

Footprint of Financial Crisis in the Media

ESTONIA country report

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Commissioned by Open Society Institute

December 2009

The media sector

The overall evaluation of the state of the media market ranged from “quite good” to “poor” in the focus groups and interviews. Almost all participants reported having “lost regularity” in their consumption habits in print and broadcast media. Most attributed the change to a combination of the availability of new media and changes in traditional media content due to the economic crisis.

A majority of the respondents reported feeling more alienated from traditional mass media than they did two years ago and were convinced that the highly competitive media outlets are responding to the crisis by aiming at the lowest common denominator of public interest. This, in turn, has brought about tabloidization and lack of analytical or socially aware content.

Almost all respondents cited the staff cuts in 2009 as the main change in the Estonian media since 2007. The dominant feeling is that the cuts were made at the expense of more experienced reporters. While this is not necessarily true, it clearly indicates the public’s perception that high-quality mass media had suffered remarkably in the crisis.

It is true, though, that more resource-intensive projects (investigative reporting, work requiring travel, etc) are less likely to take place now for two reasons: first, lack of finances; and second, even if there were resources, the decreased amount of original programming and number of pages mean that there is less space to broadcast or publish such content. That has led to more plain reporting and less analysis or content that would be able to offer context. Broadcast media, including the public broadcaster, have concentrated more on infotainment in original programming.

Media professionals interviewed informally described the acute lack of resources as detrimental to their ability to provide high-quality content. Statistics show that print media have been most affected by the crisis and have suffered the biggest loss of advertising revenue. The print media turnover has fallen to the 2003 level and the GDP is comparable with 2005.

Media relations professionals who were part of the expert panel further described numerous instances where they were unable to get coverage of events that reporters/editors did see as important simply because of lack of resources. For example, the news-channels-only camera crew working that day was elsewhere already. This sort of thing, combined with stopping subscriptions to news agencies, means that the news media have increasingly become dependent on press releases and other similar outside content creation. The Estonian Russian-language print media show an even more extreme trend. Apparently the financial and staffing constraints have put their editorial staff into a position to often offer the source the possibility of writing the story instead of a journalist.

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While it is already clear that the real effects of the recession will be felt on the media in 2010 (many print and some online publications are planning further cuts in staff or number of supplements as of January, revenue is showing little or no signs of recovery in Q4 of 2009), the not-for-profit projects of private media have already suffered. Ad-free supplements of newspapers that allowed for essays and longer feature pieces have been cut in regularity, number of pages or totally discontinued. This adds to the trend of closing niche media and drastically cutting regional and international coverage on the national news outlets, which is detrimental to the quality of public discussions.

Media content

In addition to feeling that the media content has been created by less experienced journalists, the respondents highlighted numerous other tendencies across the board (all of these were mentioned by the majority of respondents):

- tabloidization both in terms of news threshold and approach as well as headlines;
- increased stereotyping of groups that are viewed as minorities (from the newly vulnerable middle class that might be struggling with financial decisions made in double-digit economic growth to traditionally marginalised sexual or ethnic minorities), in line with the general mood of the country;
- the “war of rankings” has led to programming decisions to try to appeal to as large audience as possible, introducing scandalous approaches even in the public broadcaster (a respondent reported that recently 10 minutes of the 25-minute main evening news programme was about Tiger Woods’ divorce, while the 2010 state budget was going through parliamentary proceedings);
- the quality of investigative reporting has suffered and the respondents reported a lack of analysis in the media, and even the investigative pieces published or broadcast appear to be based on leaked information;
- less diversity of sources, with stories often based on one interview;
- in covering politics and the economy, the respondents see a distinct absence of solutions offered or experts engaged in the media;
- increasing lack of diversity in the media market, niche publications have disappeared, many topics are receiving less coverage and the coverage is shallower (cultural and social issues seem to have suffered more than political reporting);

- cuts in regional and international coverage. With the exception of the public broadcaster, all media outlets have drastically cut the number of their local correspondents as well as funding for travel. Therefore most of the media has become much more focused on the capital, Tallinn. This showed particularly during the local elections in 2009, when most media content was either Tallinn-centred or scandalous.

These tendencies have led to an overall disillusionment with and alienation from traditional media, which particularly resonates with the educated middle class. This disillusionment was also mirrored in the refusals to participate in the focus group or online interviews: several potential respondents reasoned that they had very little to say as they had made a conscious effort to avoid the Estonian media in the past year.

There were two elections in Estonia in 2009. While focus group participants agreed that the media did not fail to provide them with necessary information, a large majority also said that they themselves “failed to actively seek out sufficient information.” The feeling, however, seems to be more indicative of the quality of media content at the time. The respondents who felt sufficiently informed uniformly also cited extensive media use, following more than ten media channels on a regular basis (including foreign, mostly western, media) as well as heavily relying on personal networks for accurate information.

Young voters were highlighted as particularly vulnerable to manipulation since they often lack the experience (which older people have from the Soviet times) necessary to be skeptical or critical of media coverage and are more likely to believe the media’s framing and interpretation of issues.

Legislation

Although there are a few legal initiatives induced by the recession, such as a raised VAT on periodicals (introduced in 2008 to help balance the state budget), and there is a new bill that would limit a journalist’s ability to protect sources (introduced in late 2009 as a part of populism-fed measures desiring an “iron fist” in otherwise uncertain times), it is too early to say how these might influence media content or consumption.

Otherwise, Estonia has a reasonably liberal advertising law and regulates media and broadcast businesses as well as the public broadcaster in a way characteristic of a western state.

Editorial independence

Through the 1990s and 2000s Estonia had a lively discussion about the role of the media in a society. The mass media (or traditional journalism in a narrower sense) have not positioned themselves as

watchdog, fourth estate or just business. There is a well-established self-regulatory body, the Estonian Journalists Union, with a modern media ethics code that virtually all mainstream news outlets adhere to. Political players and the mainstream media have always had a hostile relationship in Estonia and the political discourse in the media has not changed much recently.

There is little or no evidence to suggest that certain mainstream publications are aligned with certain parties. Many respondents reported, though, that the majority of media outlets seem to be aligned against the populist Centre Party, that has remarkable public support and also publishes its own weekly widely distributed newspaper.

The last few years have seen the extreme politicisation of weeklies and monthlies published by local government. As these are delivered free to all local addresses and often look like legitimate independent print media (often printed without a clear reference to the publisher), they have become the main source of information for many people.

The respondents saw no problems in mainstream news media in regard to the separation of advertisements and journalistic content. Some mentioned commercial censorship in magazines and “soft” TV programming (meaning no criticism of those buying ads). Problems were cited with the aggressiveness of online advertising and some blurred lines in entertainment and lifestyle media (for example, the public broadcaster chose to broadcast live the opening of a new mall, and women’s magazines tend to mix editorial content and sponsored messages). Religious organisations as well as consumer products manufacturers have sponsored TV programmes that definitely have more of a commercial than a journalistic focus.

Additionally, given the small amount of media space, commercial events can also spill over into news. For example a Madonna concert in Tallinn last August was the main news item for days in both print and broadcast, not to mention new, media.

Media ownership

Media ownership is transparent and owners are publicly known in Estonia. Furthermore, Estonian media have shown remarkable investigative reporting on the ownership questions of the Latvian daily *Diena*, further highlighting the media professionals’ own sensibility to the issue.

No focus group participant believed that the owners (neither Estonian nor foreign) could be pulling the strings on editorial content. The general belief among media professionals is, though, that as the media outlets continue to underperform due to economic circumstances, owners will feel the need to be more in control of their investment and will desire to shape the strategy of the companies.

Labour

As already explained above, the majority of respondents in this study saw the effects of the recession mostly on media professionals. All major media outlets have had some staff cuts and almost all mainstream media workers have had to take a pay cut of 8–15 per cent. There is evidence to suggest that at least 500–600 Estonian journalists may have lost their jobs in 2009 and more layoffs are in the works for 2010.

Informal interviews with media executives revealed a bleak outlook for 2010. For example, a daily newspaper that had managed to sustain an editorial staff of 120 throughout the past five years will be announcing further cuts in January and will face the year with a staff of about 70. In the early crisis experienced media professionals left for jobs in other fields, but in 2009 most felt that if they were to be made redundant, there would be very few opportunities available.

It has always been hard for reporters to specialise in as small a media market as Estonia, but with the new financial restraints it has become even harder. Therefore even the experienced journalists often lack the background and knowledge to dwell deeper on issues they are reporting on. This, combined with time and resource pressure, also means that routinely they are not able to think critically about the stories and fail to include a variety of voices.

New media

Many respondents reported traditional mass media being “not irreplaceable”. Newly found loyalty to new media is another indication of alienation from the old media.

As the economic crisis is also pushing price-conscious consumers to the currently free online news portals, new media are seen as bringing an eventual end to traditional media. However, the main Estonian news portal has quite limited original content. This, combined with the “war of clicks”, where content and particularly headlines are scandalous in a tabloid fashion, is likely to alienate critical consumers as well. Already two out of the three main news websites (delfi.ee and postimees.ee) have embedded entertainment and tabloid content in their websites, displaying it prominently.

In 2010 most online media is planning to designate some of the content as “premium”, which will be accessible through a fee-based service. The respondents predict that this will drive consumers to look for new, free sources of news.

Estonian new media do not take advantage of the full democratic potential of the internet. While discussion forums are a staple of all news portals, the online commentators are a marginalised group

and mainstream media consumers try to steer clear of the comment sections due to the often derogatory nature of these discussions.

However, a few examples have emerged where online media have been uniquely able to allocate responsibility for politicians by linking stories to documents, citing, for instance, old promises.

Conclusions

As the overall quality of the mass media has suffered, the kind of issues the media can set the agenda for has also become trivialised, leading to shallower and less fact-based public discussions. Most worryingly, media consumers do not necessarily possess the critical abilities so as not to take the media at their face value, and few media outlets are doing anything to change that. Estonian media do not realise their role as the fourth estate and fail to provide a forum for public deliberations.

Methodological note and respondents

To ensure a diversity of opinions and maximum geographic coverage, as well as a variety of backgrounds and experiences among the respondents, a focus group of five (in Tallinn) was combined with nine online interviews. The respondents were as follows.

Urmo Kübar, executive director of the Estonian Network of Non-profit Organisations

Rebeka Põldsam, student at Tallinn University of Art, activist

Anneli Ohvril, core team member and communication manager for Minu Eesti/My Estonia campaign seeking to revitalise good citizenship, past president of the Tallinn chapter of Junior Chamber International

Maarja Toots, media manager for Open Estonia Foundation

Dr Iivi-Anna Masso, political analyst and columnist working out of both Estonia and Finland

Dr Mart Raudsaar, journalism lecturer at Tartu University, also active in civic education in high schools and on-the-job training of journalists

Christian Veske, senior gender equality specialist at the Ministry of Social Affairs, MA student in European studies

Tanel Mazur, teacher, publisher and freelance journalist in Narva

Merit Karise, advertising lecturer for Tartu Higher Art School and activist, based on the island of Saaremaa

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Signe Susi, local activist who also works with several cultural enterprises in the town of Viljandi

Dr Barbi Pilvre, social sciences lecturer at Tallinn University

Kadri Valner, previously a broadcast journalist, currently a graduate student based in Võrumaa on Estonia's border

Dr Agu Uudelepp, lecturer at Tallinn Technical University, entrepreneur

Piret Soosaar, manager for youth engagement at the Estonian Union for Child Welfare

ANNEX: TABLES**Table 1. Main economic indicators**

Population, total	1,340,415
Working population	885,972

	2006	2007	2008	2009
GDP per head (€)	9,634	11,308	11,833	
GDP growth (%)	10.0	7.2	-3.6	-15.3 (Q3)
Unemployment (%)	5.9	4.7	5.5	14.6 (Q3)
Average wage (€)	601	724	825	777.9 (est)
Internet users (per 100 people) (adults only)	61.2	63.6	66.2	71.2
Broadband availability (broadband connections per 100 households)	44	44	50	n.a.
Mobile telephones (per 100 people)	123	147.6	121.2	n.a.

Sources: World Bank, OECD Statistics Portal, local statistical offices, Eurostat, International Telecommunication Union.

Table 2. Main economic indicators of the media sector

	2006	2007	2008	2009
Dailies (November, yoy)	7	7	6	5
Regional newspapers (November, yoy)	23	22	24	24
Weeklies (November, yoy)	10	12	10	10

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No. public TV channels	1	1	2	2
No. public radio channels	5	5	5	5
Commercial TV stations*	3	4	8	6**
Commercial radio stations	n.a.	n.a.	n.a.	25
News websites (unattached to the traditional media)***	1	2	2	1
Advertising revenue in print media (% , yoy, compared with 2006)****	100	127	123	74 (Q3)
Advertising revenue in TV (% , compared with 2006)	100	138	127	85 (Q3)
Advertising revenue in radio (% , compared with 2006)	100	117	129	90 (Q3)
Advertising revenue in new media (% , compared with 2006)	100	163	205	150 (Q3)

* Does not include cable channels licensed from elsewhere but with local content, such as TV1000, Fox Life, History Channel, or channels with local reach.

** At least one more channel is to announce moving to a subscription-only cable package in early 2010.

*** Only those creating remarkable amounts of own content. Most influential news websites are attached to newspapers.

**** Newspapers only.

Author

Liisa Sveningsson Past is a founding partner of the communications consultancy Meta Advisory Group. Previously she worked with civil-society organisations all over Europe and on the east coast of the United States. For the last twelve years or so she has consulted worked with international corporations as well as government organisations, in the communications field.

Liisa received her BA from Barnard College of Columbia University in New York in political science with a minor in psychology. She is currently finishing her master's in communications at the University of Tartu, where she is looking into the mobilising and uniting attributes of nationalism. She has lectured at the University of Tartu, Tallinn University, Estonian IT College and the Viljandi Culture Academy.

As a seasoned trainer and coach her emphasis is on communications management, public relations and media affairs. Additionally she has more than a decade of experience as a public-speaking coach, who covers argument theory as well as practical video training and simulation events. She is part of the international debate education movement and has been a debating coach all over the world.

Before becoming a founding partner in Meta Advisory Group Liisa was working for the op-ed/editorial department in one the biggest Estonian daily papers, Eesti Päevaleht. She was also one of the editors in charge of their socio-political magazine Mõte (Thought). She has contributed to several media outlets and feels at home both in a radio studio and in a newspaper office.

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