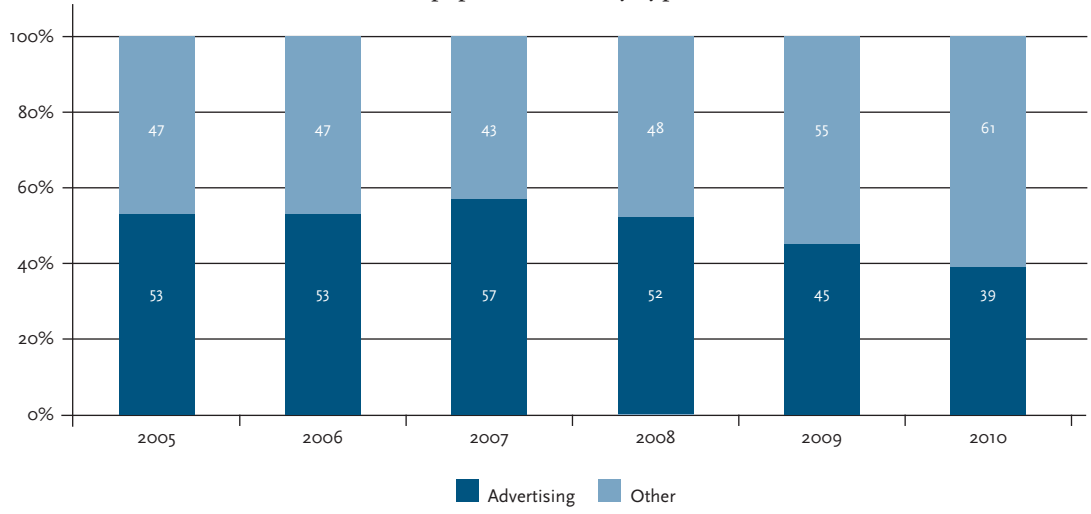
Source: Minutes from the meeting of the Broadcasting Council, 6 February 2006; ERR Annual Budgets (2007–2010)

The other segment of the media sector mainly financed by the state comprises cultural newspapers and periodicals, published by the Kultuurileht Foundation, which received €1.37 million (US$ 1.77 million) from the state budget in 2012,[190] rising to €1.47 million (US$1.9 million) for 2013.

As for the commercial press, by 2009 copy sales revenue had surpassed advertising income for newspapers. This also means that the audience factor has become a more influential cause in newspapers' agenda setting, which was not the case in previous years.[191]

Figure 7.

Breakdown of newspaper revenues by type (%), 2005–2010



Source: Estonian Newspaper Association, at http://www.eall.ee/ajalehetoostus/index.html (accessed 10 April 2011)

A specific feature of shares of advertising expenditure in Estonia is that the major part of it has been held by the newspaper sector since the early 1990s. Only at the beginning of 2010 did television surpass newspapers in advertising expenditure, which has naturally been the position for television across Europe. The dominance

190. Budgets of the Ministry of Culture, 2012, 2013, at http://www.kul.ee/index.php?path=0x1x56 (accessed 20 February 2013).

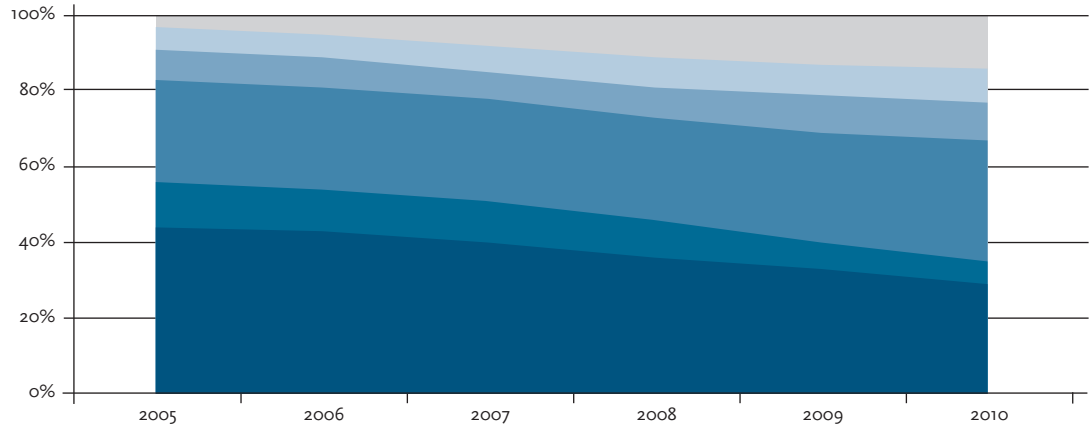
191. Comment from the public meeting held by the Estonian Academic Society of Journalism in Tartu, 18 March 2011.

of the newspaper sector can be explained historically by the relatively high rate of literacy among Estonians by the end of the 19th century, and the inclusion of reading in the common educational standards since the 17th century, also among the peasantry.

However, the shares of the television and newspaper sectors became equal in the first quarter of 2010 (31 percent each). The newspaper sector's share has shrunk, while the portion of the television sector has not increased much. Presumably, a big expenditure share has been ceded to the rapidly expanding online sector, which is partly controlled by the same media companies that publish newspapers. The linguistic barriers have so far kept global search engine companies, Google and others, largely away from Estonia's tiny market, but the impact of global online services on the Estonian advertising market will be seen in the very near future.[192] Spending on online advertising has increased as advertisers moved parts of their marketing budgets to the internet. However, online advertising is still low in Estonia. There are no accessible data broken down by recipients of online advertising.

The radio sector has remained relatively stable and advertising grew slightly during the economic recession, most likely due to the relatively cheaper cost of airtime compared with television.

Figure 8.
Advertising expenditure breakdown by sector (%), 2005–2010



	2005	2006	2007	2008	2009	2010
Internet	3	5	8	11	13	14
Outdoor	6	6	7	8	8	9
Radio	8	8	7	8	10	10
Television	27	27	27	27	29	32
Magazines	12	11	11	10	7	6
Newspapers	44	43	40	36	33	29

Source: TNS Emor

192. Erik Roose, Business Director of *Postimees*, at the "Media policy: News journalism" conference, Tallinn, 7 December 2012.

6.2.2 Other Sources of Funding

There are no other significant sources of funding in the media. Online versions of some newspapers have pay-walls for reading certain stories (mainly published in the paper copy) or archives. A day pass and an article pass are on offer by *Postimees*, *Äripäev, Eesti Ekspress*, and *Maaleht*. The article pass costs €1.50 (US$1.94) (a year ago it was €0.10 (US$0.12)), the day pass €3.00 (US$3.88) (a year ago €0.35 (US$0.45)). One can pay via mobile phones. However, this type of revenue sourcing is only in its introductory phase, and it is too early to tell whether it will prove to be a sustainable source of income. The attempts made earlier to establish pay-walls around online news content were not successful as the audience had become accustomed to getting news on the internet for free.

The state does not subsidize the media in any form (except for budget allocations for the PSB and the state foundation issuing cultural outlets).[193] However, there is an opportunity to get single-purpose project financing to cover certain topical issues (radio or television programs, special pages or inserts in newspapers), which may often be the only way to get these topics into the media, even to ERR. The state institutions sometimes buy advertising to disseminate their public announcements (ERR airs them for free). The finances used for that purpose are quite small and have caused no hassle among the public or the industry. Broadcasters, especially radio stations, disseminate state social campaigns through the Association of Broadcasters across all member stations.

6.3 Media Business Models

6.3.1 Changes in Media Business Models

Recent changes in media business models have been triggered more by the economic recession than by technological revolution. Of course, both factors have been entwined and CEOs interviewed for this report[194] stressed the difficulty in distinguishing between them. The drop in the advertising market has been the primary and surface cause of falling incomes. For instance, by 2010 the television advertising market had shrunk by 3 percent, compared with 2005. In the case of newspapers, the recession has catalyzed readers' migration to online news and caused a reduction in subscriptions by approximately 5–10 percent.[195] But this has been somewhat offset by a corresponding reduction in circulation costs. For smaller papers, the subscription income is insignificant compared with advertising, so losing it would not be lethal for them.

193. See H. Harro-Loit and U. Loit, "Policy suggestions for free and independent media in Estonia," in *Policy Report Addressing State and Non-state Actors Involved in the Design and Implementation of Media Policies Supportive of Media Freedom and Independence, the European Union and the Council of Europe*, Mediadem/ELIAMEP, Athens, 2012, pp. 43–51, at http://www.mediadem.eliamep.gr/wp-content/uploads/2012/11/D4.1.pdf (accessed 10 January 2013).

194. Interviews for this passage with Igor Rõtov, Director General of *Äripäev* business daily, Tallinn, 19 April 2011; Erik Roose, Business Director of *Postimees*, Tallinn, 25 April 2011; Priit Leito, Director General of TV 3, Tallinn, 9 May 2011; and Priit Jõgi, Manager of the Trio LSL Radio Group, Tallinn, 19 April 2011.

195. Interview with Erik Roose, Business Director of *Postimees*, Tallinn, 25 April 2011.

The number of newspaper readers online is constantly increasing, while advertising income is generated by sales of the print editions. Despite the fact that online advertising sales are growing and have been increasing even throughout the recession, this has not offset declines in print advertising and circulation. The online reader produces minimal income (for *Äripäev* approximately 1 percent of the total income)[196] and, as mentioned above, the introduction of pay-services has not yet had a significant impact on business models.

Cost expenditure has decreased in tandem with the decline in revenues. Cuts have occurred in all segments of media production. However, personnel costs cannot be slashed further, as online news also depends on some qualified staff. Where media managers achieve greater savings is in converging online and offline newsrooms. Cross-media convergence has not been implemented in many outlets.

Under the circumstances, the previous business models of news media have collapsed, as was recognized at a media policy conference held in Tallinn in December 2012.[197] The participants revealed that online-offline convergence with Delfi and *Eesti Päevaleht* was not as cost-efficient as had been expected,[198] and the layer of fat that helped bigger media organizations through the economic recession has been devoured. Any further economic turbulence may cause unpredictable developments.[199]

Television revenue models have also been affected by market fragmentation and the emergence of niche channels. This trend is increasingly benefitting the large television companies, which have introduced smaller subsidiaries.

Digitization has led to a broad array of cost pressures on television broadcasters. With market fragmentation, the large channels have needed to provide more domestic content in order to retain viewers, as foreign production may easily be accessed on any other channel. According to Olle Mirme, Program Director at Kanal 2, original production lies is the heart of any channel and helps to bring out its distinctiveness among the overall choice of available options.[200] Statistics, however, do not confirm steady growth of original production at Kanal 2 and TV 3 since 2010.[201] Original production is relatively costly and the price of acquisitions has exhibited an upward trend in recent years.

Broadcasting transmission costs in digital are less than they were in analog, but the television broadcasters have decided to cut costs here too, as the income from advertising has not grown sufficiently to cover them.

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196. Interview with Igor Rõtov, Director General of *Äripäev* business daily, Tallinn, 19 April 2011.

197. Conference on "Media policy: News journalism," Tallinn, 7 December 2012.

198. Hans H. Luik, owner of Ekspress Group, at the "Media policy: News journalism" conference, Tallinn, 7 December 2012.

199. Erik Roose, Business Director of *Postimees*, at the "Media policy: News journalism" conference, Tallinn, 7 December 2012.

200. Olle Mirme, Program Director at Kanal 2, interviewed in K. Karro, "Olle Mirme: 'Kanal 2 jalad on hetkel kõige pikemad ja lihaselisemad'" (Olle Mirme: "The Legs of Kanal 2 are Currently the Longest and most Muscular"), *Eesti Ekspress*, 11 November 2011.

201. Very generally, there was more "own" production in 2011 than in 2010, but in 2012 the statistics—based on data annually reported by the broadcasters to the Ministry of Culture—do exhibit an overall decline in own production volume. The reason for this may be sought in the shrinking television advertising market in the first half of 2012, over 2011. According to TNS Emor, there was a 5.1 percent decrease in TV advertising volume; see http://www.emor.ee/eesti-meediareklaamituru-i-poolaasta-kaive-oli-3663-miljonit-eurot (accessed 30 January 2013).

Already in 2009 (TV 6) and 2011 (Kanal 11), the new digital channels abandoned free-to-air terrestrial transmission, as it only caused extra costs and produced no effect in reaching the target audiences. In 2012, both Kanal 2 and TV 3 threatened to leave free-to-air terrestrial transmission, claiming that the Electronic Communications Act enabled them to collect royalties from the cable networks relaying their content.[202]

As indicated in section *1.2.1*, the cable networks were not willing to pay the television broadcasters. In 2012, the threats became serious. As explained by Urmas Oru, the Director General of Kanal 2, it was preferable for television broadcasters to pull out of free-to-air transmission and achieve their goal immediately rather than start court proceedings lasting for several years.[203] Mr Oru claimed that most channels relayed by cable networks are paid by the network operators, while they incur no content production costs in Estonia and are not subordinated to Estonian jurisdiction (regarding output requirements), although in many cases they do sell advertising on the Estonian market.

Supported by the Ministry of Culture, the Electronic Communications Act was amended at the end of 2012 to clarify that the large television broadcasters have the right to collect royalties. Tough negotiations over the royalties followed between the cable operators and large commercial channels (Kanal 2 was not shown on the STV network and TV 3 on the Starman network for a period of time); by the end of January 2013, the issue had been largely settled.

Radio broadcasters, on the other hand, have been very little influenced by digitization beyond technical changes in production costs and the provision of additional services (podcasts, online players, audio archives). While these do not yield new sources of income, they do add value for the listener.

Radio probably has the poorest future regarding digitization, as there have not even been any discussions regarding upgrade or switch-over to a digital signal. Reasons for this include the absence of an agreed generic standard and consequent high costs for receivers, and the difficulty of convincing consumers of the benefits when digitization offers no obvious improvements in sound quality. Any surplus demand for analog frequencies can be accommodated by reallocating existing resources more effectively, and reappropriating other spectrum after neighboring countries have restructured their own broadcasting spectrum.[204]

As to future trends, the interviewed CEOs alluded to specific uncertainties arising from the relatively small scale of the market. The unpredictability of audiences, especially concerning their readiness to pay for new digital services, makes media organizations increasingly cautious as regards investment in new technologies, particularly during the economic recovery.

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202. U. Oru, "Minister komaga kimpus" (Minister's Complication over a Comma), *Postimees*, 17 May 2012.

203. U. Oru, "Minister komaga kimpus" (Minister's Complication over a Comma), *Postimees*, 17 May 2012.

204. Russia, for example, still broadcasts television on VHF along the frontier with Estonia. This frequency range contains spectrum also for 100 FM radio broadcasting.

Hans H. Luik asked the rhetorical question: would there be any news in Estonia for which the audience would be willing to pay? He argues that while a "media product" could be made available for free in principle, professional journalism cannot.[205] The heads of *Äripäev* and *Postimees* find that the audiences probably would not start paying for news they have already got for free: ongoing experiments with online pay-walls have yet to demonstrate any significant potential for new income sources, as the web with its global resources also generates fragmentation. Erik Roose, Director General of *Postimees*, does see a future in launching some distinctive paid-for niche services online. But by and large the online versions will have to subsist on advertising income. Online news flow might be chargeable only after printed papers are phased out of production, according to Roose. Igor Rõtov, the Director General of *Äripäev*, envisages that by 2015 the printed issue may be less widely read compared with the online version and it will become an "elite item for elderly people." However, Mr Rõtov predicts that paper versions will disappear only "gradually and agonizingly."

For the television sector, fragmentation is predicted to continue, with the major broadcasters such as Kanal 2 and TV 3 launching more niche channels to cater for particular audiences.[206] However, these channels will not likely have a terrestrial presence, as has been the case with new channels launched by Kanal 11 and TV 6: target audiences for specialist channels tend to be on cable networks or other pay platforms (conditional access: satellite in Viasat, pay-terrestrial in ZoomTV) and the channels do not need to pay for distribution in cable or other pay platforms. All new digital terrestrial free-to-air channels, licensed in 2008, have now vanished, except for the public channel ETV2: one went bankrupt, while two others were restructured as pay-TV channels. Media policy has not adequately addressed this market failure of digital terrestrial television, which threatens to limit the diversity and plurality benefits of digitization for pay-TV viewers.

6.4 Assessments

Digitization by itself has not affected monopolies and dominant positions in the media market. Digitization in terrestrial broadcasting has enlarged the spectrum resources available, not all of which have been filled by additional free-to-air programming via multiplexes reserved for digital terrestrial broadcasting. The current oligopolistic structure of the media system seems appropriate for Estonia given its relatively small media market, although it needs permanent monitoring to avoid being taken advantage of by media corporations and to ensure that the public interest trumps any other. Media ownership by politicians is not a problem in Estonia, and ownership transparency has been significantly enhanced by the availability of a commercial register online for the last five years.

There are no indications that the impact of ownership on the performance and independence of the media has changed as a result of digitization.

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205. Hans H. Luik interviewed by Hannes Võrno on Kanal 2's show "*Hannes Võrno Q*," 24 April 2011.

206. According to Priit Leito, Director General of TV 3.

For the best journalistic output and quality, conditions would be required under which the media owners and managers, and also the audience, are willing to spend on quality. Public funds would probably guarantee stable diversity and pluralism, especially in broadcasting where the funding for publicly relevant news is clearly inadequate. Public funds do not necessarily produce public institutions. For instance, local radio stations and newspapers can fulfill some public functions at a local level, which cannot be done by national channels. This in its turn would necessitate a corresponding state policy. Currently, the advertising flow seems to be the priority and it often blurs the boundary between advertising and journalistic content. In a small market, it is often impossible to find private sponsors for content of high public value. Financially, the PR sector is stronger than the journalism sector. As a result, PR messages are often transmitted untouched.

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

The technical requirement to be met before analog signals could be switched off was that 100 percent coverage of the digital terrestrial signal would be receivable throughout the national territory. This provision arises from the Electronic Communications Act. No other special requirements for access and affordability were adopted by the state. The Government Commission on Transition to digital terrestrial television introduced a logo for set-top boxes fully compatible with the transmission standard in use. It was left up to the suppliers whether to obtain this logo from Levira, the broadcasting transmission company (for pay-TV).

7.1.1.2 Subsidies for Equipment

The state did not pay any subsidies to audiences for the purchase of digital receiving equipment. Jüri Pihel, who heads the Government Commission on the Transition to digital terrestrial television, claimed that such subsidies would be "unreasonable." He substantiated this with reference to EU policies, as Austria had to face accusations regarding such subsidies for preferring one particular technology.[207]

However, earlier in 2010 the Minister of Economic Affairs and Communications suggested that municipalities address the issue of subsidizing the acquisition of set-top boxes for those who could not afford it. He wrote to the leaders of municipalities, asking them to consider providing aid for disadvantaged citizens within the existing system of public allowances, which are mainly allotted by municipalities.[208] There are no public statistics for how much the municipalities assisted the disadvantaged in their areas, but the initial reactions of some municipal leaders interviewed were skeptical.[209]

207. Quoted in "Pihel: riigi toetus digibokside jagamiseks pole mõistlik" (Pihel: State Subsidies for Distributing Set-top Boxes would be Unreasonable), BNS/Postimees, 5 March 2010.

208. D. Leitmaa, "Parts palub vaestele digibokse anda" (Parts Asks for Donations of Set-top Boxes for the Poor), *Eesti Päevaleht*, 6 January 2010.

209. D. Leitmaa, "Parts palub vaestele digibokse anda" (Parts Asks for Donations of Set-top Boxes for the Poor), *Eesti Päevaleht*, 6 January 2010.

7.1.1.3 Legal Provisions on Public Interest

There is no explicit invocation of the public interest in the legal framework that governed switch-over. However, certain provisions in the Electronic Communications Act make it clear that conceptions of the public interest were limited to universal access and the protection of public service broadcasting. As already mentioned, the Electronic Communications Act required the digital terrestrial signal to be receivable throughout the national territory prior to switch-over. In addition, the provider of multiplexing services is required to ensure the transmission of the television programs of public service broadcasters and holders of broadcasting licenses, and to provide frequencies for this within the operated multiplexes.

7.1.1.4 Public Consultation

The Government Commission on Transition to digital terrestrial television reported on intense cooperation with interested parties: equipment suppliers, retail sales agents, broadcasting organizations, and providers of transmission and retransmission services.[210] The final report, however, does not refer to consultations with the public or civil society groups.

7.1.2 The Internet

7.1.2.1 Regulation of News on the Internet

News delivery has not been specially regulated on the internet and mobile platforms. All general laws regarding media content apply.

7.1.2.2 Legal Liability for Internet Content

As to independent news production, legal liabilities apply online in the same way as they do in the printed press. As the internet also provides readers and site visitors an opportunity to add comments to news stories, liability online has presented a controversy as regards who is responsible for UGC. Referring to the Information Society Services Act, media organizations have claimed that they do not account for UGC, as "the service provided just consists of the mere transmission in a public data communication network of information provided by a recipient of the service, or the provision of access to a public data communication network."[211] However, this provision includes a condition under which the service provider "does not initiate the transmission."

As mentioned in sections *4.1.1* and *4.1.2* above, the Supreme Court has ruled in the case of *Vjatšeslav Leedo* v. *Delfi*—thereby setting a precedent—that media organizations are responsible for user comments, as the comment sections are part of the content provided by the outlet and serve their business interests. As a result, the provision of comment sections cannot be seen as a technical, automatic, and passive service.[212] Thus,

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210. *Maapealse analoogtelevisiooni levitamise lõpetamine ja täielikule digitaalsele levile üleminek Eestis aastatel 2007–2010* (Closure of Terrestrial Analog Television Broadcasting and Overall Transition to Digital Broadcasting in Estonia in 2007–2010), Final Report of the Government Commission on Transition to digital terrestrial television, 9 November 2010.

211. Information Society Services Act, Article 8, section 1.

212. The Supreme Court Case 3-2-1-43-09 dated 10 June 2009—*Vjatšeslav Leedo* v. *Delfi*, at http://www.riigikohus.ee/?id=11&tekst=RK/3-2-1-43-09 (in Estonian, accessed 20 January 2011).

media outlets can no longer claim that they "have not initiated the transmission [i.e. publication]." The outlets have primarily reacted to this ruling by introducing self-regulatory measures: the "notice-and-take-down" policy relies on readers to report libelous or defamatory comments. However, this remedy does not always work effectively or promptly, especially when there is a flood of comments.

7.2 Regulators

7.2.1 Changes in Content Regulation

The structure of media content regulators has not changed over the past five years. Media issues are under the governance of the Ministry of Culture. This body acts as a regulator for broadcasters: it issues licenses and supervises the implementation of the Media Services Act. It also handles copyright issues and ensures compliance with the Act to Regulate Dissemination of Works that Contain Pornography or Promote Violence or Cruelty. For the latter task, the ministry has instituted a Media Division to evaluate specific cases. This division employs two officials, but as they also work on other policymaking-related issues, the supervision is sporadic and inconsistent. The rest of the media landscape, including the internet, is monitored even less by the ministry.[213]

7.2.2 Regulatory Independence

The Ministry of Culture, particularly its Media Division, has been appointed as a regulator within the scope of the Media Services Act. Estonia is an exceptional example for not having a technically independent regulatory body and thus formally its autonomy can be doubted. On the other hand, as a part of unwritten media policy the freedom of the press is perceived as an absolute right, and no official or politician is inclined to provoke resentment from the media community.

Thus, the undermanned unit merely allowed sporadic supervision and cautious enforcement of media-related laws, which rendered the legislation ineffectual.[214] In 2012, the Media Division became completely defunct, with no active personnel. The Minister of Culture, Rein Lang, has claimed the credit for giving up licensing, content prescriptions, and the surveillance that these prescriptions entailed.[215]

However, the ministry itself proposed the establishment of an independent regulator in 2002,[216] in order to supervise the media services, but nothing changed until early 2013, when amendments to the Media Services Act were submitted to Parliament in order to establish the "semi-independent regulator."[217] It is

213. See Loit and Harro-Loit, "Media policies and regulatory practices."

214. Loit and Harro-Loit, "Media policies and regulatory practices."

215. Interviewed in Loit and Harro-Loit, "Media policies and regulatory practices."

216. Ministry of Culture, "Kultuuriministeeriumi tegevuskava aastateks 2003–2006" (Action Plan of the Ministry of Culture for 2003–2006), Tallinn, 2002, pp. 104–105.

217. This means that the regulatory body will be embedded in the existing governing system, but policymaking (which remains under the aegis of the Ministry of Culture) and law enforcement will be kept apart.

proposed that the regulator would be part of the TJA, which is accountable to the Ministry of Economic Affairs and Communications and already allocates radio spectrum for broadcasting. According to the draft law, the TJA will issue licenses and conduct surveillance, while the Ministry of Culture retains only some media policymaking functions in the license issuing procedure: the Minister of Culture shall assign the terms of the license and the representative of the Ministry of Culture shall participate in the work of the licensing commission. The rest is fully accomplished by the TJA. The amendment is expected to come into effect as of 1 June 2013.[218]

7.2.3 Digital Licensing

The Media Services Act institutes an advisory commission to evaluate applications for digital broadcasting licenses. According to the Act, the commission shall include up to 11 representatives from agencies related to media services and experts. The new law entered into force in January 2011. However, the Minister of Culture (in office since April 2011) did not assemble the commission, as the ministry started to draft a bill on assigning the law enforcement to an independent agency. This resulted in a temporary suspension of licensing, although several digital media services under that law (programming in cable networks, catalog-based services, and other services which do not require radio spectrum) merely need registering without licensing and related tenders. This registration process has not been suspended. The full effect of the Media Services Act will be seen when the entire licensing procedure transfers to the independent regulator being established under a draft law going through Parliament in early 2013 (see section *7.2.2*). However, broad discontent with the licensing process has not been observed.

7.2.4 Role of Self-regulatory Mechanisms

Media self-regulation consists of the Press Council, founded in 1991. In 2002, it underwent significant decay, which led to the creation of a new Press Council affiliated to the Newspaper Association. As the original Press Council also continued to operate, two press councils currently exist.[219]

Both print and online journalism have no specific laws affecting their operations and thus rely mostly on self-regulation. However, this tends to favor the interests of media organizations rather than those of the public, meaning that self-regulatory mechanisms tend to justify media behavior over and above protecting the public interest. The Estonian media scarcely countenance any criticism. Therefore, the new council avoids potential conflicts arising from criticism of the media, including that emanating from academia. It does not progress complaints on the general quality of the media or complaints submitted on behalf of a third party, and accepts only complaints about publications not older than three months (the original Press Council accepts complaints about publications not older than six months), etc.[220]

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218. 336SE, Bill on Amendments to the Media Services Act and Associated Acts, first reading in Parliament, 23 January 2013.

219. For further details, see H. Harro and E. Lauk. "Self-regulation: Watchdog's Collar or Shelter for the Guild?," in *Välittämisen tiede. Viestinnän näkökulmia yhteiskuntaan, kulttuuriin ja kansalaisuuteen. Professori Ullamaija Kivikurun juhlakirja*, *Viestinnän julkaisuja 8* (Communications Publication 8), Department of Communication, University of Helsinki, 2003, pp. 98–108.

220. Loit and Harro-Loit, "Media policies and regulatory practices."

The main instrument of media accountability is the code of ethics for the Estonian press, which was adopted on the basis of wide consensus from the media associations in 1997. It has never been amended since and consequently has no provisions specifically addressing online media. Both press councils take complaints regarding all media platforms, including online. The existing code has been applied to the online media pursuant to its applicability.

Other cases not directly covered by the code are adjudicated on the basis of common sense. However, the understanding of "common sense" preferred by both councils may not be identical, as some comparative cases (examined by both councils) have shown. In recent years, the new council's attitude to media practices has become significantly more critical. There have been few online-specific cases to date, and the rules of procedures for press councils are not suited to some distinct aspects of online media. For instance, one unique feature is the continuous online availability of articles published some five or even 10 years ago, which contain outdated information and may consequently cause undue harm.

As it took six years after establishing the Press Council to introduce the current code of ethics, it can be assumed that it will also take some time to shape self-regulatory provisions for online media.

7.3 Government Interference

7.3.1 The Market

No cases exist to the best of our knowledge in which the state authorities have interfered with the media with a view to distorting the media market.

7.3.2 The Regulator

We are not aware of any cases in which the state authorities have interfered with the media through regulatory bodies, or in which regulators have abused their powers.

7.3.3 Other Forms of Interference

There have been no cases of extra-legal pressure on digital or non-digital media, to the best of our knowledge. There have been no direct pressures or threats against editors and owners regarding content, editorial orientation, and personnel.

7.4 Assessments

The implementation of digitization has been left largely to the whims of the market, with the government maintaining a technology- and service-neutral position, as stipulated by the Electronic Communications Act.

There has been no change in analog-era practices of public consultation, and a significant deficit in transparency and accountability persists in the digital era. Presumably, this is due to the fact that there are no citizens' associations addressing technological questions in a competent way, except for the interested parties. On the other hand, the state procedures lack the cohesion needed to organize and operate a participatory democracy. This is a larger societal or socio-political problem in Estonia, which predates and extends beyond digitization.

8. Conclusions

8.1 Media Today

Media independence has maintained its standing over the past five years. Freedom of speech is highly valued and politically protected, with the result that the reach of regulatory institutions in all sectors is limited. In the press sector, self-regulation mechanisms have a tendency to protect media organizations from external criticism, rather than monitor and effectively sanction misconduct. Even in cases where the law refers explicitly to media conduct rules, both government agencies and the courts tend to defer to self-regulatory mechanisms.

Digitization of the broadcasting sector has somewhat enlarged the number of television channels, leading to the emergence of several small and niche channels, distributed mostly in networks with conditional access. These niche channels, however, do not have a strict news quota obligation in accordance with the recent Media Services Act (which replaces the preceding Broadcasting Act). Even the digitally introduced sister channels of the two major television broadcasters either rerun the newscasts of the prime channel or just provide text-TV news slides to meet the news quotas imposed by the law. Thus, digitization has not widened the choice of current news in television.

The flourishing of online news spaces has increased the amount of news items and improved the immediacy of their publication. On the other hand, resource cuts and responses of media businesses to the demands for instant information have meant that news quality has not increased in tandem with news quantity.

While pluralism of voices has not increased in the mainstream media, the explosive expansion of social media has enabled various groups of people to share their views and tell their stories. However, people need journalistically verified stories that they can trust. There is little evidence to demonstrate that this kind of journalism has been bolstered by digitization, and some evidence to suggest that digitization has curtailed it.

8.2 Media Tomorrow

Over the next five years, it is reasonable to expect improvement in digital services added to media distribution streams. Currently, the choice of digital added services is poor relative to the wide range of opportunities envisaged at the outset of digitization. Increased convergence across different platforms is also to be expected, notably in the field of internet-based technologies for receiving video services using mobile devices.

The larger newspaper publishers are introducing new products to be consumed using e-readers and other electronic devices. On the other hand, executives from these companies interviewed for this report do not expect a very quick transition to online consumption of newspaper content. It has been difficult to charge for online articles, without risking significant loss of readership. But it is likely that publishers will have to change their practices and start charging once the number of online readers exceeds the number of paper readers. Most of the future trends will also depend on the global economic recovery. The small size of the Estonian media market makes development particularly vulnerable to outside influence, all the more so given that the decision-makers of the large private media organizations are increasingly located abroad.

List of Abbreviations, Figures, Tables, and Companies

Acronyms and Abbreviations

ACTA	Anti-Counterfeiting Trade Agreement
BNS	Baltic News Service
BQS	Broadband Quality Score
DTT	Digital terrestrial television
ELASA	Estonian Broadband Development Foundation (*Eesti Lairiba Arenduse Sihtasutus*)
ERR	Estonian Public Broadcasting (*Eesti Rahvusringhääling*)
ETV	Public service television (*Eesti Televisioon*)
EU	European Union
IPTV	Internet protocol Television
ITL	Estonian Association of Information Technology and Telecommunications (*Eesti Infotehnoloogia ja Telekommunikatsiooni Liit*)
ITU	International Telecommunication Union
PBK	First Baltic Channel (*Pervyi Baltiiski Kanal*)
PSB	Public service broadcaster/broadcasting
SNS	Social Networking Site
TJA	Technical Surveillance Authority (*Tehnilise Järelevalve Amet*)
UGC	User-generated content
YLE	Finnish public broadcaster (*Yleisradio*)

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Companies

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Elion (former Eesti Telefon)
Ekspress Group
Elisa
Kalev Meedia
Kanal 2
Levira
MediaCom
Schibsted
Starman
STV
Swedbank
Tallinna TV
TDF
Trio LSL Group
Turu-uuringute AS
TV 3
Viasat

Mapping Digital Media: Country Reports (published in English)

1. Romania
2. Thailand
3. Mexico
4. Morocco
5. United Kingdom
6. Sweden
7. Russia
8. Lithuania
9. Italy
10. Germany
11. United States
12. Latvia
13. Serbia
14. Netherlands
15. Albania
16. Hungary
17. Moldova
18. Japan
19. Argentina
20. South Africa
21. Turkey
22. Lebanon
23. Macedonia
24. Bosnia and Herzegovina
25. Poland
26. Montenegro
27. Georgia
28. Nigeria
29. Colombia
30. Croatia
31. Slovenia
32. China
33. Peru
34. Chile
35. Spain
36. Kenya
37. Bulgaria
38. India
39. France

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program.**

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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