Baltic Media in Transition

Edited by
Peeter Vihalemm

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Foreword

In the summer of 1993, just before the XI Nordic Conference on Mass Communication Research took place in Trondheim, the first comprehensive book about the development of the Baltic media was published: *Towards a Civic Society: The Baltic Media's Long Road to Freedom* (edited by Svennik Høyer, Epp Lauk and Peeter Vihalemm, published in Tartu by the Baltic Association for Media Research and Nota Baltica Ltd.). The book traced the manifold and complex history of the Baltic media from the 1760s, when the first Estonian and Latvian periodicals were published, to the early 1990s, the new beginning of democratic development in an environment of restored national independence.

The present volume continues the analysis presented in that first extensive survey. This examination explores the general trends of society and media development in Estonia, Latvia and Lithuania in the 1990s and the beginning of the new millennium, and details the development of newspapers and broadcasting in Estonia, as well as Russian-language media and media regulation. This examination will hopefully be continued in the near future – many more contributions concerning the Baltic media's role in social transformations were proposed than was possible to include in this volume.

All the contributors express their sincere gratitude to the Estonian Science Foundation and the Estonian Ministry of Education, whose research grants made possible the compilation and publication of this book. We also thank the colleagues whose remarks and recommendations helped us in preparing this publication: Epp Lauk, Svennik Høyer, Vita Zelce and Nerijus Prekevicius and many others. Finally, we are indebted to those who helped translate and edit the manuscript – Steve Gardetto, Roosmarii Kurvits, Tiit Hennoste, Karlis Streips, Alec Charles, Maiu Reinhold and others.

Peeter Vihalemm
Tartu, 10 December 2001

1. The Transformation of Estonian Society and Media: 1987–2001

Marju Lauristin, Peeter Vihalemm

This chapter examines the changes in the political, economic and social context of the Estonian media and in the media system, starting from the last years of Communist rule (Gorbachev's time) to the autumn of 2001. This was a period of dramatic change in Estonian society, which can be summarised in terms of transition from state socialism to capitalism. In economic terms, these changes, based on radical privatisation and open market policy, have made Estonia one of the most advanced post-Communist countries, demonstrated by its inclusion in the first group of the EU-candidate countries. In political development, after abolition of the rule of the Communist Party, Estonia transitioned from a period of high political mobilisation and participation to years of consolidation of the pluralist party system and the formation of the new political élite. However, rapid economic reforms have had a quite high social cost, and the professionalisation of politics has produced alienation and disappointment among some people. There are serious contradictions under the surface of the success story of Estonia.

This chapter looks into the complicated process of change from the viewpoint of its social, political and cultural results. Of special interest is the role of media in these changes, and, vice versa, the impact of the changing political and economic order on the structure and performance of Estonia's media.

1. Stages of transition

In general, processes of post-Communist transition have been divided into three phases (Brzezinski, 1994; Jakubowicz, 1995): breakthrough, structural reforms, and stabilisation and consolidation. Using this framework, the Estonian post-Communist transition can be divided into the following three stages and their sub-periods (Lauristin & P. Vihalemm, 1997):

Stage 1: The period of political breakthrough (1987–1991):

- February 1987 – May 1988: "the awakening," birth of the political public sphere;
- June 1988 – December 1989: consolidation of national forces, Singing Revolution – the peak of mass movements;
- January 1990 – August 1991: institutionalised struggle for the restoration of national independence.

Stage 2: Laying the foundations of the Estonian state and launching radical economic reforms (1991–1994):
- August 1991 – September 1992: creating a new constitutional order;
- October 1992 – December 1994: radical political and economic reforms.

Stage 3: Stabilisation period (1995–1999):
- 1995–1997: economic growth and retardation of reforms;
- 1998–1999: economic slowdown, preparations for joining the European Union.

One of the authors of this periodisation framework, Zbigniew Brzezinski, predicted in 1994 that the entire process, from the breakthrough to the end of stabilisation, would take 10–30 years. In Estonia, as in the other advanced countries of post-Communist Europe, it took less than 15 years.

The stabilisation phase, indicated by the steady growth of the economy, was achieved after only several years of radical reforms. Inclusion in the first group of EU pre-accession countries also accelerated the processes of legislation and institution-building. After three rounds of free elections (1992, 1995 and 1999), there were also signs of political consolidation. Several mergers had reduced the number of political parties represented in parliament to five larger and two smaller ones. Political allies and opponents became clearly distinguishable and the preferences of the electorate along party lines stabilised.

Stabilisation and consolidation, however, did not mean higher trust in democratic institutions. In fact, only a year after the 1999 elections, in the summer of 2000, people started to speak about a political crisis as indicated by the collapse of trust in almost all political institutions, with trust in president the only exception. At the same time there was no external cause for the crisis: economic growth continued, human development indicators improved, and international recognition of Estonia's success (primarily its suitability for future membership in the EU and NATO) were confirmed.

The unexpected turn in public opinion towards growing dissatisfaction can be interpreted as the start of a new, fourth period in Estonian post-Communist development. Under this view, the transition in the narrow sense of economic and political movement from point A (communism) to point B (capitalism) is coming to the end and Estonia is joining the global process of "normal" transformation from an industrial to a post-industrial society.

This chapter will examine the main development trends of Estonian society and media during three stages of transition. The premises and meaning of the current fourth stage – turning from transition to transformation – will be established, focusing on the social and political landscape of Estonian society. The role of media in these changes will also be analysed.

2. The period of political breakthrough: 1987–1991

2.1. Readiness for change

The politics of *glasnost* announced by Gorbachev provided a legitimate opportunity for Baltic people to express their disagreement with Soviet rule and to reclaim their independence. During five decades of Soviet occupation, the situation in the Baltic countries and the forms of resistance had changed. In the 1940s and 1950s it was a violent conflict. New rulers carried out massive repression against the population, while Baltic people attempted to resist the Communist regime. Armed resistance lasted until the end of Stalin's rule and even longer (see Misiunas & Taagepera, 1993). During Khrushchev's "thaw," the overt violence was reduced to the control of minds. Opportunities for artistic expression were slightly restored and the contacts of Estonians, Latvians and Lithuanians with their national cultural heritage and to some extent with Western culture were restored, albeit in censored forms. Baltic cultural élites were allowed to be more "Western" in their formal qualities than the Russian ones, as the Baltic republics were used as a "show window" of Soviet socialism to the West (see Lauristin & Vihalemm, 1993b).

Estonian, Latvian and Lithuanian intellectuals (and also some journalists) used this situation to maintain national identity. The lost national sovereignty was recalled in the metaphoric language of poems, dramas, songs, paintings and literary essays. A very special role was played by the institution of national songfests, which was preserved by the Soviets as a demonstration of the multinational character of Soviet culture, but in reality served as a powerful expression of national identity and will for the cultural resistance. Regular songfests not only helped to maintain national cultural values and support Estonians' national identity, but the organisation of songfests also preserved and developed a nationwide network of voluntary choir associations, which served as a medium for the intergenerational transfer of these values and created considerable social capital.

Cultural resistance to the Soviet system (interpreted popularly as the "Russian rule") penetrated all strata of the Baltic societies, from peasants to professors. Even in the highest echelons of the Communist Party and local administration, some "nationalists" made attempts to avoid or soften damages created by Moscow's rule. "National communists" were sometimes quite successful in their attempts to create better opportunities for the Estonian economy, especially for agriculture, which was considered to be a foundation of Estonian national self-esteem (see Unwin, 1998). The Moscow rulers expressed their mistrust towards the Baltic "nationalist *nomenklatura*" by recruiting from Russia cadres for the local KGB and Communist Party apparatus and industrial management.

Although cultural resistance to the prevailing system and expressions of national feelings were tolerated, even in the official media, any attempt at political resistance was prosecuted and overt dissidents were as repressed in the time of Khrushchev as during Brezhnev's time.

Intellectuals and even ordinary Estonians, Latvians and Lithuanians became experienced in language games and used metaphors to express their hidden thoughts, often balancing on the border of what was prohibited. The efforts to maintain one's national identity and to survive spiritually under the pressure of the totalitarian Communist system created permanent stress, which was experienced as a uniting anti-Soviet attitude by the majority of people in the Baltic countries.

One of the leaders of the Estonian Artists Union, Enn Põldroos, has given a vivid picture of this "double existence" in his recently published memoirs:

> It was indeed a schizophrenic split of time. On the one side of our consciousness we lived in "Estonian time," or in Zen-Buddism, or in an imaginary world abroad, or in nature, or God knows where. On the other side, one had to deal with the everyday life going on in the "Russian time." In some sense this Russian (resp. Soviet – M.L. & P.V.) world was less real than the imaginary inner landscape and therefore it was experienced like a game /.../. Estonian time was real, when you were sitting with your friends. Or being with your family. Or wandering across the summer landscapes of Estonia. Estonian time was also real when you cheated the Russian state. (Põldroos, 2001: 182)

The Soviet state was identified with the Russian empire. Silent knowledge about repressed national memories and sentiments developed a sense of solidarity between people in non-Russian republics, oppressed by the Moscow rulers. This solidarity was openly expressed for the first time in the slogan of the national movements during *glasnost*: "For our freedom and yours," which was borrowed from the 19th century Polish resistance against Russian rule.

2.2. The Singing Revolution

In the beginning, protest movements arose from different backgrounds. Dissident groups focused on the illegitimacy of the Soviet occupation of the Baltic countries as an outcome of the pact between Nazi Germany and the Soviet Union (Molotov–Ribbentrop pact). Intellectuals and students protested against the Russification of culture. Environmentalists started a protest movement against Moscow's plans to expand the huge phosphate mines towards the boundary of a national park. For the first time since the Soviet occupation, concerns were publicly expressed about the demographic changes created by the massive migration of Soviet industrial workers into the Baltic area, which threatened to make the indigenous populations a minority in their own country.

A wave of protest against plans to establish phosphate mines in northern Estonia grew in the spring of 1987 into a massive national movement (the "phosphate war"). It was aimed not only at environmental protection, but also against Moscow's colonial rule over the Estonian economy, against the habit of making decisions concerning Estonia without ever asking for the opinions of the Estonians themselves. The success of the protest was encouraging. In an atmosphere of national arousal, the first public post-war demonstrations against Soviet occupa-

tion took place on 23 August 1987, organised by dissident groups. On another tack, intellectuals tried to find rational ways to establish national sovereignty. In September 1987, the idea of Estonian economic autonomy – the first public alternative plan of development – was proposed. In the first days of April 1988, the plenum of Estonian creative unions openly accused Soviet rule of putting the very survival of the Estonian nation into danger.

The liberation movement also embraced Latvia and Lithuania, and soon spread to other regions of the Soviet Empire. The Popular Front movement was established in Estonia in April–May 1988, and in Lithuania and Latvia several months later (see the chronology of the major events in the Baltics 1987–2001 in the Appendix). Following these examples, Popular Fronts were soon established in all of the Soviet Republics and in a number of regions of Russia (see Smith, 1999: 38–39, 114). Their common aim was to turn "*perestroika* from above" into democratic reforms from below. During this first phase, freedom for the oppressed nations of the Soviet Union was part the general democratic design supported by Sakharov, Starovoitova and other Russian democratic leaders.

Under pressure from the Popular Front, the Supreme Soviet of Estonia passed the Declaration of Sovereignty in November 1988, establishing supremacy of the Estonian SSR laws over the laws of the Soviet Union. The same legal model was soon used in other national republics. In the end, the "parade of sovereignties" initiated by Estonia brought about the dissolution of the Soviet Union (see Gerner & Hedlund, 1993; Clemens, 1997; Hale, 2000).

The next steps moved the three Baltic nations far beyond the concept of "sovereign republics." In the spring and summer of 1989, previous dissident leaders formed the Estonian Citizens' Movement. This movement provided a radical alternative to the step-by-step model of national liberation through disintegration of the Soviet Union "from inside," developed by the Popular Front. The Citizens' Movement declared that the only legitimate way to sovereignty was factual restoration of the independent Republic of Estonia, as it was before occupation by the Soviets in June 1940. This concept relied on a policy of non-recognition of the occupied Baltic countries as legitimate parts of the Soviet Union, as exercised by the government of the United States and other Western countries.

The fall of the Berlin Wall and the subsequent events in Central Europe during the autumn and winter of 1989–1990 showed the Soviet command economy could not be renewed and that the weakened empire itself would be unable to retain control over the countries of the Eastern bloc. The Baltic nations were looking for an opportunity to re-establish their full independence and rejoin the Western world. The efforts of the Baltic countries to "rock the boat" and achieve full independence made some Western politicians to afraid of a "domino effect" that would encourage many other nations in their claims for national independence. Under these circumstances, the road to independence through restoration, stressing the special historic position of Baltic countries (whose occupation by the Soviet Union was never recognised by the West), became internationally more attractive than the route proposed by the Popular Front. The West clearly was not interested in the dissolution of the entire Soviet Union and the creation of an uncertain new international order different from the nuclear balance of the Cold War era.

The turning point in the story of Baltic independence occurred in January 1991, when Moscow attempted to crush the Lithuanian and Latvian revolutions by force. The bloody events in Vilnius and Riga resulted in political and moral victory for the Balts.

Subsequent events brought about the final, inevitable outcome: international recognition of the independent Baltic States. In March 1991, the results of referendums in all three Baltic countries showed that not only absolute majorities of the native populations, but even a considerable part of local Russians preferred complete independence to any form of inclusion in the Soviet Union. In the spring and summer, Baltic leaders were actively lobbying in the United States and the Nordic countries for more definite support of their full independence. A plan was developed to organise a high-level international conference on the Baltic question, which would prepare the way for recognition of Baltic independence by organisations such as the UN and OSCE.

However, the different scenario unfolded. The coup in Moscow in August 1991 was like a *deus ex machina*, immediately used by the Estonian, Latvian and Lithuanian Supreme Councils to gain the desired goal: a complete and internationally recognised independent state. The existence of a direct military threat from Moscow created favourable conditions for making peace between the competing Popular Front and Estonian Citizens' Movement. On 20 August, when Soviet tanks approached the centre of Tallinn, a political compromise was found. Agreement was reached concerning the vital issues of how to achieve international recognition for the independence of Estonia and how to establish a new democratic constitutional order. On the night of 20 August, the Supreme Council of Estonia passed a resolution demanding restoration of the pre-war independent Estonian Republic, and asked all United Nations members to recognise this fact and to restore the rights of an independent Estonia as a member of the international community. The same document included a decision to establish a Constitutional Assembly, comprising members of both competing movements, in order to create a new text of an Estonian constitution.

The "happy end" of the struggle for independence did not resolve the conflict between the two wings of the liberation movement. Besides differences in theoretical approaches and legal models, the two movements differed in their social and political background. While the Popular Front was an open, grass-roots movement which accepted in its ranks everybody supporting democracy and Estonian independence, including previously active Communists (with exclusion of high-ranking officials, the *nomenklatura*), the Citizens' Movement accepted only those who registered their pre-war Estonian citizenship and viewed the majority of post-war Russian immigrants as occupants and illegal aliens (with the exception of those who supported the ideas of the Citizens' Movement and who registered themselves as applicants for Estonian citizenship).

The Citizens' Movement was established and lead by dissidents who had suffered from arrests and persecutions in the 1970s and 1980s, whereas leading positions in the Popular Front were held by intellectuals who, despite their cultural opposition to the system, were still able to publish their works and teach in universities. The Popular Front represented this part of the nation (about one third of the population of Soviet Estonia; see Hion, Lauristin & Vihalemm, 1988) who

had been more or less socially adjusted to the "double life" in Soviet system. Many of them had even found ways to be active in various fields of culture, science, education, health care and the economy. The ideological platform of the Popular Front had a social democratic flavour and was influenced by the ideas of the "sixties generation."

The ideology of the Citizens' Movement was clearly anti-socialist and conservative. Its active core was formed by people who did not cooperate (or regretted and negated their cooperation) with the official system, who had experienced marginalisation and repression because they did not adapt to the demands of the Soviet system of education, cultural production and economic organisation. A substantial number of the Estonian Citizens' Movement activists were people who had lost their families' positions and properties after the Soviet invasion. Among these people, however, could also be found some Soviet-era leaders of the cultural opposition and well-known intellectuals, especially in the non-political fields such as music, science, technology and medicine. These people had tried to avoid political positions inside the Soviet establishment.

Thus, two movements created two wings of a new national establishment, which started to compete in the restored Estonian state even before independence. This competition formed the main axis of Estonian political development throughout the entire transition. This picture is also not very different from the political scenery in the other Baltic countries and the post-Communist countries of Central and Eastern Europe.

The political compromise achieved on the eve of independence bridged the gap between these two groups, but the premise for this compromise was created earlier: the two wings overlapped and formed mixed memberships in the two decision-making bodies elected in February–March 1990. The Estonian Supreme Council (the earlier Supreme Soviet was renamed after the elections of March 1990 ended with the victory of the Popular Front) was elected by the entire population, including Soviet-era immigrants. The Estonian Congress was elected by people who had registered themselves as citizens of the occupied Estonian Republic. Representatives of both bodies participated in the design of the two most important legislative steps, which predestined the course of reforms after the restoration of independence. These two fundamental pieces of legislation were the decree on the privatisation via restoration of pre-war property rights, and the restoration of the Citizenship Law of pre-war Estonia.

Despite the rhetorically expressed controversies and ideological conflicts, in all critical situations both wings demonstrated their ability to achieve pragmatic compromises concerning key issues of national development. The most important compromise was achieved during the crucial events of August 1991, which led to the national consensus concerning restoration of independence and the simultaneous creation of a new constitutional order different from the pre-war one. Pragmatism should be recognised as an important feature of Estonian politics, which sometimes has helped to resolve extremely difficult controversies.

Table 1.1 characterises the predominant processes and their content during this first stage of transformation.

Table 1.1. Main characteristics of the period 1987–1991

Subperiod	Dominant processes	Content
February 1987 – May 1988	• re-emergence of a political public sphere within the framework of the *Glasnost* policy announced by Gorbachev	• organised protest, articulation of oppositional public opinion • restoration of historical truth • formulation of national policy for political liberation and for autonomy from the Soviet centralised command economy
June 1988 – December 1989	• takeover of social and political control on events in Estonia by national liberation movements • radicalisation of political demands to the full political and economical independence from Soviet empire.	• rapid political activation of the whole population • broadening the limits of freedom in the general framework of the changes in the Soviet Union • participation in the liberalisation of the Soviet Union and pushing towards reconstruction of the Soviet Union into a democratic confederation of free nations • split of the national liberation movement in Estonia into two wings: the reformist Popular Front and the radical Estonian Citizens' Movement • ethnic polarisation of the mass political movements along with the radicalisation of national demands of Estonians
January 1990 – August 1991	• loss of political control in Estonia by the Communist Party and by official Soviet institutions • institutionalised struggle for restoration of independence and international recognition of Estonia • competition between radical and moderate liberation movements	• resigning of the Communist Party from political arena • victory of pro-independence forces in the elections to the Supreme Council • formation of a Popular Front government • formation of new parties • political competition between two elected bodies, the Supreme Council and the Estonian Congress • overt conflict between pro-Soviet Russians and pro-independence government of Estonia • international support for Baltic independence • agreement between Estonia and Russia about mutual support • restoration of independence and compromise between competing national movements about principles of constitutional reform

2.3. The media during the political breakthrough

In the beginning of the *glasnost* policy, the Estonian media were slow to change. Only in 1987 did Estonian journalists start to trust that the new, more open and sincere style of political discourse initiated by Gorbachev was not just a political game, but that it provided an opportunity to disclose facts and ideas which were oppressed and forbidden during previous decades. The ambiguous nature of the period is exemplified by the strict censorship still applied to the media coverage of the first massive protest meeting organised by the dissident groups in Tallinn in August 1987 on the anniversary of the Molotov–Ribbentrop Pact. The speed of change during the following two years was striking: the two-million-person demonstration "Baltic chain," organised two years later on the same occasion, was not only directly broadcast on all radio and TV channels in Estonia, Latvia and Lithuania, but it was also organised and managed with the assistance of the media.

The ability of the broadcast media, with their direct online access to the mass audience, to mobilise people and to stimulate protest movements was fully utilised by the Baltic opposition politicians. Among them were many prominent intellectuals and journalists. Environmental issues which were in the focus of public agenda in 1987 served as a test case to prove the growing inability of the Communist Party to exercise control over the Estonian (as well Latvian and Lithuanian) media.

The growing freedom of expression in all the media channels during the initial stage of transition in 1987–1988 can be illustrated with the following examples:

- Beginning in February 1987, the programme of Estonian Radio included weekly direct broadcasts of the Council of the Artist Unions, which became popular public discussions about the hottest political issues. In the spring of 1988, other direct uncensored debates and commentaries were also allowed.
- Estonian TV started to broadcast in October 1987 a two-hour, prime-time direct public discussion programme about the tactics and strategies of democratic changes, "Let's Think Again."
- The Tartu newspaper *Edasi* in September 1987 published the project of Estonian economic autonomy (the so-called Four-Man Proposal). After April 1988, all newspapers regularly published appeals and resolutions of the rapidly emerging political movements.

In the months from April to June 1988, a political public sphere was reborn in Estonia in the form of grass-roots national movements. Soviet political and ideological taboos weakened rapidly after April 1988 and were practically abolished one-and-a-half years later by the end of 1989. Although censorship as an institution was not formally dissolved until September 1990, it did not interfere with the media's activities.

The media became a network through which the growing political activity of the nation functioned. Liberation movements used the media for coverage of meetings, publication of the manifestos and declarations, and disclosure of the

atrocities committed by the Communist regime. The years 1988–1990 saw a period of restoration of the national memory. For the first time in Estonian post-war history, the historical truths about the Liberation War in 1918–1920, Soviet annexation and occupation of Estonia, World War II and Stalinist repressions were published and publicly discussed. All the media channels gave this much attention. A characteristic feature of the time orientation in the media content during this period was that much more attention was given to the past than to the future (Vihalemm, 2001: 114–115).

The changed nature of the media created enthusiasm among the population. Surveys of these years show an astonishing level of media exposure: according to a survey by the Department of Journalism at Tartu University, an average Estonian in 1990 read 12 newspapers and magazines regularly. The 1989–1990 period was the peak of press circulation in all Estonian history. Three national dailies with circulations of 150,000–200,000 each, a cultural weekly with a circulation of 90,000, a women's magazine of 225,000, etc., were published for a market of less than one million Estonians (see Table 20 in Appendix; also Høyer, Lauk & Vihalemm, 1993: 343–347). In three years, 1988–1990, the total number of periodicals increased three times and their total circulation doubled. Many new periodicals were started. According to data from the Estonian National Library, 65 new periodicals were launched in 1988. However, most of them were irregular, small publications published by different NGOs and local communities.

Along with the traditional network of cultural associations, the media was the most important social mechanism used for the political breakthrough in the Baltic societies. Ironically enough, the Leninist concept of the media as a "collective propagandist and organiser of masses" was implemented in full against the regime created by the Communist Party. During the period of *glasnost* when the multi-party system did not yet exist and the underground centres were weak, the media was the main mechanism of mass mobilisation (see Lauristin & Vihalemm, 1993a; Lauristin, 1998; Tapinas, 1998).

The "movements press" replaced the old Soviet model of the "Party press," but both presumed the active involvement of journalists as advocates of the politically dominating forces. Towards the end of the period, at the beginning of 1990, the political plurality of the media grew remarkably. With the emergence of the second powerful movement, Estonian Citizens' Committees, the Estonian media were no longer influenced and controlled by a single oppositional political force, the Popular Front, as it was during the Singing Revolution in 1988–1989. Competition between the two models of liberation movements created for the first time a space for making political choices not only on the red and white scale, "for or against Soviet rule," but by rationally calculating the pluses and minuses of the two alternative policies, one more radical and the other more moderate. This situation of choice between equally popular and legitimate alternatives gave also more freedom to the media. In order to avoid direct political engagement by the competing movements, the major newspapers declared their political autonomy in 1990.

Journalistic forms changed gradually, especially after the autumn of 1989. Soviet-era traditions receded and Western journalistic patterns emerged. In particular,

a new non-partisan style journalism was represented by the independent political and cultural weekly *Eesti Ekspress*, established in September 1989, and the business weekly *Äripäev*, established in October 1989.

3. The period of radical reforms: 1991–1994

3.1. Political and economic development

During the week of 21–27 August 1991, twenty-eight states recognised Estonia; by 17 September 1991 the number had risen to 86, and on that day Estonia (as well Latvia and Lithuania) gained membership in the United Nations.

Achievement of this goal created an immense historical challenge for Estonians: they had to build up their state and its legal and economic structures virtually from scratch (see Lieven, 1993: 316–373; Clemens, 2001: 1–2).

The first task after the break with the Soviet Empire was to establish democratic constitutional order. The second task was to achieve financial sustainability for Estonia. The third task was to gain control over Estonian territory. Fulfilment of all three tasks required immediate action, but could not be completed without thorough preparation. During the first year of formal independence, therefore, the transitional parliamentary and governmental bodies continued to function, Soviet legislation remained mostly intact, the economy was still dependent on the unconvertible Soviet rouble, and Estonia's eastern border with Russia was merely symbolic. For Estonians, it was clear that their future depended on clear and decisive steps away from the Soviet past, towards the West.

On 28 June 1992, the new Constitution of Estonia was approved in a referendum. The weekend prior, the new Estonian currency, the *kroon* (EEK), was created to replace the completely inflated Russian rouble. From its earliest days, the kroon was fully convertible, with its exchange rate pegged to the German mark at a fixed rate of 1 DEM = 8 EEK, which has remained ever since.

The first free, democratic Estonian parliamentary elections were held on 20 September 1992. The elections were won by the political forces that supported radical marketisation and Westernisation of Estonia's economy. The right-of-centre coalition, led by the Christian-Democratic-oriented Pro Patria Party, formed the first democratically elected government of newly independent Estonia.

The new Estonian government chose the path of maximum liberalisation: no subsidies, no regulated prices (with the exception of government price constraints on energy, water, health services and postal services), no progressive taxes, no quotas and no extensive transfers of income. The liberal "shock therapy" model of reforms, which had already been tried in revitalising the Polish and Czech economies, was implemented in Estonia with unprecedented rigour. The state was declared to be "the worst of owners." The private sector boomed, with about 15,000 new enterprises registered annually. Foreign investments grew rapidly, reaching one of the highest levels in Eastern Europe. The essential goals of the governmental project for economic development adopted in 1992 were

Table 1.2. Main characteristics of the period 1991–1994

Subperiod	Dominant processes	Content
August 1991 – September 1992	• international recognition of Estonian independence • transition to the new constitutional order • juridical and financial break with the Soviet system • rapid turn to the Westernisation in all spheres of economy and public life	• establishment of international relations • drafting of the new Constitution • monetary reform • economic crisis, hyperinflation • liberalisation of prices and first wave of social depression • restitution of property rights • beginning of privatisation • regulation of citizenship and residency • escalation of conflict between political forces concerning status of Russians in Estonia • introduction of the border regime with Russia • preparations for the first free multi-party elections
October 1992 – end of 1994	• radical economical and political reforms (shock therapy) • continuing Westernisation	• de-Sovietisation of state structures and forms of public life • implementation of constitutional principles, creating legislative and administrative infrastructure for marketisation and democratisation • implementation of free trade, liberalisation of taxes • privatisation and restitution of state properties • rebirth of a national banking system • implementation of strict monetary and budget policy, elimination of subsidies for agriculture and domestic industries • social differentiation, growing inequality, rising social tensions • creation of a new social safety net • bankruptcies and banking crises • ethnic tensions caused by the Law on Aliens • implementation of regular border control between Estonia and Russia • withdrawal of Russian troops • development of Estonian armed forces

realised in two years. After falling living standards bottomed out in 1992–1993, they began to rise in 1994. There were the first signs of a growing GDP and steadily decreasing inflation. According to a World Bank analysis, Estonia in 1994 belonged among countries that had made a "clear break with the previous regime" and reached high levels of political freedom and economic stabilisation (De Melo, Denzier & Gelb, 1996: 420).

Despite the international recognition of the results achieved by Estonia's liberal economic policy, they appeared alien and incomprehensible to many people and did not receive unanimous public support at home. After the currency reform, people expected a rapid improvement in their living standards. They believed in a market economy and privatisation, but they were not prepared for growing inequality. Similarly, they were not aware of the efforts required to achieve improvement nor did they imagine the risks of failure. The readiness of the population to make sacrifices for the common good started to decrease.

The main reasons for the emotional backlash in the end of 1994 were not purely psychological. They were also created by the inevitable growth of social differences during the course of radical marketisation of the economy, followed by a modification of cultural and social relations. People were put under enormous pressure by uncertainties in the labour market, by rising costs of housing, food, and everyday services, and by the striking inequality of incomes. As Estonian sociologist Anu Narusk noted, "For most of the population the reforms have meant the end of the customary way of life" (1996: 13).

Still, the presence of Soviet (later Russian) troops on Estonian soil reminded them that freedom was still vulnerable. The continuing Russian military presence served to promote national unity and legitimised the harshness of the reforms. People understood that full economic and political independence required continuous effort and even sacrifices.

In July 1994, a treaty on the final withdrawal of the remaining Russian troops from Estonia was signed in Moscow. In August 1994, three years after the formal restoration of independence, the foreign troops were finally removed. On 31 August 1994, Estonia celebrated the end of military occupation. Only from that moment on did Estonians start to feel that they again lived in a free and independent country. They were ready to proceed further in national efforts to join the Western economic and political structures, including the EU and NATO. However, after a short celebration, the suppressed dissatisfaction with the difficulties of everyday life burst forth. Public criticism of government policy, as well as tensions between different political groups inside the coalition brought down the first reformist government of Estonia in October 1994. The positive results of the radical reforms initiated by this government became fully apparent a year later when the Estonian economy began a steady climb.

3.2. Political emancipation and commercialisation of the media: 1991–1994

The main feature of Estonian media development in 1991–1994 was a rapid shift towards the liberal model. Looking at developments in the Estonian media, the authoritarian concept of a media-state relationship was gradually replaced during the process of transition by the concept of a completely free media. During the second stage of transition in 1991–1994, liberalisation of the press was closely related to the abolition of state ownership and subsidies for the print media. Most of the newspapers were privatised and hundreds of new periodicals established. At the same time, a rapid generational replacement of journalists occurred (see Lauk, 1996, 1997). The new generation of journalists did not share the experiences of their older colleagues, who took for granted an important political role for journalists in society. The new journalists quickly accepted an Anglo-Saxon model of news journalism and took marketisation of journalism as a natural process. The media in this period tried to become free of social commitments. They were indeed creating an open and "neutral" public space, where different interests and viewpoints could be publicly expressed and negotiated. After years of political involvement, however, the Estonian media above all feared new political entanglements.

After the important role the media played during the struggle for independence, one should expect that the media would actively participate in creating the new democratic public sphere, giving "voice" to all new forces in society. However, the real development was not so simple. Besides the young and entrepreneurial urban youth, the new political élite and the Soviet-era managers rapidly grasping new business opportunities, almost all people felt confusion. Rapid social differentiation created by "shock therapy" divided the Estonian population into "losers" and "winners." Finding themselves among the losers were people who actively participated in the restoration of independent Estonia: intellectuals, the older generation, survivors of the Stalinist repressions, people in the villages and small towns far from the rapidly prospering capital city. People expected that the media would accept a socially active role and defend their interests or at least help to understand what was going on in society. These expectations were not fulfilled. The media, driven by market forces, clearly took the side of the "winners." The main obstacle to the democratisation of society in this stage was the slow development and weakness of the new civic society. The voice of the social actors who were on the side of the "losers" had to be reinforced in order to achieve a balanced democratic representation in the media of society.

As several scholars have repeatedly pointed out (see e.g., Jakubowicz, 1994, 1995; Sparks & Reading, 1994; Paletz, Jakubowicz & Novosel, 1995; Downing, 1996; O'Neil, 1997; Aumente et al, 1999; Coman, 2000), in many post-Communist countries the media has become pluralistic but not politically independent. It is often characterised as an "Italianisation of the media," described by Slavko Splichal (1993, 1994) as partisan and state-controlled media interwoven with politics.

This "Italianisation" effect has not been the case in Estonia, where the media have been relatively successful in separating themselves from state structures and obtaining political autonomy. For instance, an attempt by the government in 1993 to privatise the previous Communist Party daily *Rahva Hääl* to a politically friendly private company resulted in scandalous failure: the journalists of *Rahva Hääl* refused to work with the new owners and established a new daily. The political emancipation of the Estonian media to a large extent was the result of the previously mentioned rapid generational replacement among journalists. The attachment of the young generation of journalists to the liberal model of journalism changed the previously co-operative relationships between the political élite and the media, which had been based on memories about common participation in national liberation movements.

The failure of attempts to apply direct pressure on the media does not mean that the Estonian media are never influenced by politicians, or that there are no attempts at indirect pressure from state authorities; rather, it is done using public relations. Politicians who are used as sources, or invited to write columns by leading newspapers, could influence the interpretation of political events in the media. Journalists wrote (and are continuously writing) many articles based only on official information (press conferences, press releases and police or court records, etc.), and often they have had neither the possibility nor desire to check the facts or use different sources. The agenda is often not set by journalists themselves, but by the people owning information and wishing some interpretation to be published. Journalists are also too often mentally dependent on different stereotypes, prejudices and emotions. The lack of critical analysis of sources and poor self-reflection are presumably a common problem for the professional culture of journalists in all post-Communist countries.

The media did not prioritise the creation of a participatory political culture, or did not set the promotion of a rational debate as a target. The defence of public interests was reduced to the position of an aggressive "watchdog," often barking in all political directions and sniffing for all possible scandals. While functioning effectively as a watchdog of democracy, the Estonian media paid much less attention to the reliable and unbiased analysis of change.

Rapid privatisation of the media created a situation where regulation of the media shifted almost completely from the political and cultural field towards the economic field (Vihalemm, Lauk & Lauristin, 1997; Lauk, 1999). When the main goal of the media was to become economically viable, the ideology of the media as a marketplace seemed more and more attractive to journalists. The transition of the media to a market-driven industry has made the attraction of a solvent audience the main criteria of a successful functioning of the media. As advertising became the main source of income for most media channels, the content was adapted more to market principles than to social and cultural values. The results of journalistic activities are increasingly evaluated as profitable products, not as socially and culturally valuable texts. Competition for the attention of the audience has brought about changes in the content and functions of the media. Information and entertainment have intertwined, superseding analysis, enlightenment and social integration.

On the other hand, increasing living costs and a rise in the prices of newspapers and magazines (they rose in 1991–1996 about three times more than the prices of other goods and services) led to a dramatic decrease in circulation and subscription of Estonian press publications. In comparison with the peak year of 1990, by 1995 the circulation of the national dailies fell over 3.5 times, the local press fell 2.5 times, weeklies 2 times, magazines 3 times and cultural publications 19 times (see Table 1.7 and Table 22 in Appendix). The pattern of media usage among Estonians also changed: reading newspapers became a more élitist habit; many people were not able to subscribe to even one newspaper. The shrinking circulation, however, was not directly related to similar level of decrease in reading: reading newspapers in public libraries or at work became more common, as did borrowing them from neighbours, friends and, lately, reading newspapers on the Internet. Ultimately, the main outcome of the growing cost of the press was the rapid increase in television viewing.

With the ongoing privatisation of the newspaper media, new magazines, private radio and TV channels were also launched (see Tables 1.7 and 1.8). There was a growing diversification and fragmentation of the media in the 1990s: instead of a few channels followed by a majority of the people, there were a growing number of channels followed by specific, smaller audiences. Along with the diversification of the media consumption, the media lost its culturally and socially unifying role. Instead of political mobilisation, the main functions of the media in the middle of the 1990s were news and entertainment. Compared to the situation in 1988–1989, if the media were to attempt to call into action a major new movement in 1994 or 1999, it would not be possible because of the changed nature of the media and the fragmentation of the media audience.

Having seen that the media had lost its seriousness and involvement in the political process, the media still had an important socialising role in the new situation of the open society. The uncontrolled and unpredictable diversity of opinions represented in the media, along with the changes in contents, formats, styles and language used by media were the most powerful source of social learning for the entire population.

The important social role of the media during the second and to a great extent also during the third stage of transition can be seen in resocialisation – in adaptation of people to a new social situation, new understandings, possibilities and demands (Beck, Giddens & Lash, 1994). In the processes requiring social relearning, resocialisation and adaptation, which occur in all post-Communist societies, the media have played a more active role than the relatively inert educational system. Through the media people get access to a new symbolic environment, to a globalising and commercialising world. The media offers opportunities to adapt to rapidly changing conditions, providing information about the new opportunities and new rules in society. Via the media, people become rapidly acquainted with everyday reforms, with the new faces on the public scene. The media was teaching people the new discourses of the new society.

The difference in media use amongst the population thus becomes an important indicator of more or less successful adaptation to the new social, political and economic environment. The media could reduce the social and cultural distance

between inhabitants in urban and rural areas, in the capital and in the distant regions. Greater media activity could help to compensate for growing differences in consumer opportunities (Lauristin & Vihalemm, 1998).

4. Stabilisation period: 1995–1999

4.1. General development

The governmental coalition changed twice during 1995–1999. The protest votes against the "shock therapy" policy of the first government coalition helped the left-of-centre bloc of the Coalition Party and rural parties win parliamentary elections in 1995; however, the governments formed by the Coalition Party and its partners were not stable. Due to various political scandals they changed four times in two years from April 1995 to March 1997. Nevertheless, none of these governments altered the main political course of liberal economic policy and rapid integration into European political and economic structures initiated by the first government in 1992. After four years of unsuccessful governance by the left-centre coalition, it lost the parliamentary elections in 1999. The same right-of-centre coalition of the conservative Pro Patria Party, liberal Reform Party and the social-democratic Moderates, which together had formed the first government in 1992, regained a majority in Parliament in 1999 and again formed the government.

The economic results of the course of radical economic reforms and rapid de-Sovietisation have largely been good – after several years of decrease, Estonia's GDP increased 4.6% in 1995, by 4% in 1996 and by 10.4% in 1997. The economic and social crisis in Russia in the summer of 1998 slowed the pace of Estonian economic development, but the GDP increase was still 5% in 1998. The GDP real change for 1999 was negative, -0.7%, but since autumn 1999 economic progress was visible again (see Table 1.4, Figure 1 in Appendix).

Due to strong economic ties with Finland and Sweden, the Russian economic crisis had less of an influence on Estonian development than on Latvian and Lithuanian development. The role of Sweden in the Estonian economy has grown remarkably during 1998–2001, primarily due to continually increasing investments (see Table 1.6). The role of Russia in the Estonian economy has rapidly diminished after the crisis of 1998: the share of Russian exports decreased from 19% in 1997 to 3% in 2001, the share of imports fell from 14% to 8%, respectively (see Table 1.5, also Table 11 in Appendix).

Estonia's favourable economic climate for foreign investors is characterised by the fact that it placed 4th among 161 countries on the 2002 Index of Economic Freedom, compiled by the Heritage Foundation. Latvia's and Lithuania's positions are more modest (see Table 9 in Appendix) but have improved remarkably during last several years (see www.heritage.org/index). The Corruption Perception Index of Transparency International in 2001 rated Estonia as less corrupted among post-Communist countries (see Table 10 in Appendix, also www.transparency.org).

Table 1.3. Main characteristics of the period 1995–1999

Subperiod	Dominant processes	Content
1995–1997	• economic growth • inhibition of reforms • efforts to join EU and NATO	• continuation of economic liberalisation • stabilisation and expanding of financial markets • increasing economic growth • completion of small- and medium-scale privatisation and progress in large-scale privatisation • banking crisis • accomplishment of legislative reform • political and economic steps toward the European Union • cooperation with NATO according to the "Partnership for Peace" program • bureaucratisation of administration • deepening regional and social inequality • decentralisation of social policy and weakening of state functions • demographic crisis • political scandals, loss of legitimacy by political institutions
1998–1999	• preparations for joining the European Union and NATO • consolidation of the political landscape • rapid development of the new communication technology	• economic slowdown in 1998–1999 (in connection with the Russian crisis), new growth since autumn 1999 • continuing inflow of foreign direct investments, growing share of foreign-owned enterprices • privatisation of large-scale companies • negotiations with the EU, harmonisation of the Estonian legislation, reconstruction of industrial infrastructure according to EU standards • progress in integration of the Russophone population into Estonian society • computerisation of schools and offices, internetisation of banking and organisational communication • continuing social and cultural stratification, deepening gap between generations and regions, winners and losers of transition • continuing delegitimation of political institutions • merge of political parties, formation of coalitions in connection with elections 1999

Table 1.4. Economic indicators of Estonian development, 1991–2000

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Nominal GDP (bil USD)	0.6	1.0	1.7	2.3	3.6	4.4	4.7	5.3	5.2	5.8
Change in GDP (%)	-14.0	-15.0	-8.5	-2.0	4.6	4.0	10.4	5.0	-0.7	6.9
Industrial sales (yearly change, %)	-9.5	-38.7	-18.7	-3.0	2.0	3.5	15.2	3.2	-1.7	12.9
Exports (bil USD)	na	0.5	0.8	1.3	1.9	1.8	2.8	3.2	2.4	3.2
Imports (bil USD)	na	0.6	1.0	1.7	2.5	2.8	4.3	4.8	3.4	4.3
Foreign direct investments (mil USD)	na	75	157	215	198	99	130	559	306	468
Current account balance (% of GDP)	na	3.3	1.3	-7.3	-4.4	-9.2	-12.2	-9.2	-4.7	-6.4
Consumer price index (%)	302	1,076	90	48	29	23	11	8	3	4
Average monthly wage (USD)	na	na	81	134	207	248	258	293	305	339
Unemployment (%)	na	na	6.5	7.6	9.7	10.0	9.7	9.9	12.3	13.7

Sources: Statistical Office of Estonia, *Business Central Europe* (EBRD; *Economist* Intelligence Service)

Table 1.5. Main trading partners of Estonia, 1997 and 2001

Country	Percentage of exports		Country	Percentage of imports	
	1997	2001 (nine months)		1997	2001 (nine months)
1. Finland	15.7	35.7	1. Finland	23.4	18.5
2. Sweden	13.5	13.8	2. Sweden	10.0	10.6
3. Latvia	8.7	6.8	3. China	0.5	9.9
4. Germany	5.6	6.5	4. Germany	9.1	9.0
5. UK	3.7	4.2	5. Russia	14.4	8.1
6. Denmark	3.2	3.4	6. Japan	3.4	4.7
7. Lithuania	6.1	2.8	7. Italy	3.0	3.0
8. Norway	1.6	2.7	8. Lithuania	1.5	2.5
9. Netherlands	3.4	2.7	9. Denmark	2.6	2.5
10. USA	1.8	2.6	10. France	0.7	2.4
11. Russia	18.8	2.6	11. UK	3.1	2.3

Source: Statistical Office of Estonia

Table 1.6. Main foreign direct investors in Estonia, 1997 and 2001

Percentage of cumulative investments

	As of 31 December 1997		As of 30 September 2001
1. Finland	26.9	1. Sweden	36.1
2. Sweden	20.7	2. Finland	29.1
3. USA	7.1	3. Netherlands	5.7
4. Russia	6.0	4. USA	5.6
5. Norway	4.2	5. Denmark	3.9
6. Denmark	4.0	6. UK	3.8
7. UK	4.0	7. Norway	3.3
8. Germany	2.7	8. Germany	2.8

Source: Bank of Estonia

The Freedom House (*Nations in Transit*) ratings for democratisation, the rule of law and economic liberalisation are relatively high for all three Baltic states (Table 2 in Appendix) and according to the cumulative scores of democratisation and market-orientation the Baltics belong to the group of most-advanced post-Communist countries (Table 3 in Appendix). The main economic indicators of Estonia are on the same level with other post-Communist countries forming the first group to engage in negotiations about joining the European Union: the Czech Republic, Hungary and Poland (Tables 5 and 7 in Appendix). In contrast to Latvia and Lithuania, the living standard in Estonia and the household assessment of one's personal economic situation were remarkably better. According to the 1999 surveys of living condition developments in Baltic countries, 46% of the households in Latvia and 47% in Lithuania said that they were on the verge of poverty

or were poor. In Estonia, this was the case in 33% of the households (Aasland & Tyldum, 2000: 5).

Like all other post-Communist countries, Estonia has paid a high social price for its reforms (see Figures 3–6 in Appendix). The birth rate has declined by a factor of two during 1990–1999, while rates of crime and drug addiction have increased. Among the European post-Communist countries, Estonia has one of the highest values of the Gini coefficient, showing a high level of economic inequality (see Table 15 in Appendix).

The new social situation creates problems of coping with everyday life. According to a nation-wide survey in 1996, 44% of the Estonian population had great difficulties adapting to the market economy (Pettai, 1998). Since 1997 the situation has improved a bit; the Estonian human development index in 1998 and 1999 was higher than in the neighbouring Baltic countries, but still lower than in the Central European post-Communist countries (see Table 12 in Appendix).

Compared to the other post-Communist countries, the Estonian and Latvian transitions were more complicated because of the large Russophone minorities (Estonia's and Latvia's share of the non-titular ethnic groups in population among post-Communist countries is only exceeded by Bosnia-Herzegovina – see Table 13 in Appendix). According to the census of 1989, the share of Russian-speaking minorities in the population comprised 48% in Latvia and 39% in Estonia. In 2000 the ratio of Russophones in both countries was 6–7% smaller because of intensive re-emigration, especially in 1992–1993, connected mainly with the departure of the Russian Army (see Tables 1 and 14 in Appendix). The task of culturally and politically integrating such a large immigrant population with the native population in a short period of time made the situation in Estonia and Latvia extremely difficult.

The data from many surveys show a gradual fall of interethnic tensions and diminishment of the social and cultural distances between Estonians and Russophones (see T. Vihalemm & Lauristin, 1997; Vetik, 1999; Lauristin & Vetik, 2000; also Chapter 7 in this volume). In 1998 a state programme was established for the integration of the Russophone population into Estonian society. The implementation of the large programme of different institutional and nongovernmental activities as well the results of economic and political reforms have brought about many remarkable, positive changes in interrelations between different ethnic communities in Estonia.

4.2. Media in the stabilisation period: Concentration of the media market

The main features of the media development in Estonia in 1995–1999 were:

- Continued diversification and fragmentation of the media system, the launching of new magazines, the establishment of new radio and TV channels, and growth in the duration of broadcasts. During 1990–1999, the number of newspapers increased 38%, the number of magazines 33% (see Table 1.7). Instead of two programmes on state radio in 1990, 27 radio programmes were broadcast

Table 1.7. Print media in Estonia, 1987–2000

	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
Number of newspapers (titles) [1]	32	45	48	52	58	60	68	86	86	74	73	76	72	70
Number of dailies (titles)	10	10	10	10	10	10	12	15	15	15	17	16	16	13
Average circulation of one daily (in thousands)	63	68	76	83	64	31	23	19	16	17	15	16	18	20
Circulation of dailies per 1,000 inhabitants	406	433	486	528	411	199	183	186	162	173	178	175	189	182
Number of non-daily newspapers (titles)	22	35	38	42	48	50	56	71	71	59	56	60	56	57
Circulation of non-dailies per 1,000 inhabitants	338	380	446	549	709	518	613	590	419	361	343	325	290	231
Number of magazines and other periodicals (titles)	130	115	161	434	351	250	312	470	501	517	572	578	557	662
Published books (titles)	2,250	2,115	2,070	1,628	1,654	1,557	1,965	2,291	2,635	2,628	3,317	3,090	3,265	3,468
Average circulation of one book (in thousands)	7.4	8.1	8.8	11.6	14.1	10.3	6.3	3.8	3.0	2.5	2.2	1.9	2.2	1.7

1 There are major differences between the data of the Estonian Newspaper Association and the National Library, depending on the definition of a newspaper. The Newspaper Association is using a stricter definition, according to which at least 50 issues should be published a year. The National Library is using a milder definition of a newspaper and according to their database 109 newspapers and 294 newsletters were published in Estonia in 2000. This table uses the data of the Estonian Association of Newspapers, while Table 19 in Appendix uses the data of the National Library.

Sources: Estonian Newspaper Association; Estonian National Library

Table 1.8. Broadcasting in Estonia, 1990–2000

Radio	1990	1993	1994	1995	1996	1997	1998	1999	2000
Number of broadcasters	1	16	21	24	26	25	27	27	30
Total annual duration of broadcasting (thous. hours)	14	66	106	126	155	214	235	251	276
Share of entertainment in radio programs									
Estonian Radio (public service)	na	29	34	40	54	62	63	55	57
Private broadcasters	–	45	42	68	73	72	72	72	73
Weekly share of Estonian Radio for Estonians	97	77	73	69	60	50	41	32	32
Television									
Number of broadcasters	1	8	7	9	7	7	7	7	5
Total annual duration of broadcasting (thous. hours)	4.0	3.3	6.5	8.8	8.8	20.6	23.5	25.3	32.4
Share of films and serials in TV programs									
Estonian TV (public service)	na	3	22	22	28	30	28	20	14
Private broadcasters	–	41	52	62	63	56	59	54	38
Weekly share of Estonian TV for Estonians	75	52	43	43	40	37	33	28	25

Sources: Statistical Office of Estonia; BMF Gallup Media

in 1999 (4 public and 23 private); instead of one state TV station, there were four nation-wide TV stations broadcasting (one public and three commercial stations) (see Table 1.8).

- Continued commercialisation changed the media into a market-driven industry and has led to the increasing importance of the entertainment function of the media, along with a continued increase in TV viewing.
- Increased competition in the advertising market resulted in a concentration of the media. The second half of the 1990s is characterised by mergers of newspapers and the formation of two big media corporations with dominating Norwegian and Swedish capital. Inflow of foreign capital (Finnish, Swedish, Norwegian, American) was also significant in other media channels.
- Growth in the social polarisation of audiences and the cultural polarisation of media contents.
- Increased use of new media technologies, in particular the Internet and mobile phones. E-business and e-export continue to develop rapidly. According to different estimates Estonia is the leading online country in Central and Eastern Europe (see Tables 26, 27 and 28 in Appendix).

The dominating features of Estonian media development during the third period of transition are the continuing commercialisation and consolidation of the media, and the rapid spread of new communication technologies.

Commercialisation is connected with the emerging advertising market (amounting to 9 million USD in 1994 and 51 million in 1998 – Baltic Media Book 2000: 54; also www.mediafacts.com). It has brought about fierce competition for audiences between media channels and the infiltration of market criteria into the all aspects of journalistic work – planning and programming, reporting, editing, design, etc.

The commercial interests of a privatised media separated from the public interest to such a degree that it prevented the fair representation of all publicly relevant issues in the Estonian media. Many politicians and social scientists became quite critical of the media, accusing journalists of being too driven by commercial interests.

Growing commercialisation led to further changes in social and psychological functions of the media. Cultural integration was one of the leading functions of the Estonian media during the Soviet era (see Høyer, Lauk & Vihalemm, 1993: 199–215), as were social integration and mobilisation during the liberation movement. As stated previously, the importance of both rapidly declined after the restoration of Estonian independence. Economic growth after 1994 increased the access to new electronic channels. Three commercial TV stations, a growing network of cable services and the rapid penetration of the Internet changed the Estonian media-landscape from the print-dominated into the electronic age. The importance of the entertainment function of the media increased significantly, along with the increasing role of electronic media. The average television viewing time was two hours per day in 1985, three hours in January 1994 and four hours forty minutes in January 2000 (data from Baltic Media Facts). The viewing of foreign films and serials, a major portion of the programmes on the three commercial stations, has grown especially quickly.

Table 1.9. Media use in Estonia, 1993–1999

	Estonians							Non-Estonians						
	1993	1994	1995	1996	1997	1998	1999	1993	1994	1995	1996	1997	1998	1999
Number surveyed (N)	918	1,016	1,026	1,016	1,051	965	972	613	579	585	557	516	529	521
Average number of newspapers regularly read	4.7	4.3	4.0	3.5	3.6	3.3	3.2	1.8	1.8	1.7	1.8	1.3	1.9	1.9
Does not read any newspaper (%)	2	3	2	2	2	2	3	10	15	8	9	13	10	12
Average number of magazines regularly read	2.3	2.1	2.1	2.4	2.8	2.3	3.1	0.3	0.3	0.2	0.2	0.4	0.4	0.6
Does not read any magazine (%)	21	28	24	19	16	18	16	65	74	79	74	55	67	70
Average number of press subscriptions	2.7	2.2	2.0	1.9	1.8	1.7	1.9	0.5	0.4	0.4	0.3	0.3	0.3	0.3
Average number of TV channels watched	3.4	3.8	4.1	3.5	3.8	3.7	3.7	3.2	3.8	4.5	3.4	4.8	3.8	4.1
Does not watch any TV (%)	7	6	5	4	4	3	5	5	10	5	6	5	5	6
Average time per day spent watching TV (min.)	183	176	190	214	215	211	220	239	218	244	262	261	257	280
Average number of radio stations tuned into	2.6	2.6	2.8	3.1	3.2	3.2	3.3	2.9	3.0	2.6	2.4	2.6	2.9	3.0
Does not listen to the radio (%)	2	1	2	2	2	3	2	8	6	8	10	9	11	7
Average time per day spent listening to the radio (min.)	265	269	282	243	230	222	225	174	193	197	162	162	185	177

Source: BMF Gallup Media

The Estonian media market in the years 1995–1999 is characterised by the continuing concentration of the media. As examples, there were the mergers of three national dailies in 1995, two national TV stations in 1996, and the formation of two large press companies in 1998, which together own more than twenty newspapers and magazines, among them four out of the five national Estonian dailies (see Table 21 in Appendix). In both of these companies, which compete fiercely with each other, foreign capital had the leading position in 1998–2001 (in one case from the Swedish firm Marieberg, a member of Bonnier Group, and in the other from the Norwegian firm Schibsted).

The ownership situation changed in the autumn of 2001. In November, Estonian businessman Hans H. Luik became the owner of one of these companies, Ekspress Grupp, buying 50% of the shares which belonged to the Bonnier Group. Both Eesti Meedia as well as Ekspress Grupp published about 20–25% of all Estonian print media in early 2001.

In October 2001, TV 1, one of the three national commercial TV channels, went bankrupt, and the Ministry of Culture decided not to announce a competition to the licence for a new national TV channel, arguing that three national channels (one public and two commercial ones) were enough for a country with a population of 1.4 million.

Despite conscentration, there has been no large reduction in the number of media channels except TV – in fact, the opposite happened, with several new magazines and radio channels being established every year. Some of them were able to survive for only a short period, but some continue to develop successfully. The diversification process in the Estonian media, especially in the area of magazines, looks likely to continue in the years to come, with concentration and diversification taking place simultaneously.

New communication technologies are rapidly pervading the media and everyday life in Estonia due to the computerisation of schools and workplaces, and an affiliation with global networks. By December 1999, 16 electronic news services were functioning in Estonia (among them 4 portals in Estonian); 31 Estonian newspapers and 50 magazines were distributing electronic versions of their publications; and 7 radio stations functioned in the real-time regime of the Internet (Baltic Media Book 2000: 200–206).

During 2000–2001 the development in this area continued at the same fast pace.

In September 2000, 35% of Estonia's adult population used the Internet. There were 238 Internet-connected hosts per 10,000 inhabitants, the same level as France and Germany (www.vm.ee/eng/estoday/2000/infosoc.htm). Ninety-five percent of public employees had a computerised workplace. Nineteen percent of the population owned a computer at home and 53% of them had an Internet connection.

About 25% of the Estonian population used Internet banking in the autumn of 2001 (www.vm.ee/eng/estoday/2002/infosociety.htm), over 80% of banking operations were performed by use of electronic channels and a number of local banking offices were closed (www.zzz.ee/tbr/issues/vol19/e-banking.htm). Mobile telephone transmission networks cover more than 99% of Estonia's populated area and 52% of the population have mobile phones, the same level as Germany.

The government supported the rapid development of the new media technology. The Estonian government in the autumn of 1996 launched the popular national "Tiger Leap Programme" with the aim of computerising all Estonian schools in 3–4 years. The success of this programme was demonstrated by the fact that in November 1999, 94% of the Estonian population aged 15–19 used computers, 58% used the Internet (www.mediafacts.com), and all Estonian schools were connected to the Internet (www.vm.ee/eng/estoday/2000/infosoc.htm). The government itself has changed the Cabinet meetings to paperless sessions by using a Web-based document system. In December 2000, the Digital Signature Act was adopted, opening new opportunities for Internet-based services.

5. Development crisis: 2000–2001

After the 1999 elections, developments in Estonian society reached a new stage characterised by intense preparations to achieve EU accession and integration with NATO. After relatively stable developments in 1995–1998, sometimes even labelled as "stagnation," the political forces known as radical reformers came back to government. Expectations towards the new government were high. Responding to them, the newly elected right-centre coalition promised to speed up reforms in several areas: public administration, health care, pension insurance, family policy and higher education. As one of its main tasks, the new government announced it would bridge the gap of alienation between the people and the government.

The economic results of the year 2000 were relatively good: the GDP growth was 6.9%. The path of economic development in 2001 was a bit slower due to the impact of world economic trends. According to preliminary data, the GDP growth was 5.3% in the first nine months of 2001. The Baltic countries (especially Latvia) were economically the most successful among the EU-candidate countries in the first half of 2001 (see Table 6 in Appendix).

At the end of 2000, these developments were unexpectedly fused with a sudden and sharp decline in public support for all governmental institutions. The last and biggest governmental privatisation projects concerning energy plants and railways were met with strong public criticism. The unwillingness of public opinion to support further reforms expanded even to Estonian integration with the EU. Due to the attempts of the government to protect its own positions with the shield of "EU standards and demands," and with TV images of the European cattle fires as a background, public opinion during the first months of 2001 turned clearly against the EU (see Figure 1.1). It was connected with the remarkable fall of public trust in government and parliament and with negative assessments of democratic development in general (see Figure 1.2 and Table 1.10).

The crisis that emerged in the autumn of 2000 was not caused by economic but by social reasons. The strong backlash in public opinion was caused by many mutually reinforcing circumstances. First, growing income inequality and expanding unemployment raised expectations among the majority of ordinary people that the government would focus on measures to increase incomes and

Table 1.10. Trust in public institutions, 1995–2001

Complete + general trust, % of population aged 15–74

	1995	1996	1997	1998	1999	2000		2001	
	November	November	December	September	May	May	November	April	September
Estonian President	69	67	65	74	73	71	58	62	64
Estonian Army	46	46	50	58	56	55	na	na	63
Estonian Bank	55	56	64	43	48	48	na	51	68
Local governments	49	56	51	49	50	52	45	46[1]	53
Mass media	63	58	56	53	49	48	na	52[1]	53
Courts	48	52	44	48	44	44	na	na	50
Police	33	48	44	44	43	44	na	46[1]	43
Parliament	46	47	42	45	50	44	32	31	36
Government	47	52	48	49	53	49	34	28	36
Prime Minister	47	58	52	46	47	47	31	22	27

1 Data from May 2001.

Source: Saar Poll

Figure 1.1. Public opinion about Estonia's accession to the EU, 2000–2001 (%)

Population aged 15–74

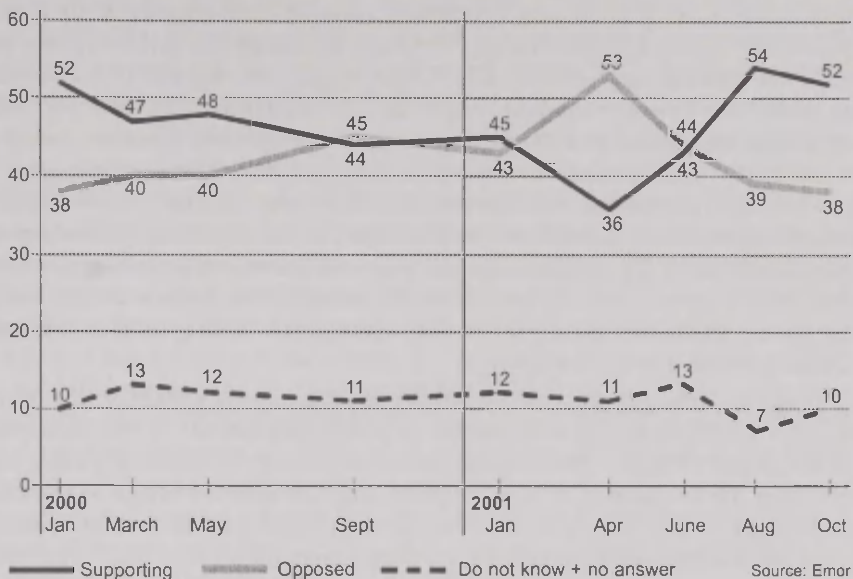
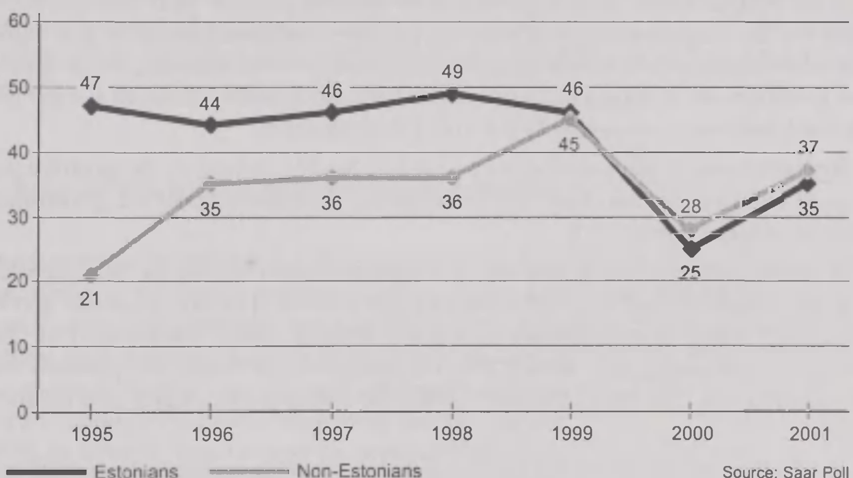


Figure 1.2. Evaluation of democratic development, 1995–2001

Satisfied with democracy development in autumn of the indicated year, %



provide everyday security and stability. The large scale of the new reforms without any visible improvement of living conditions did not correspond to their understanding of good and democratic governance.

Second, influential Estonian business circles no longer supported privatisation through international open bids, which had been one of the engines of rapid marketisation in the early 1990s. The new Estonian economic élite felt strong enough to compete for leading positions vis-à-vis the Western investors who had step-by-step taken over Estonian banking and other key branches of the economy. Business people demanded that the government, which up until this time had been promoting the policy of open doors for foreign capital, change this policy in favour of more protection for domestic investors. Responding to these expectations, the government abolished the corporate income tax. This step, extremely unpopular among the population, did not satisfy the entrepreneurial circles either. In 2000, pointing at the troubles in the privatisation of the railways, Estonian business circles started a public campaign against "selling out the country's strategic resources to the foreigners."

In this atmosphere of general discomfort, the media took a leading role in creating an overall atmosphere of distrust in public institutions, in the parliament and in the government. The gloomy picture of failures in domestic policy constructed in the media was in stark contrast with the external image of Estonia's success story. Using the rhetoric of the governmental parties in their coalition agreement, the opposition attacked the government on the grounds of unfulfilled promises.

In March–April 2001, the situation in the print media started to recall the days of the mass movements, when journalists were directly involved in politics. The media were used once again as an active agency of civic protest; however, this time not manipulated by political forces but by the new economic élite trying to use the Fourth Estate to put government decisions under their control. Along with the investigative stories disclosing linkages between groups behind different privatisation projects, newspapers published columns with appeals to change the government. A business paper owned by the Swedish Bonnier Group proclaimed itself as an advocate of the anti-EU movement.

Figure 1.1 shows that attitudes concerning the EU swung to the positive side several months later, but this was not reflected in evaluations of the government and parliament (Table 1.10).

In April 2001, the media published a memorandum signed by leading social scientists, blaming politicians for the marginalisation of ordinary people and for neglecting urgent social problems. Social scientists coined the concept of "two Estonias," expressing the unsolvable contradictions between the political élite and the masses. The memorandum called for a new participatory and balanced policy.

The legitimition crisis on the surface indicated that the readiness for a new turn towards public participation had matured inside Estonian society. It also indicated the growth of reflexivity. Public debate openly challenged the established political project of "Westernisation and marketisation," set as a common goal in the beginning of post-Communist transition. The restoration of the public trust

was proclaimed as the most urgent need. Demands to re-estimate the validity of political decisions and to rely more on the internal criteria of human and social development, compared to the external criteria of economic success, were voiced not only by the political opposition but also by the business and cultural élites. Interventions by intellectuals and representatives of business people revealed that externally initiated transition models had exhausted their legitimacy in Estonian society, and the new élite, formed during the decade of transition, demanded changes in the policy-making process.

These demands found their unexpected and ironic realisation during the presidential elections of September 2001. After a severe campaign between five candidates, the former Communist Party high official and previous Chairman of the Supreme Soviet, Arnold Rüütel, representing the Rural Union, became the President. He replaced Lennart Meri, who was internationally and internally recognised as the most effective spokesman of the new, succesfully Westernised Estonia. The election of a former Communist as a president was initially viewed by many as a serious blow to the further successful development of Estonia. Quickly enough, however, the post-electoral debate in the media acquired more relaxed tones. The results of the presidential elections were interpreted by the opposition as the re-establishment of a balance of power. The new president was called to become a "peacemaker" between "winners" and "losers," urban and rural, advanced and lagging parts of Estonian society. Fears that the post-Communist figure of the new president would damage the international mage of Estonia as a "champion of transition" appeared to be irrelevant.

The crisis of 2001 appears to mark an end of the post-Communist transition in Estonia. Estonian society had achieved the maturity needed by a stable democracy and switched to internally regulated capitalist transformation. The breakthrough from the old (communist) political and economic order to the new (capitalist) one, which was the main content of the reforms of 1990–2000, seems completed. Estonia had stepped into the new millennium as a "normal" free-market society, albeit still poor and full of internal contradictions and unsolved problems.

6. Role of the media in the reform process

The fact that economic and political changes had liberalised and commercialised the media is far from a surprise. Estonia may seem more special among other post-Communist countries because the changes in society had been so rapid and radical, and the liberalisation of the media so far-reaching. Even the attempts by the more moderate "managerial" politicians after their victory in the 1995 elections to change the course of reforms did not succeed. The political climate of the 1990s in Estonia was formed by expectations of success, and even the growing disappointment and dissatisfaction with the outcomes of reforms among sizeable portions of the population (farmers, pensioners, tenants of de-nationalised houses, Russian-speakers, unemployed, etc.) could not deflate the general atmosphere of optimism (see Rose, 2000).

Table 1.11. Mutual relationships between reform policies and changes in the media, 1987–2001

Period	Impact of the reforms on the media	Influences of the media to reform process
Political breakthrough **1987–1991**	• abolishment of censorship and ideological control from Communist Party • partisanship of journalists on the side of liberation movements • peak of media exposure	• creating a new public space • mobilisation • legitimation of the radical demands
Radical political and economic reforms **1991–1994**	• unlimited freedom of speech • privatisation of the press • establishment of private broadcasting • expansion of the new magazines and other periodicals • decrease and segmentation of audiences	• support by media to radical economic reforms • support by media of policy of generational replacement in public offices (policy of “cleaning the place”) • young generation of journalists sympathised with “winners” of the liberal reforms, as a result media contributed to marginalisation of “losers” • dominating liberal discourse lead to delegitimation of the critical voices concerning “shock therapy” and created spiral of silence around social problems of transition
Stabilisation **1995–1999**	• growth of the advertising market • commercialisation of media production • foreign capital flow to Estonian media market, concentration and monopolisation of the media • expansion of public relations business • mergers of the national dailies • growing TV consumption and entertainment usage • realisation of the national computerisation programme • expansion of the new media • growing tension between public and private broadcasting	• “watchdog” role of media focused on political scandals supported delegitimation of government • sensationalism of commercialised media lead to growing alienation of audiences from political life and growing anomie • division of target audiences of national dailies and main weeklies between “winners” and “losers” contributed to the deepening of social cleavages and legitimation of the social diffeences • media reproduced ethnic separation and political alienation between Estonian and Russian-speaking population • neglect of social and moral values by commercialised mainstream media contributed to weakness of civil society and decreasing influence of humanistic intellectuals • “Americanisation” of mediated politics during 1999 election campaign • emancipation of the journalistic coverage of elections from the direct campaigning helped to rise the critical awareness among the electorate

Continued ...

CONTINUATION. Table 1.11. Mutual relationships between reform policies and changes in the media, 1987–2001

Period	Impact of the reforms on the media	Influences of the media to reform process
Development crisis **2000–2001**	• growth of infotainment • diversification of channels • fragmentation of audiences • continuing expansion of the new media • rise of self-criticism in the media • division of functions between private and public broadcasting	• critical attitudes of the media toward the privatisation policies of the government • continuing delegitimation of political institutions • media start to set new social agenda of political debate: gender equality, poverty, drug problems, HIV, human rights • more balanced picture of reality, growing attention to the social problems and life of the "average citizen" • growing tolerance in minority-issues • political scandals – "watchdog media" continue with greater vigour to prosecute cases of corrupt and greedy behaviour of public officials and politicians • media start to support more actively development of the civil society

What was the role of media in these changes? During the first period of transition, the media played an important, even decisive role in formation of the national mass movements. This was a result of political choices made by journalists who felt themselves responsible for the future of the nation. When the Estonian media deliberately distanced themselves from active participation in politics after the restoration of independence, did they still play an active role in supporting reforms? Or conversely, did the commercialised media contribute to the alienation of the people from politics and thus in the end be responsible for the failures of democratisation?

Table 1.11 presents a hypothetical picture of interrelationships between different stages of the reform process and the activities of the media. Some of these conclusions require further evaluation through content analysis and discourse analysis, while other conclusions are quite obvious and documented in the previous paragraphs.

The main conclusion emerging from this overview is that the Estonian media in general helped to create a climate of opinion which supported the politics of shock therapy launched by the first reformist government (with the exception of Russian-language newspapers, which had definitely opposed political reforms as being nationalist, and a rural weekly, which was constantly critical towards agricultural policy and agricultural reforms). Even more, without this supportive climate of opinion, the reforms could not be managed. The extremely liberal economic policy of the first government also opened the way to foreign capital for the media itself, and the media supported this policy for obvious reasons.

Another strong factor emerged which made the media an ally of the reformists in government even if the journalists did not support one or another concrete decision: the policy of the government elected in 1992 was strongly favourable to the younger generation. The "clean the place" slogan of the Isamaa (Pro Patria) Party, the winner of the 1992 elections, did not call for repressions but for the generational replacement and abolition of the "old guard" of the Communist bureaucracy. Using the typology of modes of transition proposed by Munck and Leff (1999: 197), Estonia belonged with countries like Hungary, where the "negotiated revolution" took place. After 1991 the old establishment left office without an overt struggle, and almost overnight new and often very young people become decision-makers in various fields.

Similar to the quiet disappearance of the Estonian Communist Party from the political scene, the older generations of journalists retired after the privatisation of their channel, or left to work in other areas. Soon the majority of journalists jobs were filled with young people representing the generation of "winners" (Lauk, 1997). As a result, Estonian journalists overwhelmingly supported radical reforms (at least until 1999) not because they were controlled or manipulated by right-wing politicians (like some think), but because this liberal policy corresponded to their own interests and convictions.

Media channels were independent from the new political parties, but their ideological preferences were clearly distinguishable – the more qualitative dailies and the most influential new weekly, *Eesti Ekspress*, openly supported right-wing policies. The same was true about commercial radio stations. Voices from below

were represented in the yellow press. Dissatisfaction with agricultural reforms and attitudes of the rural population were published mostly in the weekly *Maaleht* (Countryside Paper), but despite high circulation numbers in the countryside and small towns, this paper was hardly visible in cities. Protest voices of the Russian minority were expressed in the Russian-language papers and did not reach the Estonian-speaking audience.

In this way, segmentation of the audiences inhibited mobilisation against the radical reforms.

From the viewpoint of participatory democracy, the picture in the media during the initial period of radical reforms did not seem nice. The "losers" were not given much "voice"; in fact, they were marginalised as unable to manage their own lives, or who for personal reasons opposed rapid changes. With Russian troops still remaining on Estonian territory, the political opposition was also easy to stigmatise as a "danger to independence" and a supporter of the pro-Moscow policies. The majority accepted shock therapy as the only safe way to get out of Russia's economic influence and achieve economic sustainability.

Commercialisation of the media created high interest in scandals. The news criteria changed rapidly after 1991: politics lost its appeal, and journalists tried to find any conflicts and "skeletons in the closet" of politicians in order to catch the audience's attention. In a paradoxical way, commercialisation supported the watchdog position of the media, even if journalists themselves politically sympathised with the new political élite. This watchdog attitude helped to keep political balance in news coverage. At the end of 1994, media scandals brought down successful reformer Mart Laar from the Prime Minister's office. The fate of his political opponents was no different: the media severely attacked the leader of the opposition, Edgar Savisaar, for the illegal secret recording of other politicians' talks and conversations. This pushed him out of the Interior Minister's position in October 1995. The media also accused Prime Minister Tiit Vähi of corruption, which caused his resignation in February 1997. When in 1998 and subsequent years Estonia was listed among the least corrupt post-Communist countries (see Table 10 in Appendix), this achievement is clearly connected with the effects of the "watchdog media."

During the second half of the 1990s, the position of the media became generally more critical towards the political system and politicians. The high political expectations of the first years of transition were replaced by more pragmatic attitudes; politics was represented by press as a game of the élites pursuing their group interests. The election campaign of 1999 was greatly influenced by professional public relations and advertising companies. Political debate between the parties was designed according to principles of political marketing. The personalisation of the elections, using "image selling strategies" was in contrast with the principles of proportional representation built into the election law. The election law was meant to support consolidation of the party system with clear, politically defined content, but the logic of political marketing pushed the parties to hunt for popular names in their lists from outside the political field, like sportsmen, TV stars or millionaires. As a result, the public attitude towards politics became even more alienated and cynical.

The end of the 1990s brought a new feature in Estonian political communication field: the rapid growth of Internet usage. This contributed to the further fragmentation of the audiences but also stimulated a rebirth of political debate. Online comments concerning political news, online EU debate and online polls on hot topics brought back in the political field young people who were not eager to participate in elections. The availability of banking services through the Internet and the development of e-commerce soon involved hundreds of thousands of customers. This new media environment inspired politicians to supply active information via websites of the parties and government institutions. The Law on Public Information in 2000 made a significant contribution to the development of the electronic public sphere. According to this law, all public institutions were obliged to publicise on their websites all relevant information about forthcoming legislative acts and other decisions, information about the usage of public funds, etc. The requirement for an active information supply opened new perspectives for the participation of citizens in decision-making processes and gave new impetus for more qualified media debates based on this common stock of knowledge.

Towards the end of 1999, the Estonian media landscape stabilised. Even if some further mergers or bankruptcies occur, the appearance of new dailies or national TV channels is hardly imaginable. After the initial confusion created by liberalisation and marketisation of the media, Estonian society became more familiar with the new media environment and expressed critical demands concerning the quality of media content. While the media watched the politicians, politicians themselves became concerned that the media should not favour some political parties over others. Tensions between the media and politicians stimulated the media to draw grim pictures of politics in general. The growing disillusionment created fruitful soil for negative representations of government, political parties and politicians. Complaints about alienation between politicians and "ordinary people" expressed by the media deepened the feelings of disappointment and helped to create a vicious circle of public mistrust.

The presidential elections of 2001 raised the debates about the principal values and alternatives for Estonia. The media responded to the shock created by the result of the elections, calling politicians to reflect on the causes and meaning of the unexpected outcome. Young generations of journalists could not hide their anger and despair, accusing the government coalition of a lack of unanimity and the failed implementation of reforms. Others were openly satisfied with the opportunity for political retaliation on behalf of the "oppressed part of society." Deep contradictions hidden under the cover of Estonian success story needed explanation and resolution.

7. Social and cultural contradictions of the transition process

The Estonian crisis of 2000–2001 is not exceptional. Almost all successfully reformed countries have gone through similar backlashes. Although the vast majority of people would not support a return to the Socialist past (Table 17 in Appendix), surveys recently conducted in Central European countries demonstrate a growing dissatisfaction of the population (see Munro, 2001: 18–23). Trust

in political institutions is lower in many other post-Communist countries than in Estonia (Rose, Mishler & Haerpfer, 1998; Mishler & Rose, 2001). Alienation and distrust characterises the relationships between people and political institutions. In many successfully reformed countries, elections had brought back to power former Communist functionaries. Most striking is the example of the Polish elections in 2001, where half the population did not participate at all (turnout dropped to 46%), remnants of previously glorious Solidarity did not even pass the threshold, and the former Communists won a clear victory.

Investigating the reasons for these backlashes, Jörg Jacobs (2001) found that two sets of causes are relevant. First, in all countries investigated (the Czech Republic, Hungary, Poland and the former East Germany), structural reforms in the economy had led to serious social problems; a notable part of the population suffered from poverty and the lack of everyday security; and the gap between the rich and poor parts of the population was growing. Second were cultural factors, especially socialisation in times of the Socialist regime. The revolutions of 1989 created high expectations of a coming "free and fair society," different from the miserable existence inside the closed and repressive socialist camp. Ironically, the content of those expectations of a "bright future" was deeply influenced by socialist and communist ideology: hostility towards the market, fairness understood as the equal distribution of goods, and a leading role for the state in providing for the welfare and employment of everyone. These ideas are still widespread among people who were socialised under communist regimes, but people themselves often fail to recognise traces of socialism in their expectations and assessments.

Even if there are similar patterns of social and political developments in almost all post-Communist countries of Europe, the processes in each country differ in the details and in the timetable of events. In each country, questions can also be asked about possible alternative choices.

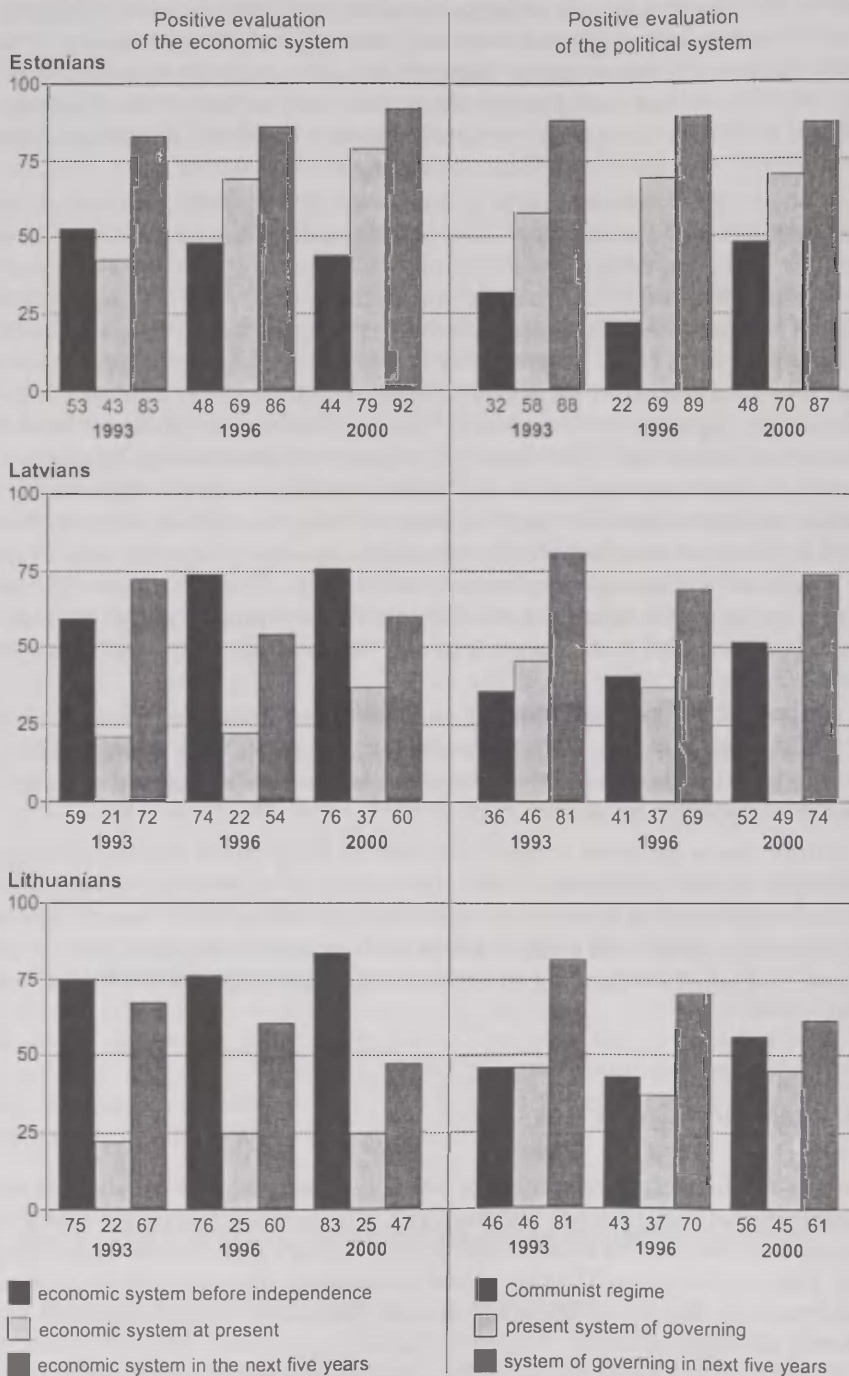
To fully assess the more complicated reasons for political failures and social tensions in a post-Communist country like Estonia, it is necessary to understand the gains and losses of different groups in society during the decade of reforms, their economic, social and political status in society now compared to the socialist past, and how they perceive and interpret changes in society and in their own lives.

7.1. Evaluation of changes

The post-Communist development of the three Baltic countries in general is seen in international social science literature as a success story. Among the topics frequently analysed are the external and internal factors of this success (see Smith, 1999: 176–182; Clemens, 2001). In several recent cases, the analysis is focused primarily on the factors of Estonia's success (Feldmann, 2000; Norgaard, 2000: 174–179; Panagiotou, 2001).

Comparing evaluations given by representative surveys to the past, present and future of a country, two patterns of attitudes can be distinguished: the

Figure 1.3. Attitudes towards past, present and future in the Baltics (%)



Source: Rose & Maley, 1994; Rose, 1997; Rose, 2000

"Central European" optimistic pattern, where people are more satisfied with their present situation compared to the Communist past and expect even more improvement in the future; and the "East European" pessimistic pattern, where the past of the Soviet era is evaluated to be better than the present "transitional" situation and people are not sure the future could be any better than the pre-transitional past (see Rose, Mishler & Haerpfer, 1998). Despite social difficulties, changes in Estonia are evaluated positively by the majority of the population.

In 1993, all Baltic nations, including Estonia, thought that the state of the economy before independence was better than the present-day condition. After economic stabilisation in 1994, opinions changed: according to the results of the Baltic Barometer from April 1995, the present economic system in Estonia was rated equally with the past. In November 1996, evaluations given to the present state of the economy had risen higher than that of the past level (see Lauristin & P. Vihalemm, 1997: 122–124). Results of the survey from March 2000 demonstrate even more clearly the overwhelming positive evaluation of changes towards the market economy in Estonia but not in Latvia and Lithuania (see Figure 1.3, Table 16 in Appendix).

The differences among the attitudes of the people in the three Baltic countries, which had quite similar starting positions at the beginning of economic reforms, are remarkable. They clearly contradict a widespread assumption that slower and softer reforms would help avoid social tensions, which are inevitable in the countries that have chosen "shock therapy" for the stabilisation of their economies. Estonia is a clear case of the "shock" version; Lithuania, on the other hand, an example of the desire to avoid social tensions by postponing radical changes.

Optimistic expectations towards the future, despite the difficulties of the present situation, are a sign of the post-Communist "economy of patience" (Offe, 1996). Patience, however, is not an infinite resource. Comparing the optimistic answers of the questionnaires with the content of media discourses and with severe political debates between pro-reform government and critical opposition, it is possible to identify significant differences.

In the Estonian media, the pessimistic interpretation of changes has dominated throughout the entire decade of reforms. It is related mainly to the social unfairness created by changes in society: rising inequality; new unfairness caused by privatisation; destruction of the previous economic and social structures; growing insecurity; egoism and élitism of the politicians; and lost unanimity of people (Lauristin, 2000). In the declaration by the social scientists in April 2001, the concept of "two Estonias" was coined to designate the growing gap between the successful and deprived parts of society.

7.2. Social contradictions

The older generation felt especially deprived of security earned during their life-long work in socialist times. There were concrete reasons for such complaints: currency reform devaluated their savings, pension reform abolished Soviet-era guarantees and dropped the replacement rate of pensions compared to previous salaries from 70% to less than 40%; and previously cheap costs of living in apartments skyrocketed, after water, heating and electricity were priced according to their real costs. Feeling themselves deprived of their best hopes, representatives of the older generation started to blame not only politicians but the Estonian state in general, refusing to recognize it as a country of their dreams, the "real Estonia."

Additional conflicts were created by restoration of ownership of pre-war real estate. While those who were living in the newly built houses in Soviet-era suburbs could privatise their flats using privatisation vouchers, the inhabitants of old houses in better parts of cities suddenly discovered that their houses were to be given back to the previous owners and they could not freely privatise their flat. It was one thing to protest against Soviet nationalisation of private ownership in general, quite another to find out that you have a nice flat as a result of this nationalisation and must now recognize the rights of the previous owner. The state tried to protect the rights of renters, by requiring owners to continue rent contracts and providing loans for the purchase of new flats, but these measures did not solve the conflicts. Dwellers in the returned houses were among the most furious critics of reforms, speaking about the "new repressions against people."

A third group of worried and dissatisfied people was the rural population of Estonia. After decades of fighting against the Sovietisation of rural life and condemnation of *kolkhozes* and *sovkhozes* as results of Soviet repressive agricultural politics, dissolution of these collective farms should have been welcomed by everyone. The reality of agricultural reform turned out to be much more complicated. *Kolkhozes* and *sovkhozes* were dissolved and all members could reclaim their properties according to the unanimous resolution of the Supreme Council. This happened in the spring of 1991, before the restoration of independence, but land reform took much more time and is still not fully complete. Farmers who reclaimed their modest properties were usually unable to survive in free-market competition. Instead of the idyllic rural life of pre-war agrarian Estonia preserved in memory, modern reality demanded a different scale of production and different farming skills. Unemployment in rural Estonia is extremely high. Polarisation is growing between cities and the countryside, and inside the rural areas between smaller number of strong new farms successfully exporting their production and the majority of village people trying to preserve their little farms, scarcely living at a subsistence level and working several additional seasonal jobs. Structural reforms in agriculture not only created social problems for many families in villages, but they have also had a strong cultural and political impact on the whole population, as even urbanised Estonians identify themselves very strongly with the home villages of their grandparents. "Destruction of the Estonian country-

side" became one of the most angry accusations directed by the opposition against the reformist government. The protest votes of villagers brought victory to the opposition's presidential candidate in 2001.

All the above-mentioned social problems and many others could be included in the often-used concept of "social costs of transition." One of the most widespread complaints posits that the costs and the gains of transition are not distributed fairly: when one part of society enjoys all new freedoms, the other bears all new troubles. This means that interpretations of changes by different social actors are becoming increasingly controversial.

7.3. Cultural contradictions of transition

The controversial meaning of transition is related to differences in values. The first and foremost difference is in the value of freedom. It is not the same for all. The transition of Eastern Europe from Communist regime to capitalist market economy had clearly revealed the fundamental cultural contradiction of Western civilisation: conflict between freedom and equality (Bell, 1976).

Confusion in post-Communist minds, created by disillusionment with nostalgic expectations and by the new contradictions of society, was very difficult to resolve. Media discourses reflect deep confusion during the first years of independence. Besides the real difficulties inevitable in a situation of rapid change in a relatively poor country, the reason for being confused lies in the cultural contradiction of a transitional period. Piotr Sztompka called the state of minds in post-Communist society "a transitional trauma" or "cultural trauma" (Sztompka, 2000). Using phenomenological approach (Schutz & Luckmann, 1974), this trauma meant that for the majority of people, adapted to life in a closed totalitarian society, the collapse of the main structures of the individual life-world started with the spacial and temporal dimensions and spread to social categorisation schemes, basic values and the accent of reality.

The better one had adapted to the Orwellian Soviet reality, the harder it was to understand the new world. For the young it was not a problem, as they were already socialised in the new system. For people who were actively communicating with the outside world through formal or informal channels, the change of mind was not crucial either. But even for them, and for dissidents, for Western-minded intellectuals, for economic managers who by the end of Soviet era were involved in different joint ventures, adaptation to the new environment at home demanded mental and emotional efforts. Among the main deficiencies were: a lack of understanding how the modern capitalist society works as a system; a lack of experience to participate in market relations not only in business but also in the so-called humanitarian sphere; a lack of skills to behave as a citizen in a democratic society; a lack of readiness to take personal risks and accept responsibilities; and a lack of tolerance concerning "others."

After the decade of efforts, "return to the West" (see Lauristin & P. Vihalemm, 1997; Lagerspetz, 1999) seems still to be disputable. After the jubilation of the initial years, the West did not sincerely recognize Eastern Europe, including Estonia,

Latvia and Lithuania, as a part of the common past. The border between East and West was culturally constructed deep in European history, and breaking through this border seemed even more difficult than breaking with the Soviet Union. The concept of transition itself blurred, as people did not understand where they really were and where they should proceed.

In this situation of confusion, the state of anomia was aggravated. The national values preserved through the Soviet era lost their validity, while those used to justify reforms were not viewed as the interests of the people, but were perceived as the interests of the government and the élite. An attitude of collective readiness for patience and scarcity for the sake of the nation's future was widespread during the Singing Revolution, but now it seemed to be a deal for "losers," while "winners" hurried to enjoy the pleasures of consumerism.

The contemporary post-modern cultural environment does not help in understanding transition processes, but rather creates further confusion, applying often-irrelevant standards and schemes of interpretation. Post-Communist countries still have to develop modern political and economic structures that belong by their nature to industrial society, i.e., to the past, but the world is already shifting culturally towards the post-industrial network society. Many tasks yet to be fulfilled in Estonia, like creating strong political parties, or establishing effective systems of social insurance, were accomplished in Western countries more than half a century ago. In order to be perceived as a relevant partner in international dialogue, post-Communist societies have to move further in two different time scales, modern and post-modern. The media and the entire sphere of cultural production acts in the post-modern context, in the rapidly expanding virtual universe of new communications. The processes of economic recovery, political consolidation and social stabilisation seem from this perspective to belong to a different reality.

When culture is not able to give sense to the life experiences of people, the feelings of alienation and frustration are hard to overcome.

7.4. Concluding remarks

A comparative analysis of developments in different post-Communist countries revealed similar factors that influenced the decline of support for reforms and the growing criticism towards the new political and economic system not only in Estonia, but all over the previous Socialist world. Those with negative attitudes concerning post-Communist development are characterised by dissatisfaction with their economic situation coupled with high expectations concerning the ability of the state to provide economic guarantees (Jacobs, 2001).

Compared to the stable Western democracies, these expectations seem to be too high, revealing the inability of people to adapt to market conditions and to accept the liberal concept of the state. Looking at the figures characterising the level of economic performance and available financial resources, even in the most successful post-Communist countries, the forecasts show that "even with the fast economic growth, it will be decades before the southern side of the Baltic Sea

catches up with the countries on its northern and western shores" (*The Economist*, 1 September 2001: 25). That also means the impossibility of implementing generous policies of social support, well known to the Baltic people from their Nordic neighbours and often taken as an ideal model for alleviating the social cost of transition.

Reviewing the decade of transition, praise can be lavished on Estonia's economic and political achievements, which have provided access to the EU and NATO. On the other hand, one also can also focus only on the disappointments and unsolved problems. Both perspectives, one too optimistic, the other too pessimistic, have the same flaw: they concentrate on policies, on governmental activities and do not say much about society as a whole.

Transition can be tackled as an élitist project, for better or worse in its implementation. An examination of transformation requires a look at processes that are deeply changing all societal structures. Estonian society changed during these years in all dimensions. The closed society dominated by the totalitarian East is now turned to the West and open to all global winds. An economy based on a state planning system and dependent upon agriculture and industry had become an open-market economy dominated by the service sector. Technological interiority had turned into competitiveness in the most advanced areas of information technology and biotechnology. A culturally homogeneous ethnic community had become a multicultural modern nation. An orientation to the common national values was replaced by cultural fragmentation and individualism. A "classless" Soviet society had developed into a capitalist class society.

Even if establishing Estonia's economic equivalence with its Nordic neighbours takes decades, the transformation of its society has progressed so far that there is no way to turn the clock back. When material resources are scarce, the appropriate use of social and symbolic capital could help to overcome mistrust and despair. Estonia has experience in developing an effective national integration programme for the Russian minority. An analysis of the social and cultural processes that created the crisis of 2001 should help to develop a comprehensive integration programme for the entire nation. It cannot be based on nostalgic dreams, utopian expectations or populist promises. It presumes not only a critical analysis of the policies applied thus far, but also a growing capacity for critical self-reflection across the whole of society.

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2. Development of the Media in Latvia in the 1990s

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Since the beginning of the period of *perestroika* and *glasnost* in the Soviet Union, trends and characteristics in the development of the media in Latvia, as well as in the other Baltic States and countries of Eastern Europe, have traditionally been analysed in the context of the overall political and economic processes. In the 1990s, however, this approach was questionable, because media transformation was decreasingly related to and comparable with political changes that occurred. The analytical technique, though, is both useful and fundamental in evaluating general processes, so the first step is a review of the political and economic processes that took place in the 1990s.

1. The main periods of systemic transformations in Latvia between 1985 and 2001: The state and the media

1.1. Stages of societal development

The process of systemic transformations in Latvia between 1985 and 2001 can be divided into several major stages:

Stage 1. The collapse of the political and economic structure of the authoritarian Communist regime (1985–1991). This period ended in August 1991, when the Republic of Latvia regained its independence and won international recognition, and the process of democracy was gradually institutionalised.

Stage 2. The institutionalisation of the democratic Latvian state (1991–1995). On 10 December 1991, the Supreme Council passed a constitutional law, "The Rights and Obligations of Individuals and Citizens," but it refused to make the law a part of the national constitution.

The process, which came to be known as "small privatisation," began towards the end of 1991 and prices were liberalised. This led to hyperinflation, which was further fuelled by the continuing circulation of the Russian rouble. The Latvian rouble was only introduced in May 1992, and in March of the following year Latvia began to issue the national currency, the *lat*. Latvia's domestic policies during this period developed in various contradictory ways. The local government elections held on 29 May 1994 were part of a systemic democratic structure, but there was much less success in the establishment of government institutions and

related laws needed for a successful market economy. A number of vast financial scandals resulted – the one best-known internationally was the collapse of the Baltija Bank on 22 May 1995. This caused serious problems for many Latvian companies and for huge numbers of residents. It also had a significant effect on the development of the mass media.

The next election and the ability of the political elite to agree on ways in which to avoid a deeper political crisis in the country showed that at the level of constitutional organs, the systemic democratic structure was established quite successfully. The processes were far weaker in the areas of territorial and functional representation. This is indicated by the weakness of the system of political parties and of local governments, as well as by the emergence of a two-community society in Latvia – problems which can at least in part be attributed to the implementation of a strategy of "exclusive democracy" in Latvia.

Stage 3. The consolidation of the democratic political regime (1996–2001). The move towards processes of democratic consolidation in Latvia occurred slowly and not without contradictions. One reason for this was the instability of coalition governments that were formed as the result of fairly radical shifts in the system of political parties in Latvia.

Two large factions from the session of the Saeima which took place from 1995 until 1998 disintegrated after the 1998 elections, while major successes were gained by the newly founded and conservative People's Party, as well as by the Social Democrats. There was something of an overlap between the conclusion of the democratic system restructuring, which took place in Latvia on the one hand and the initial processes of consolidating democracy on the other. Latvia passed through a period of negative consolidation of democracy because the elite's attitudes towards it were positive, and democracy did not have to face any serious political alternative. One can predict that in the next parliamentary election, scheduled in 2002, there will once again be a fairly significant shift in the political party system. This was observed in the local government elections in 2001; in the capital city of Riga, the Social Democrats, along with leftist party alliances, posted significant gains.

During this period Latvia also engaged in further liberalisation of its citizenship law – something demanded quite actively by the OSCE, the European Union and Russia. At the level of the individual, this made it possible to overcome the boundaries that were set up by the model of "exclusive democracy." Something similar has happened in the practical implementation of Latvia's language law.

The Latvian economy overcame the consequences of the Russian financial crisis quite successfully, and Latvia has persuaded the European Union to begin accession negotiations with it.

Latvia, like Estonia and Lithuania, however, has not managed to regain the level of gross domestic product that existed in the country in 1990, nor has it returned to other pre-independence indicators that attest to economic development. The indicators that are in place, though, demonstrate that if political stability and sustainable growth rates in the national economy are preserved, the situation might well improve in the foreseeable future.

1.2. Phases of media development

The development of the mass media during this period only partially coincided with the aforementioned systemic transformations, and it is also true that the factors that determined the changes in these two areas differed. Between 1985 and 2001, there were several phases in media development, along with certain factors that had an impact on the process.

1. **Democratisation of media content during the period of *perestroika* and *glasnost* as a form of liberalisation in the Soviet totalitarian ideology (1985–1987).** The media began to write about subjects that had previously been taboo. Criticisms were launched against the government's thinking, and there were open debates in the press that allowed people to express their views. It must be remembered, however, that this took place under the full auspices of Soviet-era media regulations and laws.

2. **Media system and individual media outlets increasingly served as proper communications channels with the relevant functions (1987–1990).** Of importance here was the emergence of newspapers and newsletters from the Latvian People's Front and other new organisations. As government controls over the press were relaxed, the popularity of all of the press increased sharply. The media became a place for public debate over the emergence of a new public sphere in society. The media also were active participants in what has come to be known as the Latvian national renaissance that led to the restoration of the country's independence.

3. **Cardinal transformations in the national press system, and the state radio and television stations in particular (January–August 1991).** These emerged as a representation of the image and functions of the national media. Development of the print press market was severely hindered during this period by the fact that in January 1991 Soviet special OMON troops took over the building in Riga that housed Latvia's largest newspaper printing presses. It is also true that for the first time in 50 years, the media were facing true competition amongst themselves, a situation that was exacerbated by economic collapse, severe inflation and deteriorating purchasing power. Television and radio communications took on a special role for people because they were nationally available, free of charge, and active in their support for the restoration of Latvia's independence.

4. **Stagnation and narrowing in the media market (1991–1992).** Newspaper circulation dropped, and the market for books diminished in terms of the number of titles, the size of print runs, etc. This was dictated by the overall economic situation in Latvia, but also by the fact that many media outlets were simply being run by people who had no experience working in a proper market environment.

5. **New media market emerged – involving commercialisation and consolidation in the media (1993 – late 1990s).** Throughout the latter part of the 1990s, new printed and electronic media outlets appeared, circulation and consumption increased, the advertising market developed, and foreign capital entered the industry.

6. National market for mass communications stabilises, global communications industry strengthenes local market presence (late 1990s – early 21st century). This phase resulted from four factors: (a) stabilisation of the economic situation, underpinning an expansion in the consumer market; (b) professionalisation of journalism and media management as global experience was accessed; (c) rapid development and professionalisation of the public relations and advertising industries; (d) the arrival of Western skills and practices in the media, public relations and advertising business.

2. Transformation of media content and the media system in the late 1980s and early 1990s: Facts and consequences

This period is usually described on the basis of the explosive growth in the numbers and circulation of newspapers. Some 500 periodicals appeared in Latvia between 1988 and 1991. Most were A3-format newspapers, between four and eight pages in length, and issued on anything from a bi-weekly to monthly basis.

The emergence of radio and television as part of the electronic media system in Latvia was a slower and narrower process than with the printed press. There were several reasons for this. During the Soviet period and the national awakening in Latvia, there was fairly free (albeit illegal) access to various copying and printing equipment. By contrast, telecommunications were under extremely strict controls and were not accessible to transmit information in opposition to the existing centers of power. All television and radio frequencies belonged to the state, and until August 1991, use of these frequencies was strictly supervised by the security structures of the Latvian SSR.

The programme of Latvian Television was harmonised with the programme of the central Soviet television station, and many broadcasts were very popular (and not only among Russians). Negative attitudes toward central broadcasts, and especially toward the news programme *Vremja*, appeared only after central television began to broadcast false and tendentious information about events in the Baltic States and Latvia. Many other programmes, however, have maintained their popularity to this very day: e.g., *Itogi*, which is rebroadcast on Latvian Independent Television.

Latvian Radio and Latvian Television were neither ready for nor interested in any major changes in the electronic media system. In the press system, albeit within the confines of Soviet structures, there were various newspapers and magazines, among which there was at least professional, if not actual competition. In the electronic media, by contrast, there was a complete monopoly. The State Radio and Television Committee governed radio and television procedures in Latvia. Latvian Radio and Latvian Television were only split off as independent structures in 1990.

This situation was not only a factor that structurally hindered the formation of a system of electronic mass media, but it also had a very important psychological influence. During the Soviet period, both broadcast organisations were very effective instruments for disseminating propaganda, and at the beginning of the

national awakening they, far more than the press, transformed into media that were oriented toward the Latvian People's Front. They also changed their content much more quickly. The electronic media, especially radio, earned enormous public trust. That was partly because of the specifics of the radio station in terms of its work as a medium – live broadcasts from various meetings and demonstrations allowed people to enjoy the effect of feeling that they were present at these events.

The slow pace of legislative changes hindered the development of the media system. The mass media only started to operate in accordance with the law "On the Press and Other Mass Information Resources" in 1991. The law contained declarative phrases about press freedom but in fact did not provide any legal foundation for the emergence of the electronic media and specific resources for communications; in fact, the law actually hindered private initiative in the electronic media business in several ways. It was also adopted too late for the development of private business operations in the press market because in the late 1980s, when quite a few people had enough money to launch press operations, there was no law to allow them to do so.

When analysing radio and television in the early 1990s in Latvia, it is important to note that they enjoyed enormous trust and even love from the audience. They really were "people's media," even though each had different development trends – both because the media themselves were different and because there were differences in the way in which they were perceived.

Radio Latvia provided widespread reflection of the social and political mood of society, and it served to promote a more public nature of debate. For the first time various groups and individuals were given an opportunity to express their views publicly. People actively listened to the radio to learn what was going on in the country.

Latvian Television, by contrast, produced mostly TV magazine programmes and talk shows. This was partly because during Soviet times shows of this type were among the most popular programmes on television, with the result that the genre developed in a more professional way. Social reality could be interpreted rather freely, and journalists could avoid politically undesirable issues and subjects. TV discussions that provided audiences with the effect of being present at events allowed journalists to avoid stating their own positions directly while still leading the audience to see them as serious fighters against the Soviet system. From the perspective of journalism standards and democratic traditions, these radio and television programmes in the late 1980s and early 1990s seem rather absurd today, but the fact remains that one of the most typical trends in the development of journalism of the time was the co-opting of Soviet propaganda methods in order to reach new goals diametrically opposed to the Soviet system. This was particularly typical in the electronic mass media.

All of this was seen most clearly in the TV programme that was by far the most popular in Latvia at that time – *Labvakar* (Good Evening), which was similar in concept to a Soviet programme from the period of *perestroika* that was called *Vzglad* (View). On both broadcasts, journalists implemented the ideas of *perestroika* and *glasnost* with great energy. They were not neutral journalists who

questioned others, nor were they commentators who analysed and criticised processes and phenomena in society. At the same time, they managed to maintain a distance from the events and people that they were discussing, but they were clear promoters of *perestroika* and *glasnost* and, in Latvia, of the ideas of national independence.

The hosts of *Labvakar* were attractive in terms of their personality, and they developed a very detailed system of images, discussions and interviews. Once again, the issue here was that people were given the sense of being participants in the process, and this was something conceptually new in (Soviet) Latvian television.

This is a period that might symbolically be called an "information banquet." People "consumed" the mass media without any critical approach to content and professionalism. Information that had not been available because of Soviet censorship was automatically assumed now to be true and objective. Journalists emerged as heroes of the era. Nobody wanted them to present serious arguments and constructive ideas. Rather, they were expected to embody opposition to the Soviet system and faith in Latvia's future.

The role of journalists and the media in terms of mass communications content and the perception of this content by the public were influenced by several groups of factors.

First, the local population was hungry for information, and the low price of newspapers allowed some press outlets to achieve unbelievably high circulation figures. Because there was very limited choice in terms of radio and television channels, the Latvian population came together around Latvian State Television and Latvian State Radio (except, of course, for those who could not understand the Latvian language and/or were opposed to the restoration of Latvia's independence).

Media content was disseminated throughout society at the level of personal communications, and various types of communications supported one another. Public opinion leaders (including a sizeable number of journalists) were of critical importance in developing content perception and in providing interpretations of events and processes that had a fairly direct influence on the audience.

Journalists attended national demonstrations and meetings at which they received immediate, direct and varied audience reactions to media content. Accordingly, they could react to communications effects based on their experience and knowledge of communications processes (Brikse, 1997: 105).

Communications processes in Latvia and in the Baltics during this period can be seen as unique because "it is practically imposible for a large population in contemporary societies to participate fully in public business" (Splichal, 1994: 6).

It is also true that as the number of media outlets increased, the job market in the field of journalism expanded very rapidly. This led to a unique synergy in terms of a lack of professionalism. Journalists and the media continued to operate under the influence of Soviet-era traditions – no separation between facts and opinions, and a reflection of the journalist's own views about events. Furthermore, many of the new media outlets had an absolute lack of professional and

experienced people who could evaluate the needs and interests of their audience. This was seen in many of the publications that were issued by the Latvian People's Front, for example. The editors of these publications felt that advertising was nothing more than a waste of space that limited the ability of people to receive information and viewpoints. The media began to employ young people who had insufficient education and social experience to allow them to evaluate events and to ensure that media content was in line with the level of education and information in society.

The effects of these factors in the mass communications environment in Latvia receded only in the latter half of the 1990s, and they are still present today because "the majority of the media in Latvia became increasingly iconoslastic and broadened the scope of their coverage" (Dreifelds, 1996: 68).

3. A challenge to the media: Shifting from propaganda and inexperience to a market economy under conditions of crisis

The early 1990s were a time when Latvia's periodicals and book-publishing industry faced a serious crisis. Publishers, editors and journalists had to overcome the euphoria that was a part of the late 1980s, both because of the influence of the Latvian People's Front newspaper *Atmoda*, and because it was suddenly possible to offer various print media products that had not been available during the Soviet period. There were significant changes in public attitudes at the same time, however. If during the national awakening people had been focused on politics – something that increases interest in the mass media – then after the restoration of Latvian independence people were forced to devote more attention to everyday economic problems. People who purchased books became far more selective for financial reasons, and also because the "trash literature" that flooded the market became tiresome due to its primitive content and the poor production qualities that were allowed.

Newspapers, magazines and books were the first media to encounter the realities of a market economy.

3.1. Newspapers: The search for readers

Although economic indicators in the first half of the 1990s showed that the standard of living in Latvia was deteriorating, the number of published newspapers actually increased. In 1990 there were 172 newspapers in Latvia, while in 1995 there were 286. The number then declined, with only 235 newspapers published in 1999. Of these, only 27 were published four to six times per week, while another 36 were published two or three times per week. In 1990 there were 103 newspapers in the Latvian language, and in 1995 there were 193 such newspapers. Afterward, in line with the overall decline in the number of titles, the number of Latvian newspapers also declined. Economic circumstances forced a corresponding decline in circulation numbers. If in 1990 people were buying 4,396,000

copies of newspapers, then in 1995 circulation was down to 2,915,000, and in 1999 to 2,105,000.

The development of newspapers in Latvia involved the idea that one could start a newspaper in the hope that a new product would attract people. Others published digests of information in newspaper form, hoping that people would be interested in the "white pages" of history and the like. Processes in the daily newspapers sector were different. Daily newspapers, which are published six times a week, grew in number from seven in 1990 to eighteen in 1995. This suggested there were quality-related transformations in the content and form of newspapers, as well as an audience that was starting to form new habits in terms of media choice. Unlike local and other newspapers, which sought market niches in a fairly chaotic way, the dailies tried to firm up their existing audiences and only then examine secondary target audiences (family members, students, etc.).

There are several factors that must be considered in analysing the development of the media, especially the development of newspapers in the 1990s. First, the potential audience for the daily press in Latvia is small, both because Latvia has a small population and because that population is divided into separate language groups. Secondly, although the welfare level of the residents has developed and improved, it has not yet reached the point at which the average family can afford to subscribe to more than one daily newspaper. Third, Latvia's dailies have not reached a level of journalism quality and thematic variety that would encourage people to subscribe to or even to buy two or more daily newspapers.

All of this means that trends in the daily press market involved nothing more than the move of the audience from one newspaper to another. The first distribution of the audience took place in the early 1990s, when the newspaper *Diena* was established as a state-issued newspaper. In 1991 and 1992, *Diena* was transformed from a state-owned enterprise into a stock company with foreign capital (Høyer, Lauk & Vihalemm, 1993: 243–244).

The newspaper attracted an audience not only by being something new in the market – a Western-quality morning newspaper with a wide variety of news, a commentary page, the separation of facts from viewpoints, pages devoted to the interests of various groups and, later, special sections and inserts – but also by producing the structure and style of the newspaper very successfully so as to attract those audience groups which had previously read the newspapers of the Communist Party and its youth organisation. These two Communist newspapers had shifted their political attitudes and orientations beyond recognition between 1989 and 1991 – the paper of the Communist youth organisation was a leading mouthpiece for the ideas of the Latvian People's Front, in point of fact – and they had also changed their structures. *Diena* launched an active marketing programme and a series of successful attempts at self-promotion.

The structure of the Latvian daily newspaper market became one in which *Diena* was the largest daily in Latvia, while *Neatkarīgā Rīta Avīze* was the second largest. The next distribution of the audience involved a battle for readers between *Neatkarīgā Rīta Avīze* and the semi-weekly *Lauku Avīze*. The latter newspaper, which is focused on rural concerns, was long the dominant market leader, but in 1996 it began to lose subscribers very rapidly – from 127,000 at the begin-

ning of the year to just 85,000 at year's end. These processes are continuing today, and the competition is based on the fact that *Neatkarīgā Rīta Avīze* is growing stronger and pursues the same readers (farmers, small-town residents) as *Lauku Avīze*. It is also true that *Lauku Avīze* has lost the faith of many readers because it has frequently changed its political platform.

Latvia's first "yellow newspaper," *Vakara Ziņas*, appeared in 1993 and is published six times a week. Initially it had ambitions of competing with the morning newspapers, and it had a morning edition for a while. The paper was enormously popular at first, especially among young people. It had a laconic style, used simple language, sought to form a friendly dialogue with readers and opposed those who were in power. The paper began to lose its market position in the late 1990s, especially because of the appearance of a new weekly magazine, *Privātā Dzīve* (Private Life), which took over some of the newspaper's market niche.

Compared to the dynamic market of the national press, local newspapers have seen no radical developments since their idea-based crisis in the late 1980s and their financial crisis at the beginning of the 1990s. There are only two cities in which there is a real local press market and competition therein – Liepāja and Daugavpils. The circulation of local newspapers is rising slowly but steadily. One very important change is that since the mid-1990s, the national daily *Diena* has purposefully and gradually become involved in the local newspaper business. Eleven local newspapers were subsidiaries of the stock company Diena in 2001. The design and structure of these newspapers have improved rapidly, and there are also positive changes to be observed in content and style.

3.2. Magazines: Women's magazines as market leaders

The development of magazines in Latvia has taken place in two separate phases. The system of magazines from the Soviet period was transformed: some magazines shut down; others changed their content and their economic activities. This transformation continued until the mid-1990s. Secondly, a new system of magazines emerged in line with audience interests and demand, as well as in accordance with the specifics of the advertising market and its development.

The collapse of the Soviet system of magazines was greatly influenced by the Soviet military takeover in 1991 of the building in Latvia that housed the only printing presses that could produce magazines. It is also true that magazines were influenced far more than newspapers by other economic and political factors (inflation, the crisis in economic and political relations with Russia, which affected the availability of raw materials for newspaper production, etc.). In 1991 none of the magazines that had been previously published in Latvia was able to maintain its output (publication once or twice per month), and only one magazine managed to deliver the promised number of issues to its subscribers by the end of the year.

Magazines had traditionally been distributed in Latvia through subscriptions. The events of 1991, of course, influenced the trust of readers, and many people

were no longer ready to pay in advance for an annual subscription. Skyrocketing inflation in Latvia also meant that people had less money to spend on periodicals.

It is furthermore true that the magazine system itself could not continue to exist. Magazines in the Soviet press system were not interest-based or entertainment media. Rather, they were aimed at specific and broad audiences, and their content was positioned for age groups (children, adolescents, teenagers and adults) and for gender groups (there was only one women's magazine). The interests of people such as rural residents, gardeners, chess players or literature fans were reflected only in a fragmentary way.

The system of magazines in each Soviet republic was one in which there were no opportunities whatsoever to launch a new publication. In Latvia, among other things, this meant a serious shortage of magazines in Russian – even though many people did not speak Latvian, there were only two propaganda magazines in Russian, joined by a literary journal in 1990. This system kept people from satisfying their informational, educational and entertainment needs in Latvia, and provided an indirect stimulus for ethnic Latvians to read primarily magazines that were published in Moscow and Leningrad, which led to increased use of the Russian language. This system hindered or even excluded non-Latvians from integration into Latvian society. They may have lived in Latvia, but they received all of their information and entertainment from media that spoke not about Latvia and its residents, but rather about the Soviet Union as a unified country in which the "Soviet nation" resided. These factors had a deleterious effect on the emergence of a market for Russian-language periodicals in Latvia for a number of years after the restoration of Latvia's independence.

The changes in the magazine market in Latvia in the first half of the 1990s can be compared to those which occurred in the global market in the 1960s, when the rapid spread of television meant that advertising of mass consumption products shifted from general interest magazines to television. In Latvia, the advertising market only partially affected these processes because that market was only just developing. Rather, people rejected magazines because they were too general in content. They did not satisfy requirements related to different interests, and they could not keep up with local television channels in terms of the variety of information and entertainment on offer.

Women's magazines represent the largest share of the magazine market in Latvia, and the emergence of new women's magazines at the beginning of the 1990s heralded transformations in the entire system. The journals are all fairly similar in terms of subject matter, and the orientation of magazines toward various target audiences is based mostly on the self-image of a woman that the relevant magazine seeks to project, as well as on the discourses "woman–man" and "woman–family" which each magazine seeks to position.

The system of women's magazines began to emerge with the magazines *Santa*, which appeared in 1990, and *Zeltene* (in 1991). Each magazine separated itself quite radically from the only previously existing women's magazine, *Sieviete*, which began publication in 1952. The magazines split the women's audience until 1996.

Sieviete positioned itself as a magazine for middle-aged working women with an average income who could handle the difficulties of life and who have been forced by life to be independent and responsible for themselves and their families. These women love their husbands, and they would give up their work and career in favor of the family if this were necessary. This magazine, like other women's magazines, is a typical editor's magazine – one in which the image of the editor and her staff are positioned in a distinctive way.

Zeltene chose to focus on values that were popular among Latvians at the time when it appeared – Latvian traditions; a Latvian family; the establishment of a stylistically Latvian environment and home; housekeeping and handicrafts as a value in and of themselves; etc. The magazine reflected the typical nostalgia for prewar values that existed in society at that time, and it sought to continue the traditions of a magazine that had been published under the same title from 1926 until 1940. The content, structure and style of the 50-year-old magazine were put into place. This was not the only attempt to bring popular Latvian magazines from the prewar period back to life, but it was comparatively the most successful. The editors of *Zeltene* did not copy the model and design *in toto*, choosing instead to select specific elements of style.

Santa positioned itself as the local version of traditional Western women's magazines. The heroines and other women in *Santa* have usually been young women who are shaping their lives and careers, who know what they want and who know how to get it in their personal and working lives. They are oriented towards an urban or Western lifestyle. The magazine offered something more than *Burda*, which Latvian women used to a certain extent to brighten up the shabbiness of Soviet life and the difficult period of the national awakening. *Santa* was different in terms of design and print quality, and it had a strict conceptual orientation towards entertainment. Not for *Santa* are the negations of society and life; the magazine does not care about economic and social problems. *Santa* quickly became popular and found lots of readers. Later it began to publish an edition in Russian with the same title and, in part, the same content. Overall, however, the Russian edition is not a translated magazine; rather, it is an independent publication for non-Latvian women.

3.3. The book-publishing industry: Between culture and business

The book-publishing industry in the Soviet Union was organised largely along the same lines as the radio and television industry. There were several large publishing houses; each specialised in a different area. In the late 1980s and early 1990s, many companies without any experience or professional skills threw themselves into the book-publishing business, taking advantage of the literature not yet protected by the Bern Convention and reissuing books from the prewar period. It is important to note that neither the economic crisis of the early 1990s nor the economic upheavals of subsequent years (the collapse of Baltija Bank, the Russian financial crisis) have caused the number of book publishers in Latvia to decline. On the contrary – there were 40 new publishers in 1990, 140 in 1991, 200

in 1994, 382 in 1995, and today there are some 400 companies that publish books. Only some 50 of these, however, can really be seen as professional publishers.

The same trends can be seen in the number of titles published each year – 1,387 in 1991, 1,677 in 1994, 1,968 in 1995, 2,320 in 1997, 2,652 in 1999 (of these, 2,191 in Latvian), etc. (see Table 19 in Appendix). The print run of books, however, is declining. The average print run of a book published in 1991, for example, was 20,500, while in 1997 the number was down to 3,200. The overall print run of all books has also declined. In 1991 a record number of books – 28.5 million copies – were published in Latvia, but by 1997 the number had declined to 7.5 million. The per capita number of books declined between the early and late 1990s – from 10.6 books at the beginning of the decade to approximately 3.6 now – but the fact remains that book-publishing is a part of the Latvian national culture.

Only a few Soviet-era publishing houses have survived, and only one has really developed successfully. The Zvaigzne ABC publishing house specialised in educational literature, and it is now one of the largest publishers in Latvia – in 2000 it released 317 titles with a total print run of 1,531,000 copies. Ranked behind Zvaigzne are the Jumava publishing house, which also publishes magazines (89 titles, 238,000 copies), Egmonts Latvija (73 and 231,000), and Kontinents (62 and 163,000).

International companies have been active in book publishing in other Eastern European countries, but in Latvia the business is mostly based on local capital. Most of the publishing houses, moreover, have accumulated capital through the publishing industry in particular. Book prices remain comparatively low.

A serious problem in Latvia is the publishing of original literature, because few original books promise any profit to their publishers. Most books of Latvian literature are published with the financial support of the Latvian Cultural Capital Fund.

The print run of all books in Latvia reached its highest level in 1991, both because people were highly interested in all kinds of information, and because book-publishing at that time was comparatively inexpensive. Political books, original literature and religious books reached the largest print runs in 1991. In all three areas, print runs plummeted in subsequent years. A countertrend has been seen in educational literature – if in 1991 the overall print run in this sector was smallest of all sectors, then in future years both the print runs and the number of titles expanded. That is because schools have changed their curricula, and there is a need for new textbooks. Educational literature in 2000 accounted for 20% of all published books, ahead of reference literature (18%), fiction (15%) and children's literature (10%).

3.4. The electronic media: Economic and political considerations

Changes in the environment of the electronic media in Latvia in the 1990s occurred in a much more active way than was the case with the press, and these changes have involved much greater political and economic tensions.

Between 1990 and 1992, the mass media operated in accordance with the law "On the Press and Other Mass Information Resources," which had declarative phrases about press freedom but which did not provide any legal foundation for the emergence of the electronic media and specific resources for communications; in fact, the law actually hindered private initiative in the electronic media business in several ways.

In 1992, a new law, "On Radio and Television," was adopted, and it, more than the previous law, ensured guarantees for private business in the electronic media. From the very beginning, however, it was out of date in terms of the actual level of development in the electronic media sector.

First, the 1992 law did not contain sufficient legal guarantees for the private electronic media as business enterprises. There were no clearly defined principles on the issuance of broadcasting licenses.

Secondly, there was no advertising market for the electronic media, and the work of radio and television could be based on nothing more than approximate income calculations. This is partly because broadcasting companies initially were seen as economic and political lobbies to defend the economic and political interests of their founders. They largely operated on the basis of subsidies and sponsorship from these founders.

Third, professional equipment is very expensive, and many broadcasting companies worked with amateur video and audio equipment. This, of course, affected the quality of broadcasts, and also limited the reception area of the commercial media – most could be received only in Riga and in Latvia's other major cities and their environs.

Most companies during this period ignored copyright issues, but radio and television stations still had to pay substantial sums for audio and video recordings. Initially, therefore, many programmes were rebroadcast from other entities, with a bit of locally produced news and other programmes added into the mix.

The first private electronic medium in Latvia was Radio 2A, which was established by the Riga Independent Broadcasting Company (RNR) and went on-air on the 102.7 FM frequency on 10 August 1991. Prior to 1991 there were no private radio stations in the Soviet Union, although the "Europe Plus" radio station in Moscow was a joint venture with France. Most radio frequencies were used for military purposes, and it was practically impossible to find airwaves for private radio programmes. Towards the end of 1990, several FM frequencies were vacated, and RNR leased one of them from the National Radio and Television Centre. In April 1991 the company concluded an agreement with the Russian company "Radio Rock" to rebroadcast the latter enterprise's musical programmes in Latvia. The Radio Rock signal was received by satellite from Oslo, Norway, and

RNR had the right to put seven minutes of its own content in each hour of programming. RNR produced news, advertising, classified advertisements and original programming. In terms of format, it was essentially an Adult Contemporary station.

The first professional radio station was Radio Rigai (106.2), along with Christian Radio and Radio Skonto (all three began regular broadcasts in December 1993).

Another station, Radio SWH, which launched regular broadcasts in May 1993, appeared a bit before Radio Rigai but it cannot be seen as a purely industrial market radio station, because it was established by a rapidly growing software company called SWH, with the aim of increasing the company's popularity by attracting popular Latvian musicians. The radio as a medium was subordinated to various events such as discotheques hosted by popular individuals. Furthermore, the Radio SWH programme had nothing to do with global standards in the area of radio formats; rather, it sought to be a radio station that provided "everything for everyone" – i.e., it tried to become a copy of Radio Latvia. The schedule included children's programmes, broadcasts for teenagers and the elderly, frequent news broadcasts (including live reports every third hour), etc. Radio SWH was fundamentally an amateur attempt to copy the Latvian Radio programme and to compete with the state radio station in the advertising market.

The effort to find the largest possible audience by including a wide variety of formats and topics in broadcasts – starting with music for teenagers and ending with classical music – was typical of the new commercial stations in Latvia. The idea was that children and their grandparents coexist happily with just one radio in the house. It must also be noted that the audience at this period was not used to the radio as a source of music: instead, people considered the radio as a medium allowing them to follow events through frequent news broadcasts and live reports. Another factor was the audience's had a major psychological need to participate in radio debates. For a long time Latvian Radio had nighttime interviews of popular people, airing live between 1 a.m. and 6 a.m. The large number of telephone calls to these programmes showed they were very popular.

The structure and traditions of the electronic media audience gradually began to change in 1993 and 1994, thanks in part to changes in employment structures and lifestyles. People became more active in business and they needed to receive information quickly and concisely. Only radio could respond to this need. Computers were increasingly used for various kinds of work, and the number of people who could listen to the radio at work also increased. Furthermore, Western-made automobiles appeared in Latvia in greater numbers. These had FM radios installed in them, and this also served to expand the audience.

One complex issue was the fact that radios in Latvia had both an FM 1 and an FM 2 dial. In the 1960s the Soviet Union adopted standards on the use of ultra-short-wave radio that differed from the standards in the rest of the world. Radio broadcasts were aired in the range between 66 and 74 MHz, and all radio sets that were manufactured in the Soviet Union received only this range. When imported radios with the FM 2 dial began to appear in Latvia around 1990, they could not be used to full effect. A survey conducted by the Latvian Sociological

Research Center in the fall of 1994 found that 71.7% of respondents could hear broadcasts on the FM 1 dial, while only 44.9% could listen to programmes on the FM 2 dial. Radio Rigai, which broadcast on both dials, tried an interesting approach in overcoming this difficulty.

True competition in the radio market began only when Radio Rigai and Radio Skonto entered the media business. Radio stations had to prove to advertisers that they had an audience, and also provide evidence about the type of audience. Radio stations thus had to adopt specific programming formats.

The greatest competition among commercial radio stations was initially over the audience segment in the 25–35-year-old age range – active people with purchasing power. Radio Super FM went on air regularly in November 1994, playing only dance music and offering absolutely no news or spoken broadcasts. The radio station was reminiscent of a CD-player. The audience found this programme attractive for two reasons – dance music was a new phenomenon throughout the world, and a complete rejection of any spoken programmes meant that people could listen to the station irrespective of their language skills.

Television developed far more actively than radio during this period in two respects. Latvian Television began to offer new programmes that were more interesting than radio programmes, and it also began to air movies that had previously been available only (and rarely) on videocassette. People also flocked to watch soap operas, which were something new in the Soviet Union. The result was that initial advertising investments were concentrated more in television than in radio and the printed press.

The television system began to develop actively in 1992, when the private television stations NTV-5 and IGE were founded, and other broadcasters began to air programmes on the free channels of the country's television networks. These included the television companies KS-VIDEO, Prizma Prim and IK Baltika.

The first private television studio, NTV-5, went on air on 4 May 1992. IGE-TV also launched regular broadcasts in May. Between 6.00 and 9.00 a.m., IGE-TV broadcast music videos and cartoons for children, while between 6.00 and 9.00 p.m. it aired movies and soap operas – something new in Latvian television programmes.

NTV-5 was initially on-air for only one hour each day, from 9.00 to 10.00 p.m., and the output was mostly based on news – the first news programme on a non-government medium. The journalists and news anchors were young individuals without any previous television experience. NTV-5 used amateur equipment, and so it began to look for new broadcasting opportunities.

On 18 February 1993, the NTV-5 news programme was broadcast for the first time on the second channel of Latvian Television, thus reaching an audience throughout the country but also increasing broadcasting costs several times over. Advertising had to be attracted to cover these expenditures, and the broadcasting time had to be expanded. This was not possible, however, because Ostankino TV already occupied the best times on LTV-2 from Russia and on LTV-2 itself. NTV-5 was offered a chance to lease broadcasting time before 09.00 a.m. and after 11.00 p.m., but if a commercial television station wants to attract advertising money, there is no sense in airing programmes at a time when nobody watches

TV. Latvian Television, as a monopoly that controlled both national broadcast networks, thus hindered the emergence of the electronic media market. The main reason for this attitude was that the NTV-5 news programme developed as an increasingly serious competitor to the LTV news programme *Panorāma*. Initially, it must be added, the fight was not over advertisers, but rather over prestige and audience numbers. It was more a matter of psychological and professional competition than a real market problem.

Private activities on television were weak when compared to what was happening on the radio. The studios tried to establish programming that was based only on entertainment and advertising (although the advertising appeared mostly in the form of something that can be compared to classified ads). There were several reasons behind this. First, airing a movie required less in the way of professional qualifications and work among personnel than news broadcasts and original broadcasts. Secondly, the LTV news programmes and original programming (including shows such as *Labvakar* and *Savai zemītei*) were so popular that it was hard to compete with them. Third, if radio stations had a relatively easy time in accessing the experience of foreign radio operations and then putting that experience into practice, professional ideas about broadcasting genres and programming in television were still largely based on the powerful influence of Russian television stations, while Western TV standards were both an innovation and something that could not be implemented for reasons of technology and the professional level of employees.

The programming orientation of the first television stations was also influenced by the fact that Latvian Television had relatively few entertainment-based programmes. Private stations sought to fill this niche in order to win an audience. This was a completely different process than in the radio world, where commercial radio stations initially sought to copy the format of Latvian Radio.

The print and electronic media developed in different ways in the early 1990s, but until the middle part of that decade there were increasing numbers of trends that they had in common. These, in turn, were based on similar conditions and causes.

First, there was the emergence of the private media market in the early 1990s, stimulating a more rapid development of know-how and Western management skills, first in the press and then in the electronic media.

Second, expanded contacts with Western journalists allowed commonly accepted global journalism standards to take hold in Latvia.

Third, the search for an audience led, and continues to lead, to increasing commercialisation in the mass media.

4. Latvia's media environment: Results of development and future trends

4.1. Transformation of the Latvian information environment under the influence of globalisation and new technologies

The influence of information technologies has increased in all spheres of life, resulting in considerable changes in the information environment. Unlike writing and printing, the introduction of digital technologies applies to the whole of society and radically changes the real possibility for an individual to seek out, store, use and transmit information freely without being controlled.

Hyper-reality carries with it several drawbacks. First, there is a "knowledge gap" created and deepened by the different technological and economic opportunities for acquiring and participating in an information environment (the language barrier in Latvia makes these problems even more difficult). Second, there is the individual's inability to control access to one's private data, because it is accumulated and used by various institutions: military, financial, educational, medical service, police, government, etc.

When evaluating the information environment in Latvia, two assumptions can be made. First, the beginning of a transition towards the Information Society has already occurred, and several related social phenomena can be traced from it: information exchanged as an economic commodity; a large information workforce; enhanced interconnections among information technologies and institutions; a special status for scientific knowledge; social environments increasingly becoming creatures of the mass media; and the diffusion of information technologies in society. The transition is underway, despite the fact that the present level of economic development in Latvia, along with insufficient coherence in related legislation, has prevented these phenomena from developing in a rapid and complex way.

Secondly, Latvia (on an individual, group, organisation and state level) has joined the global electronic communications process known as the Internet. This has created a solid basis for substituting a new understanding of the information environment for trends of localism, as well as for increasing each individual's opportunity to take part in public debates and to gain a right to access information from different sources. Present trends show that participation in global processes is becoming more intensive and solid (Brikse & Vasiljevs, 1999: 87–88).

The number of Internet users in Latvia has been increasing by 45–50% annually over the last several years, reaching 13% of the population in 2001.

Indications that characterise a crisis in traditional mass communication environment in the world are also seen in the Latvian mass media. The most typical indications are (1) the commercialisation of news as commodity, along with dramatisation and sensationalism; (2) a loss of diversity in public interest and cultural identity in media content; (3) the repetition and imitation of stereotypical methods to raise programme ratings.

Any understanding of the new information environment must thus include far more than the "new media," "new technologies" or "new communications channels" which are now available. Modernity has involved an age of intensified communications, shaping new communities, but also spreading diversity.

The new media have moved away from a highly asymmetrical and centralist power structure, instead preferring a broader distribution of influence and choice (i.e., power). Compared with mass communications, these new media are providing various forms of input and information flow from users. The press, along with radio and television outlets, has increasingly sought to provide content on the Internet, although in terms of user numbers, the new Internet portals have proven more successful than the homepages of traditional media outlets.

Compared with press, radio, television, sound recordings and films, the new media also don't provide their audiences with a clear-cut, well-defined order of usage. It is true, however, that the Internet portals contain more in the way of controversial views in their discussion groups than is common in the press and on radio and television.

The new technologies have also brought to the fore a variety of issues relating to the media environment and audience under circumstances of globalisation.

Latvia spent many decades in the information and cultural environment of the Russian language, as defined by the cultural imperialism of the Soviet system. People in Latvia had an information environment very different from their individual and community environments. In Soviet Latvia, there was no such thing as an interest-based press or broadcasting process in Russian, and so there were no traditions to promote the emergence of high-quality traditional media in Russian – ones which could have competed with the vast media offers that were coming from Russia itself by relating their content to the everyday lives of people. It was only in the latter half of the 1990s that a system of magazines in Russian began to appear in Latvia – primarily (as was the case with Latvian-language magazines, too) through the publishing of women's magazines. When the Soviet Union collapsed, an orientation towards the Russian information environment was preserved for many people – not because of any ideological considerations, but rather because the Russian information and cultural environment was simply so large and varied. In the early 1990s these links were upheld largely through television, while in the latter half of the 1990s the process increasingly began to involve books, periodicals and the Internet.

Many people in Latvia have long since become involved in processes of globalisation, where subjects presented by the mass media have nothing to do with the environment in which people actually live. The segment of Latvia's society that basically speaks Russian, and is thus set apart as a separate community, lives partly in the "global village" in terms of information, but also partly lives in the local information environment in the Russian language. This environment differs greatly from the Latvian-language information environment, both in terms of the selection of events that are presented and in terms of the way they are interpreted (Kruks, 2000).

The differences in content in the Russian and the Latvian traditional media (principally in terms of newspapers) mean there are two different information

environments in Latvia, and each has its own cultural and value orientation. The Russian-speaking society in many respects

> can be described as a "mass society" with few linkages between thr primary family and friendship levels and élites. There is a very little solidarity and only a vestigial ethnic consciousness among various groups that make up this society whose main links are those of Russian language and of Soviet culture (Dreifelds, 1996: 101).

Government policy, for that reason, should be aimed at promoting the emergence of a high-quality information environment in the Russian language, as well as integrating the existing media channels.

People are increasingly becoming involved in the processes of global information circulation, as well as in global mass communications. They use the Internet and cable television, which, on the one hand, deepens the inclusion of the Latvian audience into the global information and cultural environment of the Russian language, but on the other hand also opens up access to new and global information and culture communities in German, English and other languages.

This process is not without its threats for Latvia and the Latvians – a very small nation and a very small language. Latvians wanting to participate in the global information space, or even just exist in it, must at least be bilingual. Help-wanted ads in Latvia usually list foreign language skills (especially English) as the second or third-most important requirement for potential applicants. Eventually, the lack of language skills can lead to a stratification of society in terms of these skills. People find that their professional and other choices are limited, and that the information processes available to them are narrowed. Communities emerge that receive different or even contradictory data, facts and interpretations.

The further development of these processes may be facilitated by the fact that foreign language skills are improving throughout society. This improvement will serve to promote greater dispersion of the Latvian audience in the global communications field. It also means that the consumption of global media will increase in individual lives, while the consumption of local media (both Russian and Latvian) will decline. This, in turn, will cause a decrease in the audience for the Latvian media – an audience that is already small in the context of modern media and advertising markets and which is made even smaller because it is divided up between Russian and Latvian media outlets. The segment of the audience most likely to flow away from the Latvian media is the one that is of the highest quality – people who no longer feel that media oriented towards mass audience interests are providing them with sufficient information for analysis and evaluation.

To an ever-increasing extent, globalisation means that people no longer focus only on Latvia's processes in their work; rather, they are becoming part of the global circulation of information (finances, economics, education, etc.), and in their professional interests they seek out interest communities (real or virtual) outside Latvia.

Market pressures in Latvia have resulted in the content of the media becoming increasingly simplified, and mass communications are thus dealing less with conceptual issues and analysis, and more with the idea that information is a process

of entertainment. The traditional media are losing their reputation as trustworthy sources of information and as entities that can have a serious influence on decision-making processes. Individuals and society at large are becoming less involved in the discussions and decisions concerning political, economic and social issues in the country.

The information space in Latvia is also broken up into geographical areas. Most of the audience for the national dailies is concentrated in Riga, local newspapers dominate local markets, and information technologies are available to a very different extent in various parts of Latvia. Latvia is being segmented into those areas in which people are "information rich" (in Riga and, to a lesser extent, in Latvia's other cities) and "information poor" (those who live in the countryside).

The Latvian national "Informatics" programme, which covers the period between 1999 and 2005, is predicated on the idea that information users still prefer traditional and tested sources – books, magazines and personal contacts. However, electronic information sources, together with the development of the technological infrastructure – computer technologies, telecommunications and data networks – are assuredly entering the information services market. Seventy percent of all respondents report using one or more electronic information sources. The wider use of electronic information sources is hindered by various financial and technological problems. Society has realised the advantages of modern technologies and services, and it is psychologically and practically ready to use them.

The processes in the Latvian mass media suggest that a crisis in the traditional mass communications environment is fast approaching. The most typical indicators are that the news is being commercialised as a commodity, involving dramatisation and sensationalism; that there has been a loss of diversity in public interest and cultural identity in media content; and that the mass media have turned to an imitation of stereotypical methods in order to raise their ratings.

4.2. The advertising market and media development in Latvia

Latvia's first professional advertising agencies emerged in 1993, and people came to understand both that advertising is an inviolable part of any media environment and that there is no point in nurturing bias against advertising as a waste of media time and space. As the market economy developed and consumer behaviour changed, the advertising market could not help but expand, and this process was abetted by the emergence of increasing numbers of advertising professionals.

A banking crisis occurred in 1995, and along with a high rate of inflation, created new obstacles to the development of the mass media in Latvia. Latvia's leading national newspapers increased the single copy price several times over, and the number of subscribers declined. *Lauku Avīze*, for example, lost 11,000 subscribers in one year's time, *Neatkarīgā Rīta Avīze* lost 19,000, and *Diena* lost 9,000. Similar trends were seen among regional newspapers.

Socio-economic and political factors began to have a more powerful influence on the main guarantee of media independence – income. The achievements during the previous phase of development, however, allowed the media to enjoy not only a certain level of stability, but also opportunities for development.

In 1998, the previously rapid growth rate in the Latvian advertising market diminished primarily because of the financial crises in Russia, Central America and Asia. To some extent, however, these losses were minimised because of political party advertising prior to the Parliamentary election in the fall of 1998. For the first time, newspapers took the largest share of the advertising market. The regional newspapers in particular were seen as an effective channel for communications. Political parties used the regional newspapers to promote candidates who were well known to local audiences.

The advertising market in 1999 shrank by 11% because the Russian financial crisis had a seriously deleterious effect on Latvian businesses, including a large number of international companies that had previously represented a major share of turnover in the advertising market. Newspapers continued to dominate the market, receiving nearly one-half of all media advertising. Advertisers chose to focus on the less expensive forms of advertising. Regional newspapers with low circulation figures could offer flexible and relatively low advertising prices, and so were in high demand for domestic and foreign manufacturers and retailers.

The advertising market grew by 17% in 2000 to a sum of Ls 30 million (about 49 million USD). Market growth in 2001 had reached a level of 13%. The Internet advertising market expanded with particular vigour – a growth rate of 387%. This was mostly true because of the increasing number of Internet portals and media outlets, as well as because of a growing number of Internet users. Both factors served to attract greater advertising interest. Newspapers continued to lead the field, however, with 36.5% of the market. Television took a 34.1% share in the market, while radio, magazine, outdoor, cinema and Internet advertising represented a lower share. Cinema and Internet advertising, taken together, made up less than 1% of the market, but trends indicate that advertising volumes in these media outlets will increase in the future (BMF data).

4.3. The electronic media: Economic and political considerations

Changes in the electronic media have occurred in the context of the systemic transformation to a far greater extent than with the development of the Internet and the press, because the changes have led directly to changes in existing law.

From 1995 until the present, the electronic mass media have worked under the auspices of the law "On Radio and Television," which was adopted in 1995 and amended in 2001 in accordance with EU requirements; the National Radio and Television Council is responsible for supervising the implementation of this law.

This division sets out the main phases of development in the electronic mass media in Latvia. Both laws that were adopted in 1992 and 1995 were the result of

considerable pressure from society and from private business. Shortcomings in the previous laws had hindered the normal work of the electronic mass media.

In all the countries of Eastern Europe, television was the first medium into which the products of Western mass culture flowed freely. These products were relatively cheap in the context of the financial strengths of Eastern European television stations, and were, consequently, not of high quality. Commercialisation in the electronic mass media appeared not only in the traditional sense – advertising, movies and soap operas – but also in terms of the simplification and even primitivisation of other content. Both journalists and leaders of the electronic mass media had the populist conviction that complex issues were boring to the audience. Producers of media content had weak financial abilities, and people sought to save money at any cost.

Prior to 1995, the emergence of radio and television as a system, even after the first private broadcasting organisations appeared, was hindered.

Of all the private television stations that emerged prior to 1995, when the new Radio and Television Law was adopted, only three can be seen both as professional and as innovative in content in comparison to Latvian Television – NTV-5, PICCA-TV (went on-air in April 1994) and RBS-TV (October 1994). NTV-5 was the station that not only produced the first private news programme, but also ensured that the content and quality of that programme significantly influenced the professional development of the LTV news programme. PICCA-TV was the first station in Latvia to use professional video equipment – a modern, computer-based system that offered many kinds of information. The audio was not much different from a radio programme, however – uninterrupted music, news, classified advertisements and interviews with interesting individuals – and so PICCA-TV became known as "radio with pictures." PICCA-TV, however, promoted the introduction of computer technologies in the production of television shows, and also led to changes in the programming of Latvian Television – it was in response to PICCA-TV that LTV developed its first morning show. RBS-TV had its own transmitter, which allowed it to develop its programming independently at a time when other private companies were still using the state television network's channels. RBS-TV was also the first station to offer many movies on the basis of licensed purchases of programming, but after a year of broadcasting it collapsed because of financial problems.

Local radio and television stations began to emerge very rapidly after 1993. In 1991 and 1992 there were 11 TV and 9 radio stations that requested broadcasting permits, while in 1993 the numbers were 24 and 12, respectively. Not all of these stations actually went on-air, but these numbers clearly demonstrate the interest of private businesspeople in becoming involved in the electronic media business. This development was also unquestionably promoted by the 1992 law, which ensured certain clarity and guarantees in the electronic media business.

Both in radio and television, there was significant localisation of content because audience reach was limited. This was true both in Riga and in the rest of Latvia. The first commercial radio stations in Riga could be heard only in the city and out to a distance of between 10 and 70 kilometers (depending on the strength of the transmitter and the station's broadcast frequency). Television stations

in Riga such as NTV-5 were just as local, and they focused on events in Riga exactly to the same extent as stations in Latvia's other cities and villages focused on their surroundings.

The essentially spontaneous emergence of radio and television stations in 1993 led to something of a crisis in the electronic media. The Latvian audience, already small, was divided up even further, because audience members did not yet have stable information interests and needs. People easily changed their listening and viewing habits, which kept radio and television stations from solidifying their structure of advertisers. The leaders of the new and private radio and television stations lacked experience and knowledge about the economy of the media. Radio and TV were still seen as weapons in political and ideological battles, as had been the case in Soviet times, and new media owners relied on sponsors who were interested in supporting radio or television stations for ideological or economic reasons.

This media crisis was also enhanced by the Latvian Radio and Television Council, which, when making decisions on the issuance of broadcasting licenses, viewed ideological considerations as very important while completely ignoring market reality.

The new Radio and Television Law adopted in 1995 introduced many new norms and definitions necessary for the steady, ongoing development of the electronic media. There were nine major aspects in this law.

1. The law set out a procedure for the establishment, registration, operation and supervision of all kinds of electronic mass media outlets: radio, television, cable television, cable radio (radio broadcasting), satellite radio, satellite television, computer television, teletext, radio data systems, etc.

2. The electronic mass media were divided according to property form, operational goals and territorial coverage: "In terms of property form and operational goals, the mass media shall be divided among public and commercial media, while in terms of territorial coverage, they shall be divided into national, regional, local and transfrontier broadcasting organisations."

Public broadcasting organisations in Latvia are organised through the investment of state property in the equity capital of the relevant organisations. There are two public broadcasting organisations in Latvia: the state-owned non-profit companies Latvian Television and Latvian Radio. The law states they cannot be subject to the direct influence of state and local government institutions, political organisations (parties), religious denominations or financial and economic entities. Public institutions supervise the operations of the organisations, and they are financially independent, with financing from the national budget, as well as from commercial operations, donations, gifts and sponsorship.

The National Radio and Television Council controls the state's capital share in Latvian Radio and Latvian Television, approves the statutes of the two organisations, appoints general directors, sets up auditing commissions and approves the membership of the boards of the structures. Through this, the Council serves as the general meeting of shareholders of the two institutions.

Commercial broadcasting organisations can be set up by individuals, companies and groups thereof. The equity capital of the broadcast organisations is made up investments from individuals, companies, as well as state and local government institutions. Income is provided through commercial activities and sponsorship.

3. Limitations on the concentration and monopolisation of the electronic mass media were set forth: no political organisation, public organisation, company, group of individuals or single individual may monopolise an electronic mass medium; programme development is an independent process; each broadcast organisation (except for the state broadcasting companies) is allowed to have no more than three channels; an individual who has established a broadcasting organisation or who has the controlling investment in a broadcasting organisation and that individual's spouse may not hold more than 25% of shares in other broadcasting organisations; and people who hold elected positions in political organisations or government institutions and who are the founders of, participants in or controlling shareholders in broadcasting organisations may not hold voting rights in the decision-making institutions of the relevant organisations.

4. The law defined broadcasting rights and licensing principles. The National Radio and Television Council issue licenses to Latvian Television and Latvian Radio, while commercial broadcasting organisations are licensed for operations on a competitive basis. Latvian Radio and Latvian Television have non-expiring licenses, while commercial radio stations receive licenses for five years and commercial television stations for seven years. Cable television and cable radio organisations are licensed for ten years. Licensing rights may not be transferred to a third party.

5. The law introduced norms in regulating the structure and content of broadcasting programmes. The programme of each broadcasting organisation must correspond to the programme concept on the basis for which it received a broadcasting license from the National Radio and Television Council. Broadcasting organisations must ensure that facts and events are reflected honestly, objectively and in an all-encompassing way, working on the basis of generally accepted principles of journalism and ethics. Programmes may not include elements that unnecessarily emphasize violence, pornography, encouragement of national or race-based hatred or intolerance, offense against national honour and respect, calls for war or military conflict, calls for the violent overthrow of the government or alteration of the country's system, destruction of the territorial unity of the state, or other criminal activity.

There are also special norms related to such subjects as language, the content and placement of advertising, and sponsorship.

6. The Radio and Television Law sets out important principles in ensuring the democratic nature of broadcasting organisation operations: the right to receive information from state and local government institutions, public organisations and state and local government companies.

7. The law introduced the new concept of the "national commission," which is made up of a list of programmes and broadcasts approved by the National Radio and Television Council. The national commission covers the requirements of the

Radio and Television Law, and programmes that are listed within the commission must receive financing. The national commission is aimed at ensuring that all-encompassing information is disseminated about events in Latvia and abroad; that the Latvian language and culture are developed; that the strengthening of a one-community country is ensured; that the needs of society in the areas of educational, cultural, scientific, entertainment, children's interests, sports and other broadcasts are met; that broadcasts are produced about the life and culture of minority ethnic groups in Latvia; and that political parties are given free air time during election campaigns in accordance with the law.

8. The law provided for the establishment of the National Radio and Television Council itself as an institution to supervise the electronic media. The Council is appointed by Parliament and has nine members. Its duties are to ensure observation of the interests of the public and protection of the electronic media in accordance with the law; fulfilment of the national commission; and supervision of the professional, organisational and financial operations of the public broadcasting organisations.

9. The law set out a legal foundation for the work of cable television and cable radio operations. The regulation of these issues has involved a lack of previous experience, and there have been various ways in which the relevant norms have been applied and implemented. The norms have been interpreted in various ways over the course of time.

An important law that influenced the development of the Latvian system of electronic mass media was the Law on Copyright and Ancillary Rights, which was adopted on 15 May 1993. Prior to 15 November 1993, there was a transition period during which organisations had to amend or end their contractual obligations insofar as these were in violation of the copyright law. On 11 August 1995, the Bern Convention on the Protection of Literary and Artistic Works took effect in Latvia, while on 31 December 1998, the Rome Convention on Protecting the Rights of Performers, Producers and Broadcasting Organisations went into effect.

On 28 November 1997, Latvia signed another important international document – the European Convention on Transfrontier Television. Latvia is small and has many neighboring countries, and the placement of broadcasting organisations and their coverage means that many television stations in Latvia are defined as transfrontier electronic media.

4.4. Radio and television: State versus private media

In accordance with the Law on Radio and Television, the National Radio and Television Council began to structure the electronic media system, re-registering broadcast organisations in accordance with the new law. It was found that there were 31 radio stations in Latvia. In 1995, the council received another 30 applications for the establishment of new radio stations. After the re-registration process, broadcasting licenses were issued to 26 radio organisations, and 28 bids for tender were announced for the right to broadcast using free radio and television frequencies.

In 2000 Latvia had one state radio station (Latvian Radio, which has three channels), two national commercial stations (Mix FM with one national channel, and Radio SWH with one national and two regional programmes), 27 regional commercial stations (six of which are in Riga), and six local radio stations. All told, Latvia has 23 commercial radio stations on 25 channels. The most popular in terms of ratings are Latvian Radio I (24%), Latvian Radio 2 (13%), and local radio stations (11%), followed by Radio SWH (10%) and Radio SWH+ (8%, broadcasting in Russian).

This radio system in Latvia has emerged since the adoption of the Radio and Television Law in 1995. Several radio stations have subsequently suspended operations because of a lack of money.

After a bid for tenders, two broadcasting organisations in Riga won the right to broadcast on the national network in 1995 – Radio SWH did so in April and Radio Riga in June. SIA Kurzemes Radio won the right to become the first truly regional radio station, with the right to broadcast in the entire western Latvian region of Kurzeme. Several other radio stations moved from the FM 1 to the FM 2 dial after bids for tender.

When evaluating the development of radio in various locations in Latvia, Riga retains the best conditions for the operation of commercial radio stations and for the emergence of a system of commercial radio stations. In Latvia's other regions, the greatest development in the radio sphere has taken place in Kurzeme, where there is the aforementioned regional station, as well as two stations in Liepāja and one each in Ventspils, Kuldīga and Saldus. The emergence of regional and local radio stations and related systems is proceeding far more slowly in eastern Latvia.

This diversity in the development of local radio systems involves not only financial conditions, but also the technical ability to place transmitters. The situation is worst in the southern Latvian region of Zemgale, where the number of frequencies is limited by the frequencies used by neighbouring Lithuania. Also of importance are population densities, the availability of journalists and radio specialists, etc.

The emergence of the system of radio stations in Latvia has also been significantly influenced by the nationality makeup of the country – something that is by no means evenly distributed in Latvia. The 1995 Radio and Television Law said that at least 70% of programming on each radio station must be in Latvian. This has caused problems for radio stations in Latvia's largest cities and that used to broadcast only in Russian. There have been serious debates about this issue at the Radio and Television Council, as well as among the public at large. The main arguments against this norm relate to audience interests and private business rights. In cities such as Riga, Daugavpils and Rēzekne, more than half the residents are native Russian speakers, and forcing these commercial radio stations to broadcast in Latvian does not serve the interests of the relevant audiences. Private radio organisations thus face less favourable conditions in local media markets than do private publishers of the press, because they face no laws concerning the language of their output.

Latvian commercial radio stations today have fairly typical ratios between music and spoken material – around 80:20 in most stations. There are more informational and educational programmes on Kurzeme Radio, where music takes up only 45% of airtime. On Christian radio, music takes up 60% of airtime.

A programme with many spoken elements is not economically advantageous for commercial radio stations, and the existence of such stations in the media market is tenuous. Practice has shown, however, that commercial radio stations with a great deal of spoken material can exist in small cities, where journalists are paid less than in Riga and where audiences want to hear interviews with well-known people, even if the broadcast quality is poor. In many cases these broadcasts are equal to the level of programming at Latvian Radio.

Many commercial stations form direct contacts with their audiences in order to earn more money. Radio Super FM, for example, regularly organises dances, athletic events and other events.

The Latvian radio system also involves direct relationships between coverage and the regularity of news. Regional radio stations broadcast the news every hour, providing between 15 and 20 news broadcasts in each 24-hour period. Local radio stations offer between 4 and 10 news broadcasts in the same period.

The main source of information for nearly all commercial radio stations is the BNS news agency, as well as information taken from Latvian Radio and newspapers. Only a few radio stations – Kurzemes Radio is one example – rely primarily on information collected by their own correspondents.

In terms of music, all the major radio stations in Latvia are Adult Contemporary format, while others play Euro Hit and rock programming. One exception to this rule was Radio SWH, which had a classical music channel, Amadeus. It broadcast not only classical music but also jazz and related formats; however, it closed in 2001 for financial reasons. Christian Radio, of course, plays Christian music. Two others that differ from the norm are Radio PIK and Radio Maksiums, both of which mostly play Russian songs.

Private radio stations in Latvia are developing very quickly, and several have been granted the right to broadcast across all of Latvia, but Latvian Radio, especially on its first programme, continues to maintain high ratings (three times higher than the highest rating of a commercial radio station). In recent years Latvian Radio has introduced many innovations to attract an audience: new programmes, live discussions on the air and an energetic attempt to improve the quality of journalism at the station.

All of the 40 most popular radio broadcasts in Latvia are on Latvian Radio. The station has no competition among older listeners. When commercial radio stations appeared, Latvian Radio lost part of its younger audience, but some of them have returned now that the station is focusing more on youth-oriented programming.

The popularity of Latvian Radio and its first programme, however, is to a certain extent a matter of habit. It is also true that Latvian Radio is by far the easiest radio station to receive on one's radio because it broadcasts on several frequencies. In Riga, where all radio stations can be received equally well, the audience of the first channel has declined to 27% of the total audience.

The programme on Latvian Radio I is divided into several blocs – programmes which air at a specific time, are aimed at specific audiences and have their own hosts. A wide variety of subjects are covered on these shows, and there is plenty of music, especially Latvian music. Latvian Radio II airs original programmes, entertainment shows and music. The goal appears to be to compete with commercial radio stations, and it seems Latvian Radio is succeeding in this attempt. The station is developing a style previously used mostly by private channels. The largest audience is attracted by the morning programme *Labrīt* (Good Morning) because it provides a wide range of professionally produced news and analytical materials.

There are several reasons why Latvian Radio remains the most popular radio station in Latvia. First, no private radio station really covers the entire country. Secondly, not everyone has a radio that can receive FM 2 stations. Third, listening to Latvian Radio is a matter of habit for many people.

In the mid-1990s there were 17 commercial television stations that either were broadcasting in all of Latvia or in the Riga region or which wanted to do so. As the economic situation in the country deteriorated and Latvian Television became increasingly commercial, however, many of the commercial stations encountered problems just surviving. At the beginning of 1996, representatives of broadcasting organisations met to discuss a national concept for the development of the electronic mass media, and it was decided that each channel should belong to one entity so that programme concepts could be implemented more effectively, resources could be attracted, and an advertising market could be shaped. Commercial televisions were categorically opposed to the rebroadcasting of Russian Public Television programmes in Latvia's public networks because Russian TV always managed to attract the most advertising, thus keeping local programmes from developing. This was a problem on Channels 31 and 7 in Riga and its environs until 1995. Both channels aired programming from a number of small production companies or broadcasting organisations. In October 1995, there were three broadcasting organisations on Channel 31, one (RBS-TV) on Channel 38, and fully 11 organisations on Channel 7. In addition, there were two commercial organisations – PICCA TV and NTV-5 – which were broadcasting in all of Latvia on LTV's second channel.

"The National Concept for the Development of the Electronic Mass Media" specified that commercial television stations would be allowed to compete for the right to broadcast on the 3rd national channel in Latvia, as well as on Channels 7 and 31 in Riga. The basic principle: one channel, one broadcasting organisation.

The average broadcaster at this time was airing programmes for one or two hours a day, and much of the programming consisted of advertising, praise for local stores, and interviews paid for by the interviewee. The style and language of each broadcaster was very different. The smaller companies proved unable to join together, and, as the practice of Channel 31 demonstrated, there was no financial advantage to any such merger anyway. The cost of one hour of broadcasting was very low – Channel 7, which potentially reached 50% of the Latvian audience, cost only 6 lats (10 USD) per hour, while the cost of one hour of programming on Latvian Television II, which reached 70% of the audience, was 160 lats (261 USD) per hour. As the cost of airtime increased, market relations began

on Channels 7 and 31 too, and the cost increased to Ls 18–31 per hour (29–51 USD). This led to deterioration in the quality of programmes and the ratings dropped.

On 9 May 1996, a bid for tenders was announced for the right to broadcast programming on Channel 31. It should be noted that after the results of a competition for the right to broadcast on Latvia's 3rd national channel were announced, two companies – TV 3 and Kanāls 2 – withdrew from the Latvian television market altogether. They had been airing their programmes on Channel 31, alternately on various days, and had not managed to attract a stable audience due to the fact that neither was broadcasting steadily. There were five companies that applied for the right to broadcast on Channel 31 – IGE, Baltcom, WNA, BIK-TV and Kanāls 2. WNA won the bid, but each broadcast on the channel was produced separately, there was no unified advertising policy, and the company ended up exceeding its credit lines. Eventually a foreign company represented by Latvia's Parex Bank bought WNA in January 1997. In June 1998, 51% of the shares in the structure were bought by the Swedish media concern MTG, which also owns TV 3. This brought TV 3 back into the Latvian media market. In 2001 the company was licensed to broadcast in all of Latvia.

The television system in Latvia has developed quite differently from the radio system. One of the most important differences is that during Soviet times the Latvian radio system was not greatly influenced by Russian radio, while the influence of Russian television stations was great. When the Latvian electronic media system was structured anew, therefore, it was very important to specify the country's attitude toward the distribution of programmes from other countries through Latvia's national networks.

Until 1996, Russian Public TV (KST) broadcast on the 3rd national network, and it had the highest rating in Latvia. KST also took most of the advertising market in Latvia. The BIK company, which rebroadcast KST, could put Latvian advertising in the KST programme at below-cost prices, completely deformed the advertising market. The cost of rebroadcasting KST, of course, was negligible. The Radio and Television Council decided that in the interest of promoting the development of local television stations, the 3rd channel must be turned over to Latvian-made television programmes.

The bid for tenders for the right to broadcast on the 3rd channel was announced on 1 February 1996, and three companies applied – TV 2 (an entertainment channel), TV 3 (a family channel dominated with entertainment and children's programming), and LNT (seven news programmes a day, a programme of films for the family, original programmes and programmes developed in cooperation with local producers).

LNT's promise to produce news shows and to air locally produced programming was the decisive factor in winning the bid. LNT was established through a merger of PICCA TV and NTV-5, both of which had already proven themselves in Latvia.

Market analysis shows that LNT successfully took over and held the Russian TV audience. The audience basically moved to LNT *en masse*, because initially LNT aired many popular programmes from Russian TV, including soap operas

that people were used to viewing. The audience was also enlarged thanks to the decision by LNT to air the old but globally famous American television serial "Dallas."

In the first month of its operation, LNT posted ratings nearly two times higher than those of Latvian Television. The situation stabilised after a month and has not changed much since then – LNT is still the market leader, with approximately a 30% share of the audience.

When LNT entered the market, the audience of Latvian Television II declined by 2–3%, and that remains the case today. The viewers of NTV-5 news and the programming of PICCA TV moved to the 3rd channel, while LTV II kept those viewers who watch the channel's Russian-language news broadcasts.

LNT is the first professional television company in Latvia. The stations that had existed prior to that were small and chaotic, with no distinct programme concept of structure. LNT set up a network of programming in a professional way, with each period of the broadcast day devoted to a specific target audience, and the entire day divided up into hour and half-hour segments so that audiences could always know what to expect.

LNT consistently stayed on the knife's edge when it came to the language issue. It aired movies for the Russian audience with Latvian subtitles, although gradually, over the course of time, the station has aired more movies in Latvian with Russian subtitles.

In 1996 and 1997 the number of cable and satellite television viewers expanded very rapidly. Some of those people who were distraught at the loss of Russian Public Television chose alternative methods to receive that station. The number of cable television viewers tripled in three months, stabilising at a level of approximately 25% of all television viewers. Most of these were KST viewers, of course. In March 1997, rating agencies began to list KST separately, and the research showed that KST is still popular in Latvia, occasionally exceeding the rating of LTV I.

The entrance of LNT into the market also stabilised the advertising system, because advertisers could now place their ads on competing domestic television stations with adequately high ratings – Latvian Television and LNT.

In 1996 Latvian Television established a programme concept that was based on the experience of European public television companies in terms of programme planning. The principles of this concept were influenced by the informational needs of the Latvian public, as well as by the fact that in 1994 Latvian Television joined the European Broadcasting Union.

Latvian Television now airs programmes on two channels. The first channel is the national channel and broadcasts only in Latvian. It is charged with ensuring as much broadcasting of local, national and foreign news as possible, along with commentary, popularisation of cultural values, programmes for various groups in society (children, teenagers, etc.), and entertainment programmes. The priority for LTV II, by contrast, is to produce educational shows and programmes for minority groups and various social groups.

The coexistence of LTV and LNT has led to bitter competition for viewers and, by extension, the advertising market. One negative aspect of this competition is that Latvian Television, which is supposed to be a public television station in terms of its status, receives too little government money and has been forced to become an active player in the commercial television market.

The LNT programme is divided up as follows: 32% of the programme is made up of television serials, 28% are films, 14% is news, 12% are original programmes and sports, 8% are children's broadcasts, 3% are game shows, and 3% is music. The structure of Latvian Television, which is charged with informing, educating and entertaining viewers, is understandably different: 45% of the programmes are entertainment shows, of which twelve percent are games, competitions, talk shows and humor programmes while twenty-six percent are dramas; 25% are informational shows, of which nine percent are news broadcasts; 23% are educational shows; and 7% are programmes for children.

The prime-time programme on LTV and LNT is mostly made up of news and movies, and news programmes have traditionally attracted the largest audience. The LTV news programme *Panorāma* is more analytical and oriented toward older viewers, while the LNT news show is more dynamic, more in line with modern requirements, and better in covering lots of information. Generally speaking, however, the LNT show is aimed at the residents and events of the capital city.

The programme purchasing policy of Latvian TV is aimed at offering as many films, serials and other programmes that are current in terms of their interest, not several years old. It is also important for Latvian TV to maintain a balance not only between American and European programming, but also a balance among programmes that are produced in various European regions: Scandinavia, Great Britain, France, Italy, Poland, the Czech Republic, Hungary, Russia, etc.

As commercial television stations have developed, there has been increasing demand for producers and production companies. At least two thirds of the programmes on commercial televisions today are produced separately. The job of producer was something new in the Latvian television market, and everyone who tried to produce television broadcasts at the beginning of the process was without professional experience and education and as a result, few broadcasts rose above mediocrity in terms of their quality.

Today there are some 40 producers in Latvia, and their work is limited by the fact that the law allows only 30% of the programme on Latvian Television to be produced by external producers. Commercial television, in turn, does not have the money to produce original broadcasts, because the advertising market is still developing, and they spend their own money only on a few programmes, principally news. The producers of the shows, who conclude agreements with companies, provide financing for original programming. So-called "advertising stories" used to be sold to clients. These stories included all kinds of TV advertising, beginning with full advertising clips and ending with slides and text. A step forward was the right to put advertising within broadcasts so as to cover production costs. This freed broadcasts from the necessity of providing paid information.

The system that exists in Latvia in this area, however, ultimately works against the production of original programming – producers pay the television company for the right to broadcast their shows. This is unquestionably advantageous for the stations, which get ready-made programmes that have entirely been financed by the producers. This is why there are frequent changes in the list of producers and production companies. Without sufficient knowledge and equipment, it is no longer possible to compete in the Latvian television market.

The next step forward in the development of produced broadcasts was specialisation. Programmes were produced with the aim of finding a successful niche. All the independently produced programmes that have been on the air for more than one year have found their audience, and many have very good ratings.

Joint productions in which producers are commissioned by TV stations to produce programmes are becoming more common. The TV station provides airtime and, in some cases, equipment. Copyright in these instances belongs to both parties. Production companies in Latvia also produce various kinds of advertising. A few also engage in advertising placement in the media.

Regional and local television stations in Latvia emerged similarly to radio stations – when amateur video equipment became easily available. The emergence and development of these stations has almost inevitably been a fairly amateurish process, because the stations do not have professional journalists or technical people at their disposal. When the National Radio and Television Council did its re-registration of licenses, there were no fewer than 57 television stations in Latvia, most of them very small. The Radio and Television Law, in setting out technological standards, took no account of such categories as "large," "small," "strong" or "weak." The standards are the same for everyone, and small studios are basically unable to meet the requirements of the law (subtitling of all films, for example).

The programme structure for all small local stations is very similar, although there are some different themes. Most of the stations simply rebroadcast someone else's signal, interrupting it for locally produced news programmes at specific times.

One of the key problems for these local stations is that economic difficulties have caused many to become directly dependent on local governments that provide sponsorship. These stations thus cannot serve the proper functions of an independent television station in a democratic society.

The issue of regional television stations in Latvia emerged only in April 1998, when the LTS Company in eastern Latvia and TV Dzintare in western Latvia began to air a half hour of programming each weekday on the LTV II network. This is the only way in which small companies focused on a regional audience can develop, because Latvia is too small to have any real regional stations.

4.5. The press market: Strong competition

In the latter half of the 1990s, there was intensive competition and comparative stability in the national press market in Latvia. Major publishers took hold in the market, segmenting it on the bases of language and spheres of influence. The Russian-language media market, which involved just a few daily newspapers and no magazines at all in the early 1990s, underwent extensive strengthening and development.

Although there is bitter competition in the daily newspaper market in Latvia, there have been no major surprises or unexpected events in the market. The market for dailies produced in the Russian language has been much more dynamic, and several new newspapers appeared in the latter half of the 1990s. In 1996 the newspaper *SM Segodnja* split up; in 1997 the newspaper *Chas* was published for the first time (it now has the largest audience of all Russian-language newspapers in Riga); *Respublika* appeared in 1998 in an attempt to produce a high-quality daily newspaper; and *Vestji Segodnja*, comparable to *Chas* in terms of its content, joined in the fray in 1999. Still alive is *Panorama Latvii*, the successor to the Russian-language newspaper of the Latvian Communist Party that was shut down after the Soviet coup in 1991. *Panorama Latvii* focuses on older readers who were active during the Soviet period. *Diena* published a Russian edition until 1999. The Riga city newspaper *Rigas Balss*, an afternoon newspaper, continues to publish in both languages.

The Russian-language newspapers all have a far lower circulation than do Latvian newspapers. None has the kinds of thematic inserts that are the source of active competition between *Diena* and *Neatkarīgā Rīta Avīze*. There are several reasons for this. First, the Russian-language media were poorly developed even during Soviet times because most people read newspapers from Moscow and Leningrad. Secondly, there is an even more acute lack of professionals in the Russian media market in Latvia than is the case in Latvian journalism. It is also true that the non-Latvian audience in the latter half of the 1990s became increasingly interested in events in Latvia. These are processes that illustrate the close relationship of journalism and the mass media to the cultural environment in which they exist. Bilingual newspapers are not very popular in the non-Latvian audience in Latvia.

These rapid developments in the latter half of the 1990s occurred not only among Russian-language dailies, but also in the whole press system, including the regional press.

In 1992, a subsidiary of the Swedish conglomerate Bonnier AB, the major Swedish business newspaper *Dagens Industri*, joined together with *Diena* to publish the business newspaper *Dienas Bizness* in Latvia. Russian-speaking audiences have access to *Biznes & Baltija*. The two newspapers differ in terms of their approach. *Dienas Bizness* focuses exclusively on the business environment and especially on small and medium businesses. *Biznes & Baltija*, by contrast, prints other kinds of news, cultural information, etc., thus positioning itself as a competitor in the market for Russian-language dailies in Latvia.

The activities of the media concern AS Diena have been of increasing importance in the media market. The company set up a distribution center as an alternative to the delivery of newspapers and magazines by the Latvian Postal Service, thereby establishing true competition in what had previously been a monopoly in the press subscription market. A second key step was the establishment of a printing facility to compete with what had previously been the only high-volume printing press in Latvia – the national press building. The new printing facility allowed for the printing of colour pages, opening up new opportunities for both editorial content and advertising.

The number of publications in Latvia's regions declined in the latter part of the 1990s, and the situation that existed during the four to five decades after World War II was reinstated. Most of Latvia's administrative districts and towns have only one newspaper, while several have two.

Compared to the dynamic market of the national press, local newspapers have seen no radical developments since their idea-based crisis in the late 1980s and their financial crisis at the beginning of the 1990s. There are only two cities in which there is a real local press market and competition therein – Liepāja and Daugavpils. The circulation of local newspapers is rising slowly but steadily.

In the latter half of the 1990s, AS Diena became active in the regional press market. As of 2001, it publishes 13 newspapers in 12 of Latvia's geographic districts. The design and structure of these newspapers have improved rapidly, and there are also positive changes to be observed in content and style.

Local newspaper monopoly, different by origin, has led to less vertical diversity and horizontal diversity (Croteau & Hoynes, 2000: 52–56).

Of all of the magazines in the Soviet period that could conditionally be called consumer magazines, only seven survive in 2001. These are the children's magazines *Ezis* and *Zīlīte*; the literary journals *Karogs* and *Daugava* (both of which are subsidised by the Culture Ministry and the Culture Capital Fund [a state-supported foundation] and are published in Latvian and Russian); the gardening magazine *Dārzs un Drava*; the general interest rural magazine *Lauku Dzīve*; and the women's magazine *Sieviete*.

The most successful market segment that of women's magazines. Three new magazines – *Una*, *Sievietes Pasaule* and *Ieva* – joined the mix in 1997. *Ieva* was the first women's weekly and, in fact, the first weekly magazine in all of Latvia.

Women's magazines appeared rapidly in the latter half of the 1990s in the Russian-speaking market. For a long time the only women's magazine in Russian was *Lilit* (based on *Cosmopolitan*), but then it was joined by *Lublu* (I Love!) and the monthly *Eva*.

The fact that women's magazines have played such a large role in the magazine market in Latvia can be attributed to the fact that they are in the greatest demand in the Latvian advertising market.

The next largest segment in the magazine market belongs to magazines for children and teenagers. The children's magazine market was influenced greatly by the arrival of the Egmont International Holding Company in the mid-1990s. Within two years, the Latvian market was literally flooded with comic books,

forcing Latvia's own children's magazines out of the market. This is a dangerous process that has not yet been fully evaluated in Latvia, because children's magazines, far more than the other media in Latvia, bring mass culture into society and get children accustomed to that mass culture.

4.6. The media market and media content: Communication problems

As the number of media outlets in Latvia has increased, journalism has continued to be a very popular profession. The labour market is very dynamic. There are, however, several problems in the market when it comes to the professionalism of those who participate. Journalism standards have been strengthened, but there are still times when universal journalistic norms are not applied.

Journalists in Latvia have tried to accept and adopt global professional norms: objectivity, neutrality, no statement of the journalist's own views in a news article, etc. Elsewhere in the world, these norms emerged in the context of ongoing media development, but in Latvia they were adopted quickly and without any real understanding or analysis of the norms in concrete situations. Professional ethical norms can be seen as abstract, and they are established on the basis of experience and choice in various specific instances.

As journalism has changed rapidly along with the values held by society, journalists in Latvia have found themselves without sufficient cultural traditions. The public is only just now developing the criteria that allow for criticism and analysis of journalism. But the mass media organisations (as in the capitalist system) must focus on one underlying goal – the creation of products that will earn financial profit – and the strategies of Latvian media are the same as anywhere else: decrease the number of journalists; cut back on long-term investigative reporting; use a large persentage of wire service products; use public relations materials; rely on a small number of elites as regular news sources; focus the news on preplanned official events; focus coverage on a limited number of institutions in the city, etc. (see Croteau & Hoynes, 2000: 58–63).

The content and professional quality of television broadcasts have been the subject of particularly active discussions. Comparatively significant attention has been devoted to this process by the daily press. Although many news stories are prepared in an outstanding way, the commercialisation of mass communications has meant that these stories frequently do not reach a sufficiently large audience. Readers, listeners and viewers cannot or do not want to interpret the stories and seek out new importance in them. Films, articles, broadcasts and programmes which are the subject of little more than an ironic attitude on the part of professional and intellectual circles, meanwhile, enjoy major audience attention (Berger, 1995: 28–31).

Any society – even one as small as Latvia's – cannot be seen as a monolithic mass audience because each society includes individuals, groups and sub-cultures with a different perspective. These groups have different levels of education and varying systems of values, and this has an obvious effect on the process of

decoding information. Explosive mass media development under conditions of an economic crisis and related increases in the cost of press publications during a period of reduced purchasing power – this led to a rapid segmentation of the audience in terms of a user's belonging to a group or sub-culture. These processes have not yet been overcome.

Latvia's society is significantly segmented in terms of media audiences, and there is negligible overlap among the various groups. Media choices in the countryside are still affected by economic conditions, and people usually limit their media consumption to television and radio, along with one local newspaper and perhaps one or two consumer magazines. The net results are serious communications problems in this society.

When people access a limited number of media outlets, they cannot compare various sources of information in order to develop a critical attitude towards the information being presented. Many people, especially those less active in society, rely on the reality that the media create. This often has more to do with public relations and advertising than with journalism. During election campaigns, for example, paid advertising materials have comprised as much as 75–90% of newspaper space in some newspapers.

These trends are not only typical for "developing" countries, such as new states from the former Soviet Union, because "problems of nation building, political apathy, lack of voter participation, and political manipulation plague new and old democracies throught the world" (Mowlana, 1997: 198).

Latvia's media content is dominated by news and entertainment. This is not typical of the overall processes of commercialisation in the media, nor is it happening in Latvia alone. Editors change content in order to hold on to their audience and to expand it. A vivid example of this was seen in the newspaper *Diena,* which shifted from a high-quality press outlet to a mass interest newspaper so as to preserve a significant share of the audience.

Communications processes between the communicator and the audience in Latvia can be described as a diffuse flow of information. Editors see communications as the transmission of information to the audience, not as a process that creates meaning. The most important goal for editors – and especially for publishers and media owners – is to reach as many people as possible, not to think about the way in which individuals receive and interpret media content. One can understand the effort of editors to attract and preserve an audience, but in Latvia, where the overall potential audience is small (especially in the eyes of advertisers), this has led to a situation where bland information about everything and nothing at all is the dominant aspect of content. The media are losing their individuality, because a specific position that attracts supporters also risks the loss of those in the audience who disagree.

The mass media in Latvia, therefore, fulfill the communicative function largely in the quantitative aspect alone. Processes of democracy in any society, however, are underpinned not by the number of news items that are transmitted, but rather by the volume of information that is properly decoded. This is not a problem that can be defined narrowly in terms of Latvia alone, because democracy requires public debate, not information. Of course, it also needs information, but the

necessary information can be created only by active discussions. Information, which is usually seen as a prerequisite for debate, is better understood as the result of discussions. When we receive arguments that concentrate and attract our attention, we become active searchers for information. In the opposite case, we receive information passively, if at all (Lash, 1995: 81).

The media in Latvia have become more professional over the last decade, but this has also meant that media work has become more routine. Irrespective of whether content is evaluated as being good or bad, it is increasingly being shaped by people who think mostly about strict time limits and obligations, not about any sense of mission or challenge in terms of providing information to people about issues that can be important to others.

When it comes to democracy, however, it is no less important to ensure that the media use their freedom to provide services to every member of society in terms of an open forum for debates among people of varying views. From the perspective of media owners and advertisers, society can be seen as a cohort of target groups. Modern societies, by contrast, tend to see themselves as communities of individuals with different ideas.

Concluding remarks

The development of mass communications in Latvia in the 1990s can be characterised through several basic phases.

A quantitative expansion in the media market took place under conditions of a government media monopoly, thus ensuring rapid and extensive circulation of information in the public sector. The level of information openness and accessibility expanded significantly, but the typical discourse of a totalitarian society was preserved (the government, the media and the public did not see themselves as interacting actors, and any discussions concerning the government's discourse were received by the government exclusively in the external context, i.e., as being waged against the Soviet Union, Soviet ideology, etc.).

The whole media system was transformed, as the sphere of mass communications expanded to include public relations and advertising as identified areas of professional activity in addition to journalism. This happened during a period when the principles of the market economy were being implemented, but Latvia was also going through a severe economic crisis. Media organisations operated within this context and the content was partially shaped by economic and political forces.

The mass communications industry stabilised and became part of the global mass communications. The commercalisation of journalism and the consolidation of the media appeared, but the public is only now developing the criteria that allow for criticism and analysis of journalism. The fear emerged that the globalisation of the media (especially television and the Internet) will influence the national culture and language. Computers are still the most recognised symbol of the information society and the disparity between the information-poor and information-rich inhabitants is observed in Latvia. People have not

developed new media usage habits corresponding with the radical changes that have occurred in the media over the last decade.

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3. Lithuanian Media: A Question of Change

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Introduction

In many Central and East European countries, the fall of the totalitarian system was a starting point for fundamental transformations in all spheres of life. The most important challenges are the development of democratic institutions, economic recovery, and ensuring social stability.

There is both good and bad news about transformation in Lithuania. The optimistic news is that much has been achieved in the past ten-year period. Scholars have predicted that transformation will be a long and time-consuming process. Today they conclude that a certain kind of "normalcy" has been reached, with patterns of political stability and a market-based economy. Lithuania has made strong and irreversible progress towards the establishment of a democratic state. An appropriate institutional framework was built to ensure political stability, which is manifested through the development of institutions of participation (such as political parties, NGOs and citizens' movements) and institutions of representation (such as regular elections and Parliament) (Mintchev, 1999; Krupavicius, 1999). Price liberalisation and privatisation have ensured economic stability and a market economy (Starkeviciute & Tabor, 1999).

The less optimistic news is that in Lithuania, as well as in many post-Communist countries, the high hopes of quick transition have been disproved. Scholars claim that transformation of the social consciousness (peoples' mentality) plays an enormous role in the development of attitudes, acceptance of new lifestyles, and the ability to cope with the challenges of a post-modern society (Balcerowicz, 1995; Taljunaite, 1997). Democratic reforms that took many hundreds of years in the West had to occur in an instant in post-Communist countries; therefore, it is no surprise that this entire process was highly emotional. Devaluation of the common norms of behaviour and the weakening of social relations indicate that many people have a hard time coping with the psychological pressures caused by transformation (Degutis, 2000).

Concerning changes in the media, the collapse of the Communist regime has brought an end to censorship. The role of the media has shifted from being an organ of the state and the political elites to being an intermediary between state and citizenry, facilitating public discourse and policy issues. The end of the Communist regime has also brought challenges of re-shaping the economic basis of the media and adjusting to rapidly changing market demands.

A closer look at the media market, however, reveals tendencies that are less positive. The media is being blamed for increased concentration, a down-market tabloid trend, sensationalism and negativism. A kind of vicious circle can be at play here: because the media firms are in fierce competition, increased sensationalism proliferates. The proliferation undermines the very effectiveness of news quality. Therefore one may pose the question: What kind of media is being built in the transforming societies? Should it necessarily go through the moneymaking model? What is the role of the public media?

The role of the Lithuanian media did not remain the same during the entire process of transition. Although certain similarities can be observed in the media developments of many Central and East European countries, each country's media landscape and functions are unique. Indeed, a closer look at the development of the media shows that it follows its own path of transformation in which both political and economic factors have contributed. Also, the media's distinctiveness correlates with many cultural factors like national identity, as reflected in the way the public receives and distributes the news.

There is no doubt that the media, as a socialising agent, fulfils different expectations and plays different roles at the various stages of transition. It can be said that the particular role of the media becomes an indicator of society's maturity. The role of the media has been inadequately analysed in Lithuania. In the past ten years, few analyses were made to assess structural changes, developments and impacts of the mass media. Most studies are descriptive and concentrate on changes in the media landscape: the new numbers of newspapers and magazines, commercial radio and television stations (see individual articles in Dirvonaite & Urbonas, 2000).

The pages that follow will shed light on the internal (national and local) and external (global) tensions that have shaped the Lithuanian media in different stages of its post-Communist transition.

1. Stages of development

The liberation of the mass media from state control was quickly accompanied by rapid changes in media content. More foreign media products appeared on TV screens. Also, the print media market has rapidly segmented to take into consideration the various interests of potential readers. According to some studies, changes in television programming indicate the "Westernisation" of society: not only more popular films and entertainment programmes were shown, but the first signs of rivalry between national television and commercial stations were observed as early as 1993 (see individual articles in Dirvonaite & Urbonas, 2000).

Scholars have roughly defined the most essential stages of post-Communist transformation as

1) the breakthrough, which takes the form of revolution because it is initiated from "above" and goes to the "bottom;"
2) the disintegration of structures of the previous regime: major political and economic reforms take place;

3) the emergence of a stable democratic order: new democratic institutions are constructed and former institutions reshape themselves into new structures (Jakubowicz, 1995; Staniszkis, 1994).

The transition in Lithuania has mostly been analysed from the perspective of political science; therefore, scholars tend to emphasize major political achievements such as the institutionalisation of parties, legislative Parliamentary elections, political socialisation and developments of political culture (e.g., see Krupavicius, 2000; Matonyte, 2001). Bearing in mind that each country's path of development is unique, in the Lithuanian post-Communist transition two major periods can be distinguished. The so-called "breakthrough period" took place from 1987 to 1990. This period covers the years of the Singing Revolution and constitutes public awakening. The second major period, from 1991 to 2001, may be called a period of growth and stability.

The breakthrough stage is associated with high ideals, cultural and national values, definitions of nationhood and independence. The typical developments of the media in this phase are associated with the first wave of political pluralism and public debate about many previously restricted topics, such as Soviet deportations and questions of national identity.

The major objective of the period of growth is to reach political, economic and social stability in the country. Because of political cycles and major economic reforms that were initiated and took place during this ten-year stage (1990/1991–2001), several political milestones must be emphasised that divide the period of growth into four sub-periods.

• **Declaration of Independence on 11 March 1990.** The declaration was soon followed by severe challenges, first of all the Soviet military invasion of Vilnius in January 1991.

In 1990–1992, the first attempts to liberalise prices were made; micro and medium privatisation started, and land reform was introduced. The beginning of press privatisation dates back to 1991; at that time, major newspapers started operating on semi-private business models. Soon thereafter, the enormous process of mass media "capitalisation" began: the newly established media firms started to operate on a fragile but money-making model.

Concerning the economic sphere, scholars tend to call this stage of privatisation "a period of shadow economy," which manifests the search for rapid gain, cooperative movement and liberal experimentation (Matonyte, 2001). Characteristic of this period was a sharp dichotomy between declared values and expressed opinions on various issues. The economic elite professed liberal ideas, but systematically expressed less liberal opinions when concrete questions were asked. They pointed to market liberty but severely blamed the state for the insufficiencies. At this stage, the democracy was considered as a given and unproblematic.

• **First legislative Parliamentary elections (won by the former Communists, the Lithuanian Democratic Labour Party) in October 1992.** The most important achievement that followed afterwards was the approval of the Constitution. Soon the national currency the *litas*, was introduced.

The period of 1994–1996 was a time when the first major economic drawbacks took place. The political normalisation in the country was shaken by the

economic collapse of 1994, which was due to the breakdown of traditional trade relations with the CIS and the bankruptcy scandals in several commercial Lithuanian banks in the spring of 1996. In the period 1993–1996, state intervention is understood as instrumental and necessary, the market as not totally beneficial, and democracy starts to be considered as a complex and only relatively independent variable.

• **1996 Parliamentary elections won by the Conservatives (Home Land Party) and the Christian Democrats.** An important political change was the Presidential election of 1998, which were won by US resident Valdas Adamkus. In 1997, the macro-privatisation of 16 major state enterprises was begun: Lithuanian Telecom was sold to Scandinavian investors in 1997; the refinery and oil transport system Mazeikiai Nafta was partly purchased by the US company Williams International in 1999. Also, plans were made for the privatisation of some of the country's banks and to sell off other state-owned monopolies such as Lithuanian Railways, Lithuanian Airlines (LAL), Lithuanian Gas, Lithuanian Energy and Lithuanian Shipping Company (LISCO). Generally speaking, since 1997, major reforms were concentrated on property restitution, compensations of lost savings and on foreign investment.

An important achievement that took place during this time was the official negotiations for entrance into the EU (the decision was passed by the European Council in December 1999). The promising economic stability achieved in the first quarter of 2001 also indicated that the slight economic recession associated with the Russian crash of 1998 had ended. The two issues – the Russian crisis and EU integration policies – were considered as two salient variables in Lithuanian political and economic life. Because of economic hardships, the pro-market orientations have begun anew, but this time the market is understood as necessarily related to and dependent on democracy. The state starts to be perceived as being shaped by both the market and democracy.

• **Parliamentary elections of 2000.** These elections are an important event because they mark the political entrance of two new parties: the Social Liberals and Liberals. However, due to continuous disagreements, June 2001 marks the end of the coalition: the New Union Party (Social Liberals) forms yet another alliance with the Social Democratic coalition.

Although these milestones coincide with political cycles (Parliamentary elections), it is hard to establish sharp lines in the stages of transformation and to compare these to the developments that took place in other post-Communist countries. Ziolkowski (1998), for example, identified four distinct systems of normative order formed by interests and values under transformation. According to him, the first system characterises a specific and usually rather brief period of social revolution arising from the grassroots level of the society. The second system is defined by values that focus on the desirable political order and the construction of new political and legal institutions. The third system is defined by the predominance of materialist values and interests, and the fourth by the advance of post-materialist values. Current changes in the country, according to such categorisation, coincide with increased commercialisation. Thus, no matter which political parties are in power, the materialist values dominate in the country.

Concerning political development, the continuity of policy issues is evident as well. For example, the last five years (1996–2001) manifest different political periods; however, taking into consideration other indicators (such as foreign policy directives), it becomes obvious that major political policies overlap. Both cabinets (of 1996 and the new alliance of 2001) stress that Lithuania's integration into the EU and NATO is the essence of foreign policy.

The major argument for the structuring of transition into the two major stages and for the emphasis on certain political and economic achievements is the belief that there is a high correlation between political culture and the evolution of media.

1.1. The breakthrough period (1987–1990)

The years 1987/1988–1990 are described as the grassroots of the transition. From the political point of view, this period of the birth of the political culture may be called a "mythological stage" (Vihalemm, Lauristin & Tallo, 1997). The essential features of the political culture of this period are active participation in mass movements, open discourse on cultural identity, collective memories of the unique history, the country's identification with the Western culture and the distinctiveness of the Lithuanian language. During the mythological stage of the formation of political culture, "teleological political consciousness" becomes dominant. This kind of consciousness is characteristic of most enslaved nations. It shares common political aims (no matter how realistic), such as seeking independence, whereby cultural values, national traditions and political freedoms (the freedom of speech, the freedom of association) will be granted (Stromas, 1991). According to several authors, the political discourse of the mythological stage was saturated with optimism and romanticism (Senn, 1991). It was based on the myths created in glory of the previously independent Lithuania in the first half of the 20th century and the Grand Duchy of Lithuania stretching from the Baltic to the Black Seas during much earlier centuries (as described in Palidauskaite, 1997). The public discourse was full of declarations that the only choice for end-of-20th-century Lithuania was peaceful resistance to the aggressor, which was exhibited on the bloody Sunday of 13 January 1991.

During the mythological stage, the society shows clear signs of readiness and willingness to solve political problems. It is important to notice that in this phase, the public turns from a political object (which it used to be during the years of the totalitarian regime) into a political agent. Also, new facets of public activity and political participation (apart from the so-called parade performances) come to light. No matter how active (in a political sense) the public is, the concepts such as "nation" and "state" are loaded with mythological power, and the individual is respected on the basis of how loyal he or she can be to the ideals of the nation. The unique national and moral values are promoted not only by individuals, but also by some of the emerging political parties, e.g., the Tautininkai (Krupavicius, 2000). The public polls of that time show the values that Lithuanians were proud of: Lithuanian history (60%), Lithuanian architecture (30%), unique spiritual qualities of Lithuanian people (30%), Lithuanian people (22%), achievement

in art and science (10%), court (3%), government (2%) and Parliament (1%). The mythological stage of political culture is often described as the first step in the process of political transformation and is called "demonstrating democracy" (Palidauskaite, 1997). This, according to Ziolkowski (1998), constitutes a first system and a specific period of social revolution, which arises from the grassroots level of the society. It is the "transformation honeymoon" – the time dominated by political, ethical and symbolic values shared by the majority of society. Elites and masses do not diverge in their excitement, optimism, hope and revolutionary enthusiasm. Typical of the phase are visions of independence, which is openly reflected through the content of all kinds of media.

With the public activity expanding, the mass media plays a crucial role in mobilising the masses. Scholars from the Baltic States argue that the media was an important mechanism used for the political breakthrough in the Baltic societies from the Soviet period in 1987 to the transition into independence in 1990 (Senn, 1990; Vihalemm, Lauk & Lauristin, 1997). During the Soviet era, there was no political pluralism, political parties did not exist and civil centres were weak. Therefore, during the breakthrough period, the media served as a network through which a relatively democratic political dialogue started in radio, television and the press. The mass media had become a source of encouragement to public action, the apogee of which was on 23 August 1989, when about two million people formed a human chain from Vilnius through Riga to Tallinn.

What was the Lithuanian media like at that time? In 1987–1988 there were eleven national newspapers. They appeared from five to six times per week. All of them were partisan papers. Due to the growing prestige of the mass media in this phase, the circulation of major newspapers increased considerably: for instance, the circulation of the Communist Party newspaper *Komjaunimo Tiesa* had grown from 108,000 copies in 1988 to 522,000 in 1989. Such a rapid growth in circulation indicated that the public ideals and visions of independence were increasing in the public discourse, so journalists and editors reacted reflexively. On 16 September 1989, the first independent newspaper, *Respublika*, was launched. Established as a partisan newspaper for the Lithuanian Independence Movement "Sajudis," *Respublika* declared itself non-partisan in 1990. Since then it has been one of the leading national dailies (Table 3.1).

To summarise, the mythological stage of political culture can be described as lacking in rational thinking and the ability to calculate the steps of action, and as showing increased trust in new national leaders and accepting illusionary myths rather than reality. The media was saturated with feelings of romanticism and nationalism, which on the one hand revealed the absence of democratic consciousness. On the other hand, the media served as a herald in the creation of the yet-unknown and entirely new public structures that emerged in connection with the massive popular movements and which were mediated through the mass media.

Table 3.1. Leading Lithuanian dailies and their online characteristics

Title	Type	Ownership	Circulation (thous)			Beginning of online service	Characteristics of online edition	Online readership[1]
			1990	1995	2001			
Lietuvos rytas	National daily	National shareholders	523	70 (140)[2]	49 (183)	1997	Conventional paper texts transferred to the Internet; opportunity to write commentaries; classifieds; banner advertising; search services; archives for registered users only	35,000 –50,000
Respublika	National daily	National shareholders	122	48 (68)	42	–	–	–
Kauno diena	Regional daily	Orkla Media (Norway)	113	57	42 (49)	1999	Conventional paper texts transferred to the Internet; opportunity to write e-mail messages; search services; archives (free up to 3 months)	650
Lietuvos žinios[3]	National tabloid	Private person	–	–	25	1999	Conventional paper texts; opportunity to write e-mail messages; banner exchange; search; archives	500
Verslo žinios	Business daily	Bonnier Media Group (Sweden)	14	9	8	1997	Conventional and online texts; hourly updates; e-mail contacts with journalists; banner advertising; archives for registered readers	1,700

1 Average number of users with unique address per day, fall 2001.
2 In brackets circulation on weekends.
3 Re-established in 1996.

1.2. The growth period (1990/1991–2001)

The moods and attitudes of the mythological phase were followed by the second stage of Lithuania's transformation period. At this stage, however, the main problems of the mythological political culture become evident: emotions fade, myths die, high ideals fall short of hopes and pessimism creeps in. The previously common values start to vanish and differentiate. This phase constitutes what Ziolkowski (1998) calls the second system – desires to gain political order. Although independence is achieved and democratic grounds are established, the political, economic and social structures essentially remain bureaucratic, inflexible and conservative. As a result, the fragile process of political pluralism and party formations is accepted with great scepticism.

The tendency towards disappointment in the ideals is not only symptomatic of Lithuania, but was also extensively reported in other Eastern European countries (Balcerowicz, 1995). In the case of Lithuania, public disappointment resulted in a major reluctance to support any political party. By the beginning of 1995, more than half (52%) of the total population could not name a party that could best represent their interests. Scholars have also noted that reluctance to vote in party elections varied from 40–50% (e.g., see Palidauskaite, 1997). The answer to this phenomenon can be twofold. On the one hand, it can be the consequence of the totalitarian system where people feared expressing their opinion publicly. On the other hand, this may simply be an expression of the public reaction to an unsatisfactory situation: the loss of romantic ideals and unsatisfactory changes in the economic and social spheres.

Economic instability is typical of the opening phase of this stage. Lithuania began the decade with a severe economic crisis rather than economic growth: in 1990–1994, GDP declined by 45%, and it was the steepest decline of any of the transition economies. The principle reason was the breakdown of trading relations with the CIS states and the consumer shock over prices climbing to world market levels. Starting in 1994, the economy began to recover: real wages recovered modestly in 1994–1996 and then accelerated sharply in 1997–1998. Consequently, higher domestic consumption was recorded in 1997–1998 (Starkeviciute & Tabor, 1999).

What was the role of the media during this period of rapid change? The authoritarian concept of media-state relationship was gradually replaced by the concept of a completely free media. The liberalisation of the media manifested itself through the privatisation of newspapers and the fast growth of titles (especially during 1990–1992). The liberalisation of the press meant, first of all, rejection of state ownership and subsidies to the print media.

During this period of rapid political and economic change, the media went through several stages of transformation. The most radical among these were fundamental structural changes. Most media outlets were privatised by 1993, which also indicates that the media had to learn to operate in a competitive market. Although slowly, but nevertheless quite steadily, the mass media was creating a more open and neutral public space where different interests and

viewpoints could be publicly expressed and negotiated. An important indication of democratisation was the adoption of the Mass Media Law in 1996.

The economic growth of the country, however, was not as smooth as had been expected: at the end of 1998 the economy experienced a serious downturn. The period of 1999–2000 is mostly associated with the crisis in Russia. The economic crash in Russia in 1998 significantly changed the established trade pattern in Lithuania. The foreign trade links of the three Baltic States with the EU and CIS countries had been considerably different (see Table 11 in Appendix). Lithuania's greater share of exports was directed to the Eastern rather than the Western markets: 50% went to CIS markets compared to 40% going to EU markets. The share of Estonia's exports to the CIS, on the contrary, did not exceed 20% (Terk, 1999). Consequently, the harm done to the Lithuanian economy was much greater than in the other Baltic States. Economic stabilisation started in Lithuania at the end of 2000 (see Table 6 and Figure 1 in Appendix).

The fundamental changes in the political culture became evident in the Parliamentary elections of 2000. These elections can be described as a new step in Lithuania's democratisation and formation of political culture. Typically for the political context, the ideological discourse of the Parliamentary elections of 2000 was constructed through the programmes of several (in the Lithuanian case, fifteen) political parties. A number of factors indicate the birth of a new political professionalism: the economic elite sought political power, resources were channelled to political image building and multi-party elections became a reality (Matonyte, 2000; Clark & Prekevicius, 2000).

The most notable feature of the elections in October 2000 was that, for the first time since 1990, elections in Lithuania did not produce a majority party. Neither the Conservatives (the Homeland Union) nor the Democratic Labour Party gained enough seats in the Parliament to enter the governing coalition. Actually, the most interesting phenomenon of the elections was the emergence of new parties, the New Union (Social Liberals) and the Liberal Union among them, which won the highest number of seats and together formed a new governing alliance. Soon the New Policy bloc was formed.

The performance of the democratic system depends on many factors, such as the capacity of leaders to solve problems, the efficiency of the government and the economic situation. Indeed, the political development did not proceed as successfully as had been expected with the New Policy bloc. In reality, the fragile coalition found it difficult to reach a consensus on introducing major economic reforms. The continuing confrontation brought about the break-up of the newly formed partnership. The Liberal Union resigned and the Social Liberals created a new alliance with the Social Democratic coalition (Clark & Prekevicius, 2000). The Parliament approved former President Algirdas Brazauskas as Prime Minister, and his cabinet was sworn on 12 July 2001.

In summary, one of the facts indicative of the period of growth is an increased interest in society's political behaviour. The public discourse is highly politicised and two thirds of the population admit political preferences. According to political scientists, these are signs of a participatory political culture that also indicate a sufficient political maturity of the country (Krupavicius, 1999). Other

researchers emphasize the shift from the mono-party to the multi-party system, as well as the focus of international politics on integration with the EU and NATO, which shows social modernisation and the formation of a global culture (Vitkus, 1999; Miklovaite & Vareikis, 1999). The media, in turn, plays an active role in political communication. As a result of several disclosures of political wrongdoing, the media has matured and journalists have learned how to be true "watchdogs" of a society.

The key elements of Lithuanian transition during the past decade can be summed up in the following steps:

1) a shift from a totalitarian political system into a democratic one;
2) the successful diversion of a structural economic crisis through the building of free-market economies;
3) political and economic modernisation and the adjustment to global changes.

Applying Ziokowski's (1998) argument about the four systems, the present-day developments in Lithuania constitute a third system (materialistic) with some signs indicating post-materialistic development.

2. Assessing the mass media

The media play a fundamental role in all phases of transition. The most essential trends evident in the media in the beginning of 2001 are as follows.

• The media has entered the concentration and stabilisation period, which is characterised by a limited number of major media firms competing for audience attention. According to SIC Gallup Media (www.sgm.lt), a national readership survey carried out from June to September 2001 revealed the top five dailies and their audience share: *Lietuvos rytas* (23.7%), *Respublika* (6.8%), *Kauno diena* (7.5%), *Lietuvos žinios* (5.8%) and *Siauliu krastas* (4.4%). Three of them circulate nationally (except for *Kauno diena* and *Siauliu krastas*, which are Kaunas and Siauliai city newspapers, respectively). A typical characteristic of the Lithuanian press is that, on the one hand, circulation numbers of the existing newspapers and journals decreases further. On the other hand, the decrease in printed copies is (together with the growth of new titles of popular magazines) also indicative of a rapid segmentation of the mass audience. For example, a feature indicative to the Lithuanian magazine market is that among the top five magazines all are women's monthlies: *Panele* (7.7%), *Laima* (7.5%), *Moteris* (6.8%), *Cosmopolitan* (Lithuanian version, 5.2%) and *Ji* (4.2%). Concerning television, the SIC Gallup Media television meters survey of August 2001 shows that the audience share of the different television companies is as follows: LRT (8.9%), LNK (22.3%), TV3 (25.9%) and BTV (15.8%). The LRT is a public television station while the other three are commercial stations. Two of channels, LNK and TV3, compete fiercely for audience attention.

• The Lithuanian media is privately owned, and there are no restrictions on foreign investment in national, regional or local media. Foreign investments have thus increased in recent years: *Kauno diena* was bought by Orkla Media AS from Norway in 1998; in 2001, the Norwegian investors were in the process of

examining opportunities to acquire a significant part of the second-biggest national daily *Respublika* and smaller newspapers.

• In the field of electronic media, commercial broadcasting stations are strengthening their positions in the market. The impact of increased competition is evident in the homogenisation of the content of the commercial TV programmes. The new season of 2001 is marked by the fact that public service broadcasting (the national radio and television, LRT) is shaping its future through radical reforms such as generational replacements of journalists and editors, licence fees and other "unpopular" social reforms, which are inevitable, and, therefore, emotionally laden.

• Declining journalistic standards stems from the fact that the media is highly commercialised. However, the public response to the media content has a duality. On the one hand, the media is blamed for increased sensationalism, consumerism and low standards of customisation. On the other hand, the public shows high confidence in the media because the media is actively participating in the course of important political, economic and social reforms.

• In 2000, through the application of technological innovations, online media developments gathered speed. The year 2001 is marked with greater Internet penetration and experts predict that soon the Internet usage in Lithuania may reach the level of use in Estonia. The increasing numbers of Internet users have ensured the growth of online periodicals. However, optimism is scarce on the Internet. The traditional media has noticed the impact of the Internet: too few online experiments have produced stable revenue, therefore, major media firms have resisted online business.

The above trends are fairly similar to the challenges confronting many global media organisations. A closer look at the news market reveals tendencies such as increasing concentration, a down-market tabloid trend, a decrease in sales figures and advertising revenues. The most important acknowledgement is the fact that the media is privately owned, and there are few restrictions to the freedom of the press.

The following analysis looks briefly at the main trends of recent media development: (1) further concentration of media, (2) increased competition of media firms, (3) rapid commercialisation of media content, (4) distinct patterns of media consumption, and (5) media quality and media regulation. In addition to these trends, the growth of online periodicals as well as the impact of the Internet will also be considered.

2.1. Concentration and commercialisation of the media

The most evident characteristic of the present-day Lithuanian media is its private nature. The change in political order in 1990 has provoked a wave of capitalism. The old media system fragmented quickly and was replaced by a market-oriented system that rapidly began to integrate itself into the world media market. This process involved the transition from socialist to capitalist property forms and

production relations. In recent years, another trend – a trend towards monopolisation (or concentration) of the local market – has been observed in the country. The best illustration of horizontal (or mono-media) concentration is the case of several commercial radio stations (M-1, M1 Plius, Lietus and Laluna) fully controlled by one owner.

As a result of the continuing media concentration, the number of national daily newspapers as well as regional ones has gradually declined. Many researchers point out that the diversity of media is a necessary condition to ensure political and cultural pluralism and the effective participation of citizens in the democratic decision-making process (Meier & Trappel, 1998). They claim that the process of concentration of the ownership of media and foreign privatisation may end up with a handful of owners – a situation where healthy competition will hardly take place. This is especially dangerous from the political point of view, as concentration distorts competition and allows existing media corporations to deny market access to new, independent arrivals. The result is the creation of a monopoly of information, which is undesirable for social and economic reasons.

In Baltic media investments, the capital from Scandinavian media companies predominate: Orkla Media (Norway), Schibsted (Norway), Bonnier Media (Sweden). Schibsted and Bonnier Media have a strong presence in Estonia. Orkla fully owns *Kauno diena* in Lithuania. Bonnier Media partly owns *Verslo žinios* (Business News) in Lithuania, *Äripäev* in Estonia, and partly owns the national Latvian daily *Diena* (49%). The case of the Lithuanian newspaper *Kauno diena* can be used as an example of a successful foreign investment. *Kauno diena* is a newspaper in Kaunas (the second-largest city, with a population of 400,000). It is also the third-largest daily in the country. Its circulation is close to 45,000. The newspaper is popular in the region: 93% of the population read it once a week and 76% are daily readers. The proportion between the amount of commercials and articles varies during the week; the average is 45%. Since 1999, *Kauno diena* has had an electronic version on the Internet. The primary goal of the new owners was to reshape the content and the format of the newspaper. Although *Kauno diena* is a regional paper, it has an ambitious goal: it is struggling to go national despite being published outside the capital.

The case of *Kauno diena* is an extraordinary phenomenon (especially if analysed from a socio-cultural point of view). The newspaper operates on a subscription basis and has a readership that has shown extreme loyalty during the last decade. The recent data indicate that 36% of readers subscribe to the paper, whereas respectively 16% and 12% of readers subscribe to the major national daily *Lietuvos rytas* and the second-largest daily *Respublika*. There can be several explanations for such devotion. It is likely that such an attachment to the newspaper can be attributed to the unique mentality of its readers, who simply stick to their former habit of reading the same paper. This explanation may hold true because the newspaper has avoided the generational replacement of journalists, and recent media statistics indicate that the paper is most popular among senior citizens (in the 50–74 year age group).

On a positive note, it is assumed that foreign investment ensures financial stability, which creates favourable conditions for more balanced reporting. One

recent study (with the goal of analysing the major Lithuanian dailies during the Parliamentary pre-election period) shows that *Kauno diena* has given the most balanced picture of the different political parties. The same study has shown that the other three major dailies (all of them national) have demonstrated certain party preferences despite claiming independence from any political links (Skripkaite, 2001).

Generally speaking, media concentration can be regarded as a threat to pluralism. In Europe, there exist cases that can be viewed as typical in the process of media concentration: first, a major media group buys several newspapers, then the amalgamation process follows; in the end, editorial identity disappears (Bens & Ostbye, 1998). The obvious result is that the arrival of large media firms pushes small newspapers out of the market. This is exactly what happened in Kaunas. The other two dailies of the city (*Kauno žinios* and *Laikinoji sostine*, both established after the restoration of independence) were not able to compete with *Kauno diena*. Both papers closed because of various reasons, but the strengthening of *Kauno diena* through foreign capital is one of the most important factors. Alternatively, some researchers argue that small newspapers can only survive when they are taken over by large holdings. This is the case of the largest national daily, *Lietuvos rytas*: the same joint venture controlling *Lietuvos rytas* also publishes the major national pro-liberal daily and a regional paper *Panevezio rytas*, and supplements for Vilnius and Kaunas named *Sostine* and *Laikinoji sostine*, respectively.

The effect of concentration on the editorial content is another interesting topic for communications research. There are two opposing views concerning the influence of concentration on the quality of the newspaper. Some claim that while quality journalism requires resources, the general quality of newspapers benefits from the concentration processes in newspaper markets. Others argue that concentration and commercialisation are directly linked. In other words, concentration causes commercialisation and triggers a down-market trend: more human interest, more trivialisation and more sensationalism.

As far as another trend – media competition – is concerned, two opposing developments are observed in the country. With media aiming at the mass market (commercial radio and television channels, some magazines and popular newspapers), there is a trend towards the homogenisation of content. At the same time, however, there is a tendency towards specialisation in the radio, magazine, and television markets.

The national newspaper market consists of a limited number of newspaper titles. At present, there are four major dailies in Lithuania: three of them are national (*Lietuvos rytas*, *Respublika* and *Lietuvos žinios*) and one is regional (*Kauno diena*), the latter also showing ambitions to go national. The competition is strong and it seems that the Lithuanian newspaper market is no longer open for new arrivals.

The commercial television stations TV3 and LNK are the main competitors for the television market share in Lithuania. Both of them, at present, have an average of 25% of the audience share. It was observed that in the first quarter of 2001, the TV3 and LNK competition ended up with the homogenisation of television content, i.e., both companies included popular talk shows and crime news in

their programmes. This result is reflected in the lists of the top five television programmes (Table 26 in Appendix).

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

On a positive note, it is important to mention that the commercialisation of the media is an economic event, which brings about new components, such as open-market forces and new forms of ownership. This indicates that the media is shaped by new factors rather than by dependence on the political regime, and this is an important prerequisite of democratisation. It is expected that in the near future an obvious outcome of this will be a critical evaluation of mass media.

At the moment, skilled criticism of the media is effectively unavailable in Lithuania. An exception to this was in April 2001, when a number of leading artists, writers and scholars signed a memorandum blaming the mass media for increased negativism. The memorandum was addressed to the president. Such an action performed by a group of well-known people is an obvious example of a reaction to the repercussions of media commercialisation, where media firms, trying to expand their market share, neglect certain socially relevant issues and concentrate mainly on the issues that ensure fast profits. According to the text of the memorandum, the focus of the mass media on political gossip and scandal and the ascendancy of the "bold-and-beautiful" economic and political elite gave too little attention to a balanced and critical analysis of the difficulties of the developing democratic state.

The above example can also be discussed in a much wider context and from a socio-cultural point of view. In communications studies, a phenomenon (when the mass media fail to give a fair account of all publicly relevant issues) is described as a "spiral of silence" (Noelle-Neuman, 1993). The effect of the spiral of silence becomes all the more evident at times when the differentiation and stratification of society increases. According to several studies carried out in a number of post-Communist countries, positive – yet radical – economic reforms are followed by a "transitional stress" that comes about as a result of rapidly changing conditions (Lauristin, 1997; Taljunaite, 1997). According to Staniszkis (1991), communism had destroyed the structure of "intermediary organisations" and left the post-transition societies with atomised publics incapable of articulating and defending their interests. Extreme changes in the economic and social conditions, as well as the arrival of the market economy, resulted in the failure to adjust to the new requirements; therefore, certain groups of society found themselves underprivileged. With the social differences becoming deeper and the media aggravating these differences, the situation became increasingly stressful. This proves that, in the process of stabilisation, public mood and social consciousness (apart from economic and political factors) are of particular importance for the identification of society's maturity.

In addition to public requests to the media, emerging information consumption patterns show that the psychological and social functions of the media are changing. At the first stage of the post-Communist transformation, the major function of the media was to mobilise people. Indeed, the number of newspaper titles reached its peak in the period between 1990 and 1992. At later stages, when the Lithuanian media moved from the system of planned economy to free market, the function of the media transformed radically. The new function can be described as a new form of media socialisation that is significantly affected by the rapidly changing economic and political conditions in the country. Scholars have noted that this function can be associated with the increase in the density of entertainment issues in the media. The rapid growth in hours of television consumption can be an index of the rapidly changing economic situation: at present, Lithuanians watch television an average of four hours per day (see Table 18 in Appendix).

The radical changes in media development also show changes in the readers' and viewers' tastes. Lithuanian newspapers have invested extensively in product improvement, differentiation and customisation. Most newspapers have had a face-lift and a new layout, while extra supplements and inserts have grown increasingly trendy (especially in the biggest national daily, *Lietuvos rytas*). The commercial television stations are also fighting for audience attention, and this can be seen by the increase in the number of popular television talk shows, weekly lotteries and games.

2.2. Problems of media quality

The debate on media quality is a two-sided subject, but the two sides are closely related. On the one hand, journalistic quality is related to the content and details of media management. On the other, it is also a question of standards of journalistic education.

In recent years, the standards of analytical journalism in Lithuania have fallen. The major dailies (including the most influential national daily, *Lietuvos rytas*) seem to be trying to maintain their share of the market through increasing sensationalism and through general human-interest stories. When asked about such a policy, the editors express a belief that crime and scandal are the topics that sell while, for example, those of domestic culture receive minimal interest.

Several reasons can be put forth to account for the emphasis on the topics of crime, sensation and political gossip. One is the general tendency towards global commercialisation of the media. This is because newspapers operate in two markets – the market of advertisers and the market of readers. Obviously, when reader interest declines, the newspaper's revenue from advertising suffers. Newspapers use several strategies to retain a high share of the advertising market by creating special pages and supplements (lifestyle, sports), and by providing many kinds of inserts. Also, as is the case with many papers, severe competition for advertising money is driven by the attempts of the media to achieve consumer attention through such primitive means as political gossip, life-style

interests, and topics of crime. Another rationale for the increasing amount of political gossip and malice-type journalism in recent years is that media people themselves have a significant influence on the content. It is important to remember that in the first years of transition, the growth of media firms and publications was followed by an increase in the numbers of journalists. Many of these journalists and editors had no special education and more often than not worked by imitating the worst models. Therefore, it is a mistake to believe that the number of professional journalists has increased significantly during the past years. It would be more precise to simply say that the number of people working in the media has increased with the birth of new publications and broadcast stations.

Taking the argument of media quality further, it is worth noting the poor management of Lithuanian Radio and Television (LRT). As has been the case with most former Soviet media firms, the most striking feature of the public broadcaster is the degree of continuity in the system. Although the name of the station was changed from governmental television to national and then to public, in the essence the old organisational structure remained unchanged (Juraite, 1999).

Under such conditions, the failure of the functioning of the structure was much worse than that of media content. The public broadcaster simply adopted the state-subsidised pattern of functioning and declared its responsibility as educating and informing the national audience. Concerning professional training, the image of the public broadcaster as a school of journalism has remained strong. It was believed that young journalists could learn the skills of the profession only under the supervision of the experienced professionals who worked for LRT. However, higher salaries in the new commercial stations that were expanding rapidly were a strong temptation to many young journalists who fled from the public broadcaster for the other stations. Holding 12% of the Lithuanian television market, LRT fell into grave financial difficulty in January 2000. Because of large debts and frozen bank accounts, the station was forced to suspend many of its television programmes as well as broadcasts from its two radio stations, Radio 2 (culture and education) and Radio 3 (classical music and jazz). In 2001, the debate on the role and functions of the public broadcaster continued. Although the company has a new managing director, the station's financial losses have reached USD 5 million while company staff amounts to 1,200 (overstaffed by one third, according to foreign experts). However, some radical changes in structure are on the way: in the autumn of 2001, the company adopted a new market-oriented producer system, and radical social reforms are being implemented (the station is planning to lay off 200 journalists and technicians). Licence fees will be introduced in 2002.

This case shows that the quality of the media and the existence of general professional standards (such as professionalism in reporting, news writing, or managing a media firm) are affected by a number of factors. At present, Lithuanian media gives the impression of a watchdog of society that "barks" at anything and functions as an unlimited power; the Fourth Estate. The worst thing about the real situation is that there is no general awareness of what the Fourth Estate should represent, with journalists believing criticism is their only responsibility. The most dangerous path of the watchdog role of the media is that the sudden

growth of journalistic power may be easily misused, thus turning the media into a bearer of sensationalism, political gossip, superficial attitudes and banality.

Journalists, however, have a trusted institution to protect themselves: the public polls. The polls often indicate the high confidence that Lithuanians continue to show towards the media. This confidence is high indeed. Compared to that of other institutions, the Lithuanian media has always been near the top of the list (63.7% in the public poll of June 2001). It was only surpassed by the Church (64.7%), while the other institutions earned less public confidence the president (50.0%), the Lithuanian bank (43.2%), Lithuanian army (42.2%), the government (17.5%), the legal system (15.2%), commercial banks (12.3%), Parliament (12%) and political parties (6.8%).

Through the entire period of transition, from 1987 to the present, the Lithuanian media was rated in public confidence either first or second (after the Church) with a variation from 59% to 72%. Although the trust rates are striking, the interpretation can be twofold. On the one hand, the public trust of the media shows that society is highly politicised. Such a process of political maturation, of the public in particular, encourages the media to function as a watchdog, expecting it to give prompt reports on various political actions, and this request is fully satisfied by the media. On the other hand, the enduring high confidence of the public in media can be a symptom of the public's failure to be critical.

Although about two thirds of the audience respect the media in Lithuania, there are risks that an uncritical audience will not contribute to the further maturation of the media. Therefore, the situation in the country is rather dubious. On the one hand, the media has developed its role. The function of the media as a "public eye" shows that the public assigns high symbolic power to the media. This results partly because, institutionally speaking, the media, as well as the Church, is not directly responsible for economic difficulties, lost hopes and other kinds of disappointments. On the other hand, because of its symbolic function and high public confidence, the media does not receive demands that would be normal for its own maturation.

2.3. Legal regulation

High public confidence in the media is one indicator (among many others) that after a decade of independence, Lithuanian society is still undergoing a rapid process of democratisation, and the media takes an active role in this process. Scholars argue that if freedom of expression were to be a reality in a new state, then it is necessary that it should be preserved in a properly established framework of legal regulations.

The Constitution of the Republic of Lithuania has several articles that deal with the freedom of expression in the mass media. Article 25 says that Lithuanian people are free to obtain, share and express information and ideas, and this right cannot be restricted "in any way other than as established by law, when it is necessary for the safeguard of the health, honour and dignity, private life, or morals of a person or for the protection of constitutional order." Article 44 states: "The

censorship of mass media shall be prohibited by law. The state, political parties and public organisations and other institutions or persons may not monopolise the means of mass media."

Apart from the Constitution, the media is regulated by the Mass Media Law. Adopted in 1996, the Law regulates both print and electronic media sectors. The essence of the Law is that journalists are to observe the provisions of the Code of Conduct, and that an Ethics Commission must be set up which will give recommendations to the Parliament on the candidacy of the Inspector of Journalist Ethics (Ombudsman). The Ethics Commission consists of 12 members that are appointed for three years by different civil organisations — the Human Rights Centre of Lithuania, the Lithuanian Psychiatrists' Association, the Lithuanian Bishops' Conference, the Lithuanian Association of Periodical Press Publishers, the Lithuanian Radio and Television Association, the Lithuanian Cable Television Association, the Regional Television Association, the Lithuanian Journalists' Union, the Lithuanian Society of Journalists, the Lithuanian Centre of Journalism, Lithuanian National Radio and Television, and the Lithuanian Branch of the International Association of Advertising. The Commission grants the media the freedom of self-regulation: when a journalist or media outlet is the subject of a complaint from an individual or an organisation, the ethics inspector weighs the nature of the complaint, basing his judgement on the 63-item Code of Ethics. The inspector may reject the complaint or he may call on the editors or owners of the media organisation either to make a retraction or offer the wronged party a chance to respond. If the media organisation refuses to do this, the case proceeds to the full Ethics Commission, which will make a final decision with which the media organisation must comply. Although this body protects media freedom without applying direct pressure, the decision on self-regulation results in a twofold struggle; it implements the principles of free expression and of media freedom, while also establishing an inclination to protect the public from undesired influences.

The Lithuanian media have many possibilities for manipulation while mediating in the public discourse, but the means to prevent them from drifting into malpractice are scarce. There were cases where the media violated the Code on a daily basis, but such violations rarely lead to sanctions because the Press Council and the Ombudsman did not examine the violations on their own initiative – they only examined those cases in which that they actually received complaints. This is why the Lithuanian mass media not only exercise their power as a watchdog, but also as "the Fourth Estate." Furthermore, according to Tapinas (2000), some media practitioners apparently interpret the transfer of control as an invitation to unrestrained and yellow journalism. The obvious result of such power is that journalistic conduct does not meet the requirements of the Code.

At the beginning of 2000, the government (the coalition of the right-of-centre cabinet of the Conservatives and the Christian-Democratic Party) was ready to reconsider the full self-regulative right of the media and made a proposal to introduce much stronger protection for the freedom of expression and the freedom of information. As a mean of preventing undesirable content and corruption, the Parliament proposed the so-called "Media Protection Commission," a group of non-media personnel, to oversee and uphold the free press standards. This

attempt was followed by a number of protests, and journalists objected to the proposed new institution of mass media control that would have been financed from the state budget. The protesters believed that acceptance of the proposal for mass media control would have led to changes in other areas of legislation (film censorship, etc.). Due to the number of protests, the proposal was eventually rejected and the self-regulative right of the press was not reconsidered.

This example gives a picture of the process that is called the "Italianisation of the media" (Splichal, 1994), where different political parties tend to define the media as their political battleground. Although the major intention of the proposal was to control the moral aspects of media content (to reduce the unrestricted sexism and negativism in the media), the form of how this was to be achieved coincided with direct control of media content.

3. Uses and misuses of the Internet

The first network of computers of governmental and educational institutions in Lithuania, LITNET, was established in 1991. By 1994 it had become a full member of the Internet. In 1995 various institutions, organisations and commercial companies started spreading information through Web homepages. In 1996 two electronic periodicals started in Lithuania, and in 2001 this number had increased to 138 (Sarlauskiene, 2001). Among these, 33 items are electronic newspapers, 25 electronic magazines, and 64 are news portals offering news, television schedules, thematic archives and chats, as well as providing other interactive services. The rest are science publications and news bulletins.

A few years ago the Internet was considered to be a phenomenon of interest only to specific audiences, either in the telecommunications business or some particular academic groups. Increasing Internet access has generated yet another plethora of interests: people started talking about the moral dilemmas of the new medium. According to contemporary Lithuanian language corpus, the word "Internet" is used relatively often in official as well as in colloquial Lithuanian. Since 1995, the term "Internet" was mentioned 372 times in two national newspapers (*Lietuvos rytas* and *Kauno diena*). The most frequent Internet collocates are with nouns describing actors (e.g., user, client, buyer), actions (e.g., service, expansion, chat), functionality (e.g., channel, connection, speed, data base), places (e.g., café, class, page, world) and dilemma (e.g., illness, problem, sex). This analysis shows that the word "Internet" is most frequently used with terms describing services.

Witnessing the origins and enduring transformations of the national online media is both an interesting and a challenging process. It is attractive because of the new media's potential. It is challenging because of internal and external tensions. The tension between tradition and innovation is most evident in electronic publications of traditional newspapers. Should traditional newspapers move online and if so, how? How should fact and opinion be separated on the World Wide Web? Should electronic newspapers' staff edit commentaries sent by their readers? Who is responsible for the online content?

The rapid growth of the electronic portals manifests yet another tension – the tension between the national characteristics of news writing and global media fashions. Who is the audience of news portals? What is the role of regional news? Will the local news disappear because of international readers?

At the beginning of 2001, a survey from SIC Gallup Media found that 10% of Lithuanians used the Internet at least once a month (Figure 3.1). Statistics indicate that the Internet is most popular among Lithuanians aged 15–54 who make up 43.5% of the nation's users. Those least likely to use the Internet are aged 60–74, who account for just 6% of Lithuania's online population. Over a quarter of the total online population are users aged 25–34. According to the study results, 15% of city inhabitants used the Internet, and only 4.9% of Internet users live in the countryside and small towns. The largest share (30.9%) among Internet users are educated managers and professionals. The Internet is mainly accessed at work places (54.3%), and only one third of respondents use the Internet at home. When questioned about the purpose of Internet usage, respondents indicated such purposes as a deliberate search for information (over 50%), work information search (40%), e-mail (34%), educational information search (25%), reading Lithuanian periodicals (20%), browsing without clear purpose (15%), play games (12%), chat (10%), read non-Lithuanian periodicals (8%), music listening or downloading (7%), Internet banking (4%), TV programmes (2%) and radio listening (2%).

Although in recent years the Internet usage numbers have significantly increased, many important questions are unanswered and conceptions still unclear. What is the speed of development of the Lithuanian Internet? How wide is the Lithuanian online panorama? What do the traditional mass media think of the Internet?

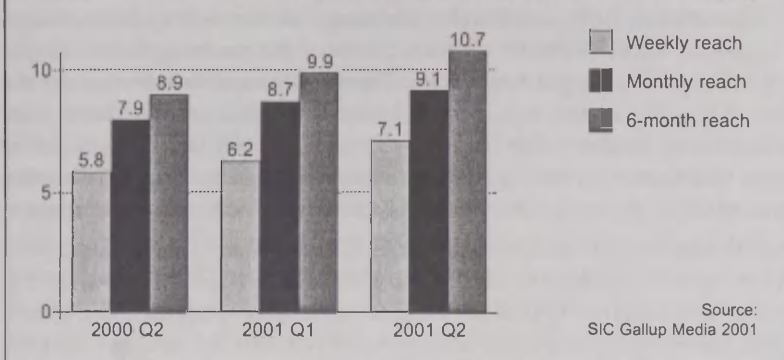
3.1. Trends of online media development

Although newspapers, radio and television are doing fairly well economically, the arrival of the Internet has challenged the traditionally dominant position of the mainstream media (Balcytiene, 2000b). As a response to a rapidly changing situation, the largest national newspapers were the first to establish an online presence. Radio and broadcast companies joined the Internet later.

Online editions of traditional newspapers illustrate the online dynamics (Table 3.1). Five national dailies presently compete for audience attention in Lithuania: *Lietuvos rytas*, *Respublika*, *Kauno diena*, *Lietuvos žinios* and to some extent the business paper *Verslo žinios*.

The number of daily visits by original users to the newspapers' Internet editions varies from several hundred to several thousand. The website of the newspaper *Lietuvos rytas* attracts the highest number of users, which averages 35,000 readers per day. According to the editors, a noteworthy share of the online audience comes from Lithuanians living abroad. Traffic is most intensive during the weekdays, and drops significantly on the weekends. This is because only the Saturday edition of the paper is published on the website during the weekend.

Figure 3.1. Internet audience reach in Lithuania, 2000–2001 (%)



Online versions of monthlies – women's and general interest magazines – do not suggest economically successful applications either. The websites publish selected texts and add a few interactive features, but this is not sufficient to attract substantial reader traffic.

Contemporary developments of online newspapers in neighbouring countries (in Scandinavian countries as well as in Estonia) suggest that to become successful, the online newspaper has to make maximum use of the Internet's potential. E-mail, mobile phone services, radio and TV webcasts, database information services, community networks and other services continue to evolve, and the newspaper websites should adopt them as they become popular.

Lithuanian newspaper firms have already made a first step by creating their websites with multiple media services. Many offer e-mail and other services such as fast search and rich information archives. The typical Lithuanian online newspaper reproduces traditional paper texts and provides a few additional interactive features such as the possibility for readers to respond via e-mail or to search archives. *Lietuvos rytas* and *Verslo žinios* (Business News) are the online leaders in providing the most advanced interactive facilities. *Verslo žinios* also uses e-mail services to send the hottest news to registered readers.

It took a few years for broadcast companies to make themselves known on the Internet. If newspapers' websites are entirely autonomous, the broadcast companies seek interconnections with external Internet publications. For example, the commercial television station BTV is interconnected with the commercial radio site Ziniu radijas (News Radio); the commercial radio M-1's website is interconnected with news portal Sala; and the TV3 television site has a link to the "TV" television portal, which provides a direct link to news agency BNS (Baltic News Service).

No matter when and how the traditional media firms have made themselves known on the Internet, several drawbacks are evident in their experiments. It seems that a media firm thinks of a traditional newspaper and an electronic periodical as two distinct services provided by the same company. The inevitable convergence of multiple media formats suggests the trend for further integration of the online service with the newspaper company itself. Today, in most cases,

editorial and content activities are still specialised by media. The established ways of thinking in traditional media terms, existing newsroom cultures and editorial staff skills are not sufficient to take advantage of the new systems. Magazines and broadcast media's online sites are no more far-reaching than newspaper websites. Most of the magazines (except *Cosmopolitan* and to some extent the general interest weekly *Veidas*) use their websites to publish selected texts from printed publications; therefore, the reader traffic is practically nonexistent. Radio and television websites are treated primarily as virtual bulletin boards with some extra features, such as the online broadcast of radio or television programmes.

Apart from the traditional media's experiments, several unique electronic periodicals have received considerable attention by the Internet users. Among the top five websites of Lithuanian origin are three sites called news portals: Delfi, Omnitel, and Takas. Eleven unique periodicals currently fall into the category of news portal, which provides selected news on daily affairs.

In 2000 the Estonian telecommunications company MicroLink established a Lithuanian news portal: Delfi.lt. For some time, Delfi has been the first and the only professional news portal, and soon achieved an average of 20,000 visits per day. In the autumn of 2001, Delfi claimed an average of 140,000 page views. The high reader traffic ensures that Delfi is among the top five Internet information resources in Lithuania. Delfi republishes selected texts from several of the largest newspapers and newswire services (it has an agreement with BNS). A significant part of Delfi's texts comes from tabloid newspapers such as *Lietuvos žinios* and *VL: Vakaro žinios* (the tabloid newspaper for the Vilnius region). The quality weekly *Veidas* adds its own share towards making Delfi an attractive discussion forum – two to three short texts written by *Veidas*' journalists are published online daily. Delfi has sister portals in Latvia and Estonia. Despite the intensive reader traffic, the Lithuanian branch is not able yet to make a profit.

Although Delfi claims that it has no rivals in the online media field, there are storm clouds on the horizon for the online publisher. In the autumn of 2001, three new online projects were launched by different companies: the commercial radio station M-1 was first, introducing the news portal Sala.lt; the telecommunications company Omnitel followed with a new concept of an integrated portal, Omni.lt; and the quality business newspaper *Verslo žinios* has reshaped its older Internet publication to better serve the interests of the business community (the latter project is a joint production of the newspaper and the mobile telecommunications company Bite).

The other most popular news portals provide a combined service – news and video clips of television programmes. TVnet.lt was launched in August 2000. In December 2000, the pan-Baltic IT company Tilde Group launched the portal "TV," which is dedicated entirely to television. Both portals have sister portals in Latvia and Estonia. In the summer of 2001, the TV portal has had an average of 500 users per day. This number significantly increases during the autumn–winter–spring seasons and it sometimes reaches one thousand original users. TV portal usage increases during live television shows. Bearing in mind that Internet television service requires a high-speed connection, the current access numbers are fairly satisfactory. The highest numbers of users are expected in the afternoon hours between 11 a.m. and 4 p.m., and in the late evening hours when users from

abroad (mostly from the U.S.) connect to the portal. The TV portal provides an average of thirty television programmes, all of them updated daily. The focus is on video material; texts are scarce, only as much as it is required to introduce the television programme. Aside from webcasting the television programmes, the TV portal runs two exclusive projects – one with the cinema theatre "Lietuva," and with the BNS news agency. The most popular programmes are still the ones which are most often viewed on traditional television: the political satire programme *Dviracio zynios* (LNK commercial television), a news and entertainment programme *Be tabu* (TV3 commercial television), and a television documentary project between TV3 and the national daily *Lietuvos rytas* called *Lietuvos ryto* televizija. It has been noticed, however, that some programmes that are not so popular among regular television viewers are used increasingly on the Net. The average user of the TV portal is male, educated, with a higher-than-average income, and who also connects to the site in working hours, which provokes a hypothesis that the average user works in the telecommunications business. The portal TVnet attracts approximately 700 original users per day, but its editors claim that their users are mature and better educated than, for example, users of Delfi. TVnet publishes original texts as well as providing archives of television programmes. Moreover, TVnet runs several original satellite websites: F-1 (the Formula-1 racing website), a website of the Eurovision competition, and a site of Lithuanian men's basketball league.

The Takas, Banga and Omnitel portals are dedicated mostly to telecommunications news, as is Hot. The other portals have narrow fields of specialisation: the portal Mama attracts young mothers, E-biz publishes business news and Rinkodara deals with public relations issues.

3.2. Problems and prospects for online media

Scholars define several qualities of the Internet media that empower the public to communicate in entirely new ways. Unique characteristics are grouped into several concepts, each starting with the letter "c": content and convergence, cannibalisation and commercialisation, consumerism and commodification.

The most obvious innovation is the change in the cycles of production, delivery and usage of digital information (Slevin, 1999). In contrast to the traditional mass media, the Internet allows the online distribution of content that is enriched by the new medium's capacity for interactivity and personalisation. Thus, the most obvious characteristic of online publication is the radical change in its format and content. The traditional media is able to offer limited possibilities of working with diverse mediums: in print publications one sees texts and illustrations; in television there are sounds and moving images. The Internet is an obvious leader in competing with the traditional media because all mediums – texts, sounds, images, videos and animations – converge due to the digital nature of the information, making all information available in a user-preferred fashion. Digitalisation leads to new forms of publishing: information reaches the public in a bewildering number of ways – newspapers, mobile telephones, and radio and television publish their information on the Web that appears on computer

screens. Indeed, many acknowledge that the immediacy of news distribution and the potential for interactivity make it an attractive news service (Deuze, 1997; Trench, 1997).

Bearing in mind such characteristics, it seems safe to assume that online publishing could easily be profitable. The costs of digital production and distribution are low compared with the costs of print production. Also, there is a constant growth in the potential online audience. Statistics show that in Lithuania in 1999, only 5% of the audience used the Internet weekly. In two years, in the summer of 2001, these numbers had rapidly increased to 10.7%.

Despite the positive claims, current experience provides several cautions. No matter how many qualitatively new features the new medium offers or how many traditional media firms have moved online, few Lithuanian projects claim to be making a profit from their online services. This is vividly indicated in one of the recent studies researching the business models of online media (Sabaite, 2001). Of the five largest Lithuanian national newspapers, only one paper has admitted to making a profit online. This is the business daily *Verslo žinios*, which publishes five times per week and has been active online since 1998. Other traditional newspapers' online experiments may be considered to be an experiments *en vogue*. It seems that their philosophy may be described as: "to be respected, the online presence is inevitable, sadly, but still loss-making."

As a matter of fact, this situation is nothing new – the Web is a challenging environment, and few traditional media firms are competent enough to deal with its unique qualities and to make use of its unique requirements. As a marketing medium, the Web combines elements from different traditional media formats. It offers a relatively short-term exposure along with the concise information content and impact of the broadcast media, as well as the long-term exposure with high information content of the print media. One may assume that because of this challenge the online media panorama is rather ordinary. Some electronic newspapers re-publish the traditional paper's texts (*Kauno diena*), others add a few banner advertisements (*Lietuvos žinios*) or give away entirely its unique content such as texts and classifieds (*Lietuvos rytas*).

Unrestricted delivery of the traditional newspaper's information on the Web has its own dangers. In such conditions, the traditional newspaper may slowly turn into a cannibal, eating its own market. This danger exists because of the business model used. Traditional newspapers operate in two markets – the market of advertisers and the market of readers. When reader interest declines, the newspaper's revenue from advertising suffers. If the audience moves to reading texts online, they stop subscribing to paper versions, and thus the newspaper's circulation declines and revenue suffers. Such is the history of *Lietuvos rytas*. The newspaper claims today that in average 35,000 readers read the paper on the Web. The newspaper's circulation numbers have significantly decreased in the last few years: from 75,000 printed copies in 1998 to 49,000 in 2001.

The situation with the electronic media – those online periodicals that do not have conventional paper publications – is entirely different. The character of online news varies depending upon whether the online news provider is an Internet-original source, the product of a broadcast, or the product of print

media. Internet-original sources such as 5ci Online are the most creative in their use of new media storytelling tools. Different degrees of interactivity, content customisation, and multiple media formats permit news reports to provide layers of content that can include diverse storytelling techniques with or without audio or video (TVnet, TV). Moreover, the electronic media are not concerned with protecting any existing area monopoly. In contrast, online information offerings published by print or broadcast media firms often proceed rather cautiously on the Internet because they do not want to give away their content for free (*Respublika*).

The commercial character is yet another feature which describes an electronic publication. Only a few Internet sites are able to sell their content. Indeed, the information has to be of tremendous value for users to pay for the access. Even internationally known companies are seldom able to charge for access to their content. The reason for this situation is that so much information is published on the Internet for free, and the numbers of sites tend to grow each day.

But is the information on offer as free as it seems? What kinds of business models do the electronic periodicals use to make themselves successful? With more users accessing the Internet, the users "buy" information with their attention, focussing it on advertisements, offerings, e-mail messages and intermercials (interactive commercials). This means that because of the "all content for free on the Web" philosophy, the Internet has turned the user into a valuable commodity. The new media firms use various techniques to get to know more about their readers. If readers provide data about their preferences and interests, they may get more privileges. They may be rewarded by membership in a "readers' club," free individualised information, or get access to professionally selected news archives (*Verslo žinios*). As more information becomes available than anyone could possibly need or absorb, the problem is no longer getting the message out, but keeping the attention of the customer. With an overload of information, access to the user becomes a new and valuable commodity. It is expected that with dropping costs of distribution, the battle for access to the user will be increasingly severe. Luckily, it may lead to a more professional content.

As much as it concerns patterns of information consumption, early research has concentrated on the question of whether there is a sustainable demand for online media. Most questions also depend on the "critical mass" of potential consumers. The Lithuanian Internet audience appears to be rather small – it has overcome the critical mass level of 10% and is securely climbing up towards more intensive usage. Nevertheless, the Internet usage has revealed several patterns which may indicate changes in previously established ways of consuming traditional media: reading newspapers in the morning, watching television with the family or listening to the radio with friends.

Novel consumption patterns have to be taken into consideration: whether the Internet will pull away people from newspapers and television is yet unknown. The Internet has mixed patterns of news consumption. Studies show that news is being read throughout the entire day – sometimes accessed from work, other times from home (Cepulkauskaite, 2000).

In the near future, the competition for user attention will increase rapidly. The tendency is clear – traditional media rates are decreasing, while Internet usage is

increasing. Since the arrival of the Internet in 1995, the circulation numbers of Lithuanian newspapers have significantly decreased, some of them even twofold. Internet usage of the online publications, however, is increasing daily. It is rather doubtful that those people who read the paper would also read the same news on the website (on those sites where only identical texts to the print copy are offered). Therefore, newspapers must use both mediums (print and electronic) to attract readers, but it is necessary to define each medium's functions. Statistics from Scandinavian countries show that the numbers of Internet users are levelling off: when the upper critical mass is reached (approximately 70% of users of the active population), some readers stick to online editions, others stay loyal to print papers, but the largest group of people switch between the traditional and virtual mediums.

As with any achievement, the effect is never one-sided. Sometimes new technology gives more (freedom, democracy, self-expressiveness) than it takes. Other times it requires more from users than it initially provides in advantages; therefore, the users have to face a new set of dilemmas.

The Internet demonstrates the best and the worst characteristics of an emerging culture. The immediacy of the medium and the need to attract users may be a reason for a different kind of reporting. The model of online publishing brings some of the forces of commercial television to all of the content publishers: the drive to attract audiences, the short attention span of readers, the need to produce captivating material. According to Postman (1985), the television has taught an essential lesson: whoever wants attention needs to be as direct as possible, or strange, or odd or different – as long as the message stands out. Anecdotes get more attention than analyses. Sensationalism is less the consequence of bad taste than the need to shake up tired consumers.

It is easy to notice that these practices flourish on the Internet. Are online sites responsible legally or ethically for the content of the interactive elements of their websites? With the traditional media, one way to protect editorial independence has been through voluntary regulation. New questions arise over how the regulations apply to online context.

The ethical challenges of digital publishing deal with both the technical advancements of new media and moral dilemmas. In most cases these are intertwined. For example, the speed of technology pushes the journalist to make an immediate decision of what to publish and what not to publish, to take responsibility for information and links to other sites. Defining a link from one's homepage to external information is especially problematic: it requires only seconds to change innocent data on the external site into text that contains libellous, racist, and otherwise illegal material. Journalists therefore have to think twice before including hypertext links in their reports. The dilemmas that journalists and editors face show that journalistic codes of conduct have to be edited and new options cn Internet behaviour must be added. For example, in Norway, some options of the code of journalistic conduct were modified to emphasize that the online newspaper is responsible for an initial link to an external site, but it takes no obligations and responsibility for follow-on links.

The overview of online media development in Lithuania may be summarised into a thesis and a policy question. The thesis describes the state-of-the art situation and deals with the traditional media's experiments on the Web. The policy highlights what the online media has ignored so far.

The fear of loosing readers is the major explanation of why traditional media firms are hesitant to move online. Giving away their content for free, the electronic newspapers risk losing their main revenue generators and run the risk of becoming less profitable. Unexpected competitors in the form of news portals (Delfi, 5ci Online, TVnet) now fight in the same arena for users' attentions and the limited advertising money available.

The Internet is yet another competition area for traditional newspapers. New services such as interactive features, guides to information sources and community building are new to the newspapers. Also, the continuous production cycle of the Internet is a challenge that traditional newspapers are not always competent to deal with.

Nevertheless, the future of the traditional press is bright. Contemporary studies indicate that although newspapers will loose a certain amount of their audience, there is no danger that newspapers will disappear. The press analysis has shown that readers do not simply want information, but they have certain expectations of what can be found in a newspaper (Balcytiene, 2000a; Trench 1997). Newspapers have always been an inherent part of the community and readers expect some "natural" ties to connect various news stories there. In contrast, recent studies show that the Internet is becoming a news source in self-serving terms: people go online to satisfy their appetite for some specific news (finance, travel, leisure, weather forecasts, horoscopes, etc.). The online medium provides excellent means for this: it offers speed, interactivity and (literary) rich archives. In addition, the general public needs something else. Most news portals today provide news items collected from news agencies or other external Web resources. Although this is a well-timed reaction to what is happening, few readers can satisfy their appetite with that. The public wants a professional view. In fact, there seems to be an unfilled niche on the Internet to provide timely, analytic examination of news. Online professional journalists can fulfil this need.

Research in online reading shows that two things bring people together on the Web and make them loyal: geography and affinity (common hobbies and interests). The regional context of the working and living sphere provides a common anchor that makes it easier to launch interactive and lively services. Up until now, smaller groups with special interests have not been interesting to the major media in economic terms. But before moving to niche areas, the traditional newspapers must change their thinking from being present on the Web to becoming successful on the Web (not only in terms of page visits, but also in terms of a financial return on investment).

As a policy issue, contemporary online periodicals are in a transitional phase. Initially, the transition involves two distinct points – the point of departure and the imagined destination. The point of departure is well discussed and the consequences are fairly transparent. Traditional newspaper firms have found themselves in a vicious circle. Because newspapers are afraid of losing readers and

extra money, they do not want to deliver their content on the Internet for free. If newspapers publish their content (texts and classifieds) on the Web, they end up cannibalising their own markets. The destination of electronic transition, however, is largely unclear. What kind of business models should online media use to make profit? How will the move to the Internet affect traditional newsroom structures? What kind of impact will new technologies have on professional journalism?

It is well understood that commercial success on the Internet depends upon the readiness of the recipients to pay. The readiness will only exist if two major options are fulfilled: adequate and reasonable telecommunications prices, and reliable content that grabs the attention of the user.

The first of the two requirements – a reliable Internet infrastructure – defines a geographic economy of the national Internet (Patelis, 2000). The geographic economy constitutes inequalities that determine not only who uses the Internet, but above all, the way in which the Internet is used. Not all connections to the Internet cost the same or share the same speed. Not all subscriptions allow the same activity. Not all content has the same chance of being viewed. Therefore, geographic economy determines electronic activity.

The other requirement – a qualitatively different online content – is no less important, but so far has been undervalued by the media firms. Lithuanian media firms think in terms of being present on the Internet, but not in terms of being successful. This is because the move to the Internet is a harsh period of transition for any established media firm. The introduction of new media elements requires adaptations, rearrangements and reconfigurations of existing organisational forms. Instead of switching smoothly from a printed version to a qualitatively different virtual publication, the media firm has to deal with several transformations, such as introducing new content, building new user communities and changing the newsroom structure. The arrival of the Internet has suddenly caught the majority of the traditional media firms unprepared to re-think and re-shape their fragile organisational structures. Today it seems that the online future of many media firms is being shaped by the pragmatics of the present. These pragmatics – finding resources to survive in the off-line world – may yet result in a resistance to devoting resources to the Internet. The outcome of such resistance is the general inexpressiveness of the Lithuanian online panorama.

Summary

The post-Communist transition is a subtle process that has certain distinct features apart from those related to the multi-dimensional and complex transformation that has so far taken place. Although Lithuania has its own path of democratisation, it seems impossible to separate this process from such transformations as:

1) political stabilisation as indicated by the presence of democratic structures (political parties and elections);

2) dramatic and radical changes in the economic system (a shift from a planned economy to a free-market system);
3) rapid stratification of society (with the winners and losers from the fast political, economic and social changes);
4) the fading of values due to increased consumerism.

As mentioned repeatedly throughout this chapter, mass media plays a crucial role as an active socialising agent in the changing post-Communist society. Mass media has important political functions. All forms of media – newspapers, radio and television, the Internet – serve as channels for general information as well as arenas for public debate. Therefore, the mass media is an important agenda-setter for big political issues and is considered to be a watchdog of democracy. The Internet publications also add their own share in bringing distinct public groups together.

Through the different stages of transition, the social functions of the media have changed several times. In the first stage (1987–1990), the Lithuanian media performed the role of a mediator in the socio-cultural mobilisation. The second stage (1991–2001) involved the emancipation and maturation of the media through increased marketisation, concentration, commercialisation and customisation.

Looking at current media developments in Lithuania, as well as in other post-Communist countries, a dual impression arises. On the one hand, after more than ten years of independence, people still find it difficult to adjust to the rapid growth and positive development of the media. On the other hand, they are disappointed by increased consumerism (which is salient in the media's content, saturated with sensationalism, negativism and sexism) and by vague standards of quality.

The lack of a strong tradition of a free press and civil society has shown its results. After a first decade of transition, in Lithuania, as in many post-Communist societies, it is possible to talk about systemic changes that only affected some parts of society rather than immediately transforming the whole. Current media developments show that they are far from total transformation. Some developments are revolutionary. One radical reform is the transformation of the region's press into non-partisan instruments of civil society. Concerning public broadcasting, the change is less far-reaching. Many signs of continuity from the previous regime are still present, and some hypothesise that the process of broadcast media reform may reflect the ongoing struggle to define the political culture in the region.

The scarce online panorama (such as an underdeveloped Internet infrastructure, among other things) reflects that the traditional media are competing fiercely for reader attention. Therefore, it is no wonder that the arrival of the Internet (with content on offer for free) is most commonly understood as a threat to the still fragile business model of the traditional media. During just a few years of a market economy, traditional newspapers were able to develop a sustainable business model. This may be a reason why the traditional media is unfriendly and hesitant to accept the fact that cohabitation with the Internet is increasingly inevitable.

In summary, the magic words of Lithuania's transformation are liberalisation, privatisation and stabilisation. The year 2001 is marked with yet another word, "openness," meaning that the media has to acquire new functions for public socialisation in a new – market-driven – society. In order to become mature, journalism has to progress from a purely commercial and political endeavour into one that is societal in scope.

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4. Development Trends of Public Television in Estonia: 1991–2001

Hagi Shein

Introduction

The television landscape in Estonia has faced substantial changes since 1991, when Estonia again became an independent state. It is not only the penetration of different forms of television media that has substantially changed (see Table 23 in Appendix). To paint a full picture of the evolution of the television sector one should take into consideration all the integrated parts of the television landscape. There is no doubt that all of them have passed an extensive period of considerable structural and conceptual changes. These changes have been influenced by the general political environment, the state of the Estonian economy, the structure of the TV market, the nature of media policies and implemented media legislation, the principles of administration and funding of television, as well as the social functions of TV programming, the content of the programmes and the professional standards of broadcasting itself.

The main aim of the following comments is to concentrate attention on the most decisive, often dramatic and controversial tendencies in the development of public broadcast television in Estonia during the last decade. Obviously one can find many similarities in patterns, challenges and problems which reflect the changes in the television sectors of other East-European and Baltic countries (see EBU 1993; Paulins & Liepna, 1998; Jacubowicz, 1998; Alisauskiene, Bajarunas & Sukyte, 1998; Audiovisual Eureka 2000). Most of the processes, trends and challenges the audio-visual sector is experiencing in Europe today – deregulation, privatisation, internationalisation, globalisation and the convergence of different media (Moragas Spa, 1999: 1) – are to a greater or lesser extent currently influencing the broadcasting development in the Baltic States as well. In spite of that Estonian broadcasting has its own uniqueness and peculiarities.

It should especially be underlined that the development of public broadcasting in Estonia cannot fully be described and understood in isolation from the development of the Estonian television sector as a whole. Both sides of the dual model of the contemporary television landscape, public and private (commercial) television, have been involved in a process of mutual influence and quite often of severe opposition.

The development of public television also cannot be described as a continuous linear stream. The political, economic, legal, organisational and professional factors, which have influenced public broadcasting during the decade, have

emerged in different combinations with different intensities. The most significant factors have certainly been the solutions made by Estonian media legislators, in terms of economic policies and (de)regulation of the TV-market. We have made an attempt to reveal the key tendencies of alterations in public television in terms of their dynamics and moments of most decisive influence. Hopefully the reader will not be disturbed by the fact that this approach has led us to the descriptions of several processes in terms of their mutual relationships and overlapping durations.

The last decade in the development of public TV-broadcasting in Estonia can be divided into four periods:

- **Period I: 1991–1994** – implementation of public remits on Estonian Television (ETV);
- **Period II: 1995–1997** – establishment of ETV as a public broadcaster;
- **Period III: 1998 – spring 2000** – rearrangement and unpredicted deep financial and organisational crisis of ETV;
- **Period IV: spring 2000–2001** – attempts at stabilisation and seeking new methods for further development of ETV.

1. First period (1991–1994): Implementation of public broadcasting remits on ETV

The first period of the development of public television in Estonia can be characterised by the following features:

- implementation of the principles of public broadcasting;
- restructuring of the Soviet-formed TV landscape;
- launch of commercial television;
- emergence of serious opposing views and controversies concerning the dual TV-model;
- legal regulation of public broadcasting – the Broadcasting Act.

1.1. ETV's move towards the principles of public broadcasting

The ideas and principles of public broadcasting were first introduced in Estonia in 1990 when it became possible for broadcast personnel to participate in European media discussions. The socialist countries' TV and Radio organisation, OIRT, of which ETV was a member, was drawing its final breath. The privatisation of newspapers in Estonia started in 1989. A new entity – Estonian Broadcasting – was formed in 1990 to replace the Estonian SSR State TV and Radio Committee; on 1 October, ETV and Estonian Radio (ER) became two different organisations. The ETV statute from 1990 already laid down some of the programme requirements for public broadcasting.

After the Baltic States regained their independence in 1991, ETV actively entered into the accession process to join the European Broadcasting Union (EBU). Already on 3 July 1992 ETV and Estonian Radio had become associated

members of the EBU. ETV was admitted as a full member of the EBU from 1 January 1993. For a short period of time between 1990–1993, the main state broadcaster, Estonian Television, was continuously modified to fulfil the general remits of a public broadcaster.

The EBU defined public broadcasting first of all as a system of certain programme obligations. The traditional public broadcasting requirements consisted of ensuring programme accessibility for the majority of the population, programme quality and variety, objectiveness and balance, considering the majority's and minorities' interests, and taking a dominant share of one's own programme production. The emphasis was put on support of local languages, cultures and national identities, and openness (EBU 1992: 3). ETV's transition period from Soviet television to a European public broadcasting organisation can be characterised by the implementation of these principles. New programme requirements were set up while the obligations to maintain editorial independence, objectivity and impartiality of the programming, and to cover controversial political, economical and cultural issues, were introduced (Šein, 1992).

The process itself was somewhat controversial. The sudden freedom enhanced ETV's strongest professional aspects but at the same time revealed its weaknesses as well. It was time to redefine both political and professional values, and it just could not take place very smoothly. The lack of necessary financial means, and, the need, whatever it took, to hold onto a majority audience, and to move ahead the emerging private television that appealed first of all to mass tastes, coupled with an insufficient understanding of the nature of public TV programming, created insecurity and forced commercial tendencies in public broadcasting in the first-stage development. The intensive selling of foreign TV commercials that started at that time raised further controversies.

In spite of that, the programme structure and professional level of ETV corresponded already in 1993–1995 to the main requirements of public broadcasting programming (see Table 4.4 and Figure 4.1). This period is also marked by drafting the Broadcasting Act, which started in 1993 and which led in the middle of 1994 to the legal establishment of public broadcasting television in Estonia.

Alongside ETV's turn to public broadcasting remits, the TV landscape was facing considerable changes brought by the restructuring of the TV landscape, emerging private terrestrial and cable television and the growth of the advertising market (see Tables 4.1 and 4.3).

1.2. From monopoly to open media competition – emerging of commercial television (1992–1994)

Estonia has turned from a Soviet country into an independent democratic state with a free market economy. The audio-visual sector mirrored this process of shifting from monopolies to open competition. "The former communist ideology was replaced by freedom of speech and the opportunity to choose among competing media channels." (Veskimägi & Susi, 1996: 136). As ETV turned to the public broadcaster model, the first private television broadcasting firms were

launched. In Estonia commercial television has been operating since 1992. The launch of the first private TV firms was speeded up by a very fast-growing advertising market (see Table 4.3) and was based on former professional experience in this field. Reklaamitelevisioon (Advertising Television, RTV), which separated from ETV, and BFD Reklaamiklubi (Advertising Club), which was formed out of a well-known advertising company started to broadcast on ETV's channel in 1992. Foreign investors backed the launch of Estonian Christian Television.

Another decisive reason for this active formation of private TV organisations was the appearance of free transmission networks and the Broadcast Transmission Centre's economic interest to exploit those. During the Soviet period Estonia had three terrestrial television networks, which were transmitting two TV programmes from Moscow – Ostankino and Russian TV, and one from St. Petersburg. Ostankino and Russian TV were nationwide channels while Sankt-Petersburg TV was seen in Tallinn and Northeast of Estonia. During 1993–1994 the Estonian government gradually fazed out the transmission of Russian television channels and the Ministry of Culture started to distribute the available frequencies. The new private broadcasters got temporary licences to disseminate their programmes on these free frequencies.

The general approach of Estonian media policies and politicians at the beginning of 1990 can be characterised as very open and liberal. The television market was gradually opened to domestic operators in 1992–1994, following the end of the retransmission of the former Soviet channels through Estonian transmitter's networks. Although a shortage of resources would have been expected, most of the private firms that applied for TV broadcasting licences in fact received them. Altogether 9 private television firms received licences and started their broadcast operations – Estonian Christian Television, Alo TV, Reklaamitelevisioon (RTV), AS Eesti Video (further EVTV), AS Taska (Kanal 2), Narva Kommertstelevisioon, AS BED Reklaamiklubi, AS Orsent, Eesti Sõltumatu Televisiooni AS (TV1) and Tipp TV. Most of them were launched by Estonian firms, based on Estonian financial resources and began recruiting broadcasting professionals mainly from Estonian Television, which had about 1,000 employees at the beginning of the decade. As a result, a large number of television broadcasters emerged in the 1990s (see Table 4.1).

1.3. Peculiar processes of Estonian television market reconstruction: "TV wars" (1993–1994)

Since the production and transmission of the programming is expensive, the competition to grasp revenues in TV marketplaces became tough. It took some years to recognise that the limited TV market in Estonia could not sustain all those who had begun their TV businesses. The distribution and redistribution of terrestrial transmitters and available frequencies, and the fight for more favourable positions among the private channels, led to a ruthless rivalry between the three strongest private operators – RTV, Eesti Video and AS Taska, a situation which the press pertinently labelled as "TV wars".

Table 4.1. Development of television landscape in Estonia, 1993–2000

	1993 [1]	1994 [2]	1995 [3]	1996	1997	1998	1999	2000
Broadcasting stations	8	7	9	7	7	7	7	5
Public	1	1	1	1	1	1	1	1
Private	7	6	8	6	6	6	6	4
National	1	1	1	2	3	4	4	4
Regional	4	3	5	2	1	1	1	–
Local	3	3	3	3	3	2	2	1
Total broadcasting hours	3,315	6,457	8,800	8,767	20,640	23,489	25,311	32,463
in Estonian (%)	71.3	87.9	89.5	93.0	87.7	92.5	95.9	98.9
in Russian (%)	12.9	7.9	12.0	10.8	6.6	5.6	8.5	4.1
Share of advertising	11.6	4.5	3.2	5.1	19.1	4.8	9.6	6.6
Text-TV (hours)	4,935	2,741	12,456	13,634	21,393	15,695	10,510	15,518
Total TV expenditure (thousands EEK)	50,616	124,124	136,812	178,962	254,169	396,224	399,652	391,989
Total adspend (thousands EEK)	14,039	43,442	37,720	71,735	120,478	172,681	143,415	164,302
Foreign terrestrial channels	na	na	na	6	6	7	7	7
Number of employees	na	na	892	857	829	754	814	545
Programme staff	na	na	327	310	299	307	319	200
Technical staff	na	na	363	317	315	291	285	197

1 In 1993 3 of 8 active broadcasters (EVTV, RTV and Tartu TV) did not submit the report.
2 In 1994 1 of 7 active broadcasters (Tartu TV) did not submit the report.
3 In 1995 2 of 7 active broadcasters (EVTV and RTV) did not submit the report.

Sources: Estonian Statistical Office, ETV, EBU, BMF

Table 4.2. Income and expenditures of TV broadcasters in Estonia, 1992–2000

All TV-broadcasters	1992	1993 [1]	1994 [2]	1995 [3]	1996	1997	1998	1999	2000
Total income	21,221	48,225	108,517	123,905	163,388	228,197	353,369	288,049	298,141
% of state financing	73.5	39.6	38.5	45.8	41.3	31.1	23.0	33.0	30.2
% of ad revenues	6.8	29.1	40.0	30.4	43.9	52.8	48.9	50.0	55.1
Expenditures	20,554	50,616	12,4124	136,812	178,962	254,169	396,224	399,652	391,989
Labour cost	na	na	na	na	na	77,332	92,220	102,957	89,316
Estonian Television									
Total income	21,221	38,241	80,503	99,427	113,900	136,881	143,281	124,221	154,409
% of state financing	73.5	50.0	52.0	57.0	59.2	51.9	56.7	75.0	58.4
% of ad revenues	6.8	17.4	25.2	28.1	33.5	38.0	30.7 [4]	7.8	25.9
Expenditures	20,554	38,767	75,798	99,985	114,275	144,410	152,901	154,157	160,378
Net result	667	-526	4,705	-558	-375	-7,529	-9,620	-29,936	-5,969
Labour cost	na	na	na	na	na	60,011	66,075	62,997	55,641
Private broadcasters									
Total income	–	9,984	28,014	24,478	49,488	91,316	210,088	162,828	143,732
From advertising	–	7,365	23,132	9,792	33,526	68,489	128,581	133,781	124,339
Expenditures	–	11,848	48,326	36,827	64,687	109,759	243,323	245,495	231,611
Net result	–	na	na	na	na	-18,443	-33,235	-82,667	-87,879
Labour cost	–	na	na	na	na	17,321	26,145	39,960	33,675
Share of adspend									
ETV	–	47.6	46.8	74.0 [5]	53.3	43.1	25.5	6.3	24.3
Private television	–	52.4	53.2	25.9	46.7	56.8	74.5	93.3	75.7

1 In 1993 3 of 8 active broadcasters (EVTV, RTV and Tartu TV) did not submit the report. **2** In 1994 1 of 7 active broadcasters (Tartu TV) did not submit the report. **3** In 1995 2 of 7 active broadcasters (EVTV and RTV) did not submit the report. **4** Paid by private channels in accordance with 1997 agreement.
5 Two major private channels did not present their statements this year and the division does not show the real stand of advertising share. ETV's share of advertising income according to BMF was 43.2%

Source: Estonian Statistical Yearbooks

Table 4.3. Media and television advertising expenditures in Estonia, 1992–2000

All media	1992	1993	1994	1995	1996	1997	1998	1999	2000
EEK (million)	na	na	117	281	409	585	710	639	675
USD (million)	na	na	9	25	33	41	51	43.5	40.1
Newspapers (%)	na	na	60	55	47	48	47	47.8	45.5
Magazines (%)	na	na	7	9	9	8	12	12.7	13.6
TV (%)	na	na	33	23	27	27	26	20.4	23.0
Radio (%)	na	na	na	8	12	10	10	12.0	11.3
Outdoor (%)	–	–	–	5	6.9	8	6	6.5	4.5
Internet (%)	–	–	–	–	–	–	–	0.7	2.1
Television									
EEK (million) [1]	–	–	38.6	64.6	110.4	135.4	181.8	130.3	155.3
EEK (million) [2]	1.5	14.0	43.4	37.7	71.7	120.5	172.7	143.4	164.3
ETV (million)	1.5	6.7	20.3	28.0	38.2	52.0	44.1	9.6	40.0
Share of ETV	100	47.9	52.5	43.2	34.6	34.8	23.8	7.4	24.7
% of total ETV income	6.8	17.4	25.2	28.1	33.5	38.0	30.8	7.7	25.9

1 Data of BMF. **2** Data of Estonian Statistical Office.

Sources: BMF; Baltic Media Books; ETV/EBU; Estonian Statistical Office

The first TV war started in the spring of 1993. An attempt to create a strong commercial channel with RTV, Eesti Video and Television International, a subsidiary of the Swedish company Kinnevik AD failed. As a result a new entity, EVTV, was launched by Eesti Video and Kinnevik, and the rivalry for the distribution of free transmission networks became dramatic and political. Finally, EVTV got permission to transmit their programmes on the former Russian channel's frequency during weekdays and RTV could do so on weekends. AS Taska got the Sankt-Petersburg transmission network that was technically in bad shape (Sembach-Sakkias, 1999: 9).

The second TV war started after a year had passed, in spring 1994, when the transmission of Ostankino TV was finished in Estonia. This channel was technically of the highest quality and boasted the largest penetration area. The Ministry of Culture decided to give this channel to AS Taska, without any competition. EVTV and RTV protested. The audience complained as well, because they feared losing their favourite soap operas. The biggest problem arose when, as a result of channel changes the Mexican soap opera *Tahmanägu* (A Grimy Face) disappeared from Southern Estonian TV screens. Finally the Ostankino channel was given to EVTV and RTV, who started to transmit their programmes every other day; the Russian transmission network went to AS Taska. In fact, the private channels were the eventual winners of this TV war because, in order to equalise their penetration areas, the government decided to finance the building of an additional transmitter for South Estonia to transmit Kanal 2's programme. During the second TV war the government and the governing party Isamaa lost a remarkable

deal of its political prestige, a situation which probably had some impact also on the results of the 1995 parliamentary elections.

The TV wars were most of all caused by the inadequate number of private TV channels and limited economic possibilities. (These circumstances would cause the third TV war in 1999, see below.) As a result of the two "TV wars" in 1993–1994, and also in the wake of disappointments, extensive lobbying, bankruptcies and mergers, the Estonian TV landscape developed its current structure. From 1996 until the end of 2001, when TV1 lost its licence, Estonia had four national channels with approximately 85–99% of audience penetration. The TV market consisted of ETV, the public broadcaster, and three private stations – TV 1 (AS Sõltumatu Televisiooni AS), Kanal 2 (AS Taska), TV 3 (the product of EVTV, RTV and Kinnevik's merger in 1996), plus some local channels in Narva and Tartu (see Table 4.1). Private channels act under the requirements of the Broadcasting Act (1994); their licences are granted for a period of 5 years.

1.4. Basic legal regulation of public and private broadcasting (1994)

The first broadcasting legislation act – the Broadcasting Act – was passed by the Parliament in May 1994, half a year after ETV became a full member of the EBU. The Broadcasting Act met the basic European remits of public broadcasting.

According to the Broadcasting Act, ETV was to be run by a Broadcasting Council appointed by the Parliament, a Director General appointed by the Broadcasting Council, and a board of executives appointed by the Director General. The Law stated ETV's main programme obligations: to transmit at least 51% of its own programming; to produce varied, balanced and impartial programming (mainly informational, cultural, educational and entertainment programmes) of the highest journalistic and technical quality; to meet the information needs of all sectors of the population, including minorities' needs; to protect and develop the Estonian language and the national cultural heritage; to support and assist in the development of the Estonian state and of its international recognition.

ETV was granted a mixed financing scheme and has been financed by subsidies from the state budget on an annual basis, by advertising revenues and by income from sponsorship and technical services. ETV was allowed to sell advertising time, which represented no more than 5% of its daily programme hours and 12 minutes per hour.

The Broadcasting Act also fixed the procedure for granting operating licences to private broadcasters. According to the law, private broadcasters would be subject to some minor programming obligations, limit upon sold advertising time and an obligation to allocate 5% of the daily programming time to news. Limits on commercial time for private channels were set at 20% of daily programming hours for advertising and teleshopping and on 12 minutes per hour, while pure advertising time was limited to 15% of daily programming. Some years later, the minimum duration of a single teleshopping broadcast was set at 15 minutes, while the total teleshopping broadcast time was limited to a maximum of 8 broadcasts and 3 hours per day.

The 1994 Broadcasting Act represented a compromise between different interest groups and politicians' views upon and understanding of the role, organisational form, management and financing schemes of public broadcasting. This was why discussions about improving and amending the law started immediately after it had passed through Parliament.

2. Second period (1995–1997): Establishing public television

The following features can characterise the second period of the development of public television in Estonia:

- sustainable remodelling of ETV to a sufficient public broadcasting organisation;
- keeping the highest audience shares and the position of leading channel by ETV;
- firm keeping of political independence, balance and impartiality of the ETV's programming;
- keeping the leading position on the Estonian TV-advertising market by ETV and the controversies caused by that;
- unsuccessful public debate on the role and future of the public broadcasting in the society and culture;
- continuing strong rivalry and tensions between public and private broadcasters;
- insufficient financing of ETV to meet the needs of programming quality and technical development;
- constant failure to improve the Broadcasting Act.

2.1. Establishing public television

ETV's transition to an organisation that was able to fulfil the basic public broadcasters' obligations and to produce a full scope of public broadcasting production took place in accordance with the development plan and with natural evolutionary trends in the years 1995–1997 (Šein, 1997a). Plans to reform and manage ETV included a democratic and accountable management scheme, and the repair and restructuring of the organisation within a public broadcasting institution's regulatory system. Plans were established to develop an internal self-sustaining economic model and a system of producers' accountability, and to create an organisation with a clear vision of itself. The goal to decrease the number of employees while enlarging programme capacity and increasing quality was set up (see Figure 4.2). The priority was to satisfy audiences' interests while producing diverse and quality programming along public service broadcasting lines. The philosophical requirements included participating in the establishment of a national cultural identity and self-consciousness, and maintaining the high credibility of the information provided and openness to the world and the Estonian society. The priorities of ETV's programming were news, information, sport, culture and education. Social awareness, common sense and knowledge were highly valued

cornerstones of the general factual programming as well as the objectivity and impartiality of the general journalistic standards. The programmes were balanced on a ratio of two-thirds factual programming alongside one third comedy, drama and entertainment. (Rannu, 1997: 24–26).

The main goals set by the ETV management were, in practical terms, achieved. ETV's audience share was constantly between 35 and 40% during 1995–1997 (see Figure 4.3), which represented one of the highest rates achieved by any public broadcasting organisation in Europe at that time. According to national surveys, ETV' s credibility and objectivity were highly rated by 73% of the adult population: a figure that was many times higher than that achieved by Estonia's private TV channels. This should be judged one of the most outstanding achievements of Estonian public television during this period, especially when one considers the great importance of media objectivity and impartiality in the new post-Soviet democracies (Mathe, 1993: 39). The number of ETV employees was reduced by 35% during 1993–1997 (see Figure 4.2), while the amount of programme production rose by more than 1,300 hours during the same period (see Figure 4.1). ETV managed to keep its political independence. It should be considered that Estonian public broadcasting had managed to establish itself and had attained a certain maturity by the end of 1997 (Šein, 1997b: 4–6).

2.2. Tough competition on the restricted advertising market

When talking about Estonia's total TV market value (about 22 million USD in 2000), the size of the population (1.4 million people), the limited amount of TV-adspend (about 9 million USD in 2000) and the large number of TV channels available, an insensitive question quite often arises – "Maybe there are too many fish in the pond?" (see Tables 4.1, 4.2 and 4.3).

The competition between private television channels and between the public and private sectors has been tough. The main bone of contention has certainly been the advertising revenue, which is the primary source of financing for the private sector and an important supplement to the public broadcasters' budgets. During 1995–1997, ETV received between 35–40% of TV's annual advertising revenue, which caused serious difficulties for the private sector (see Table 4.3). After the weakest private channels failed and the number of national private channels was reduced to three, opposing interests within the restricted TV-market pushed the public and private sectors into a constant rivalry.

2.3. Controversial role of advertising

Using advertising to finance public service television has been the source of serious if not crucial controversies in attitudes towards ETV. The insufficiency of state support, unavoidable investment requirements and the need to ensure the competitive salary for employees were the main reasons for ETV's needs for intensive increases in advertising incomes. The 1994 Broadcasting Act provided

a legislative basis for these. It is certain that ETV would have not managed to accomplish its programme obligations and technical development needs without advertising: advertising income comprised up to 25–35% of the ETV budget between 1995 and 1997 (see Table 4.3). As will be shown below, the results of the considerable drop in ETV's advertising revenues in 1998–1999 were dramatic.

However, advertising sales did influence ETV's programming and changed the programme policies into an ambivalent attempt to balance public broadcasting and commercial principles. The need to get additional revenues from advertising brought with it a larger share of mass interest and lower quality programming than had been wished.

Intensive TV advertising was a new socio-cultural phenomenon in Estonia in the beginning of 1990s that, among other things, also aroused social tensions (unfamiliar pet food and women's hygiene commercials at the time when most people did not have enough money to buy food for themselves) and sharp accusations of ETV's commercialisation. In addition, ETV, by acting in the advertising market and gaining a big share of it, was hounded by severe criticism from private television organisations. ETV was accused of dishonest competition in using both state support and advertising income to produce its programmes. During 1995–1997, ETV was frequently accused of selling advertising time too cheaply; and even of dumping – an accusation that was proved groundless after several investigations by the State Audit Office and the Estonian Competition Board.

The controversies and attitudes which arose at that time are the main reasons for the suspicious, and even negative, political attitudes towards ETV, in spite of the fact that ETV's programming has, in its general nature and structure, been in accordance with Estonia's main public broadcasting requirements.

2.4. Weaknesses of the financing model of the public television

By 1995 the first stage of the formation of private television companies and of the redistribution of the market had almost come to an end. United private channels confronted Estonian Television. The pressure concentrated on ad sales because ETV's market share of the total advertising turnover was constantly high. The other area of dispute was the fact that the financing of ETV, based on regular and reliable state subsidies and advertising revenues, was publicly labelled by private television companies as unfair.

The discussion has heated up periodically every year during the fixing of the state budget and of the amount of financial support for ETV. Liberal politicians started to speak about privatising ETV; about open competition for state subsidies on public broadcasting programmes, in which the private channels could also participate; about changing ETV into merely a commissioning transmission organisation with only ten employees and without its own production facilities. The lobby groups were successful in influencing political decisions, which led again and again to a shortage and insufficiency of the state subsidies allotted by Parliament to ETV. By the end of this period only 51% of ETV's revenues came from the state budget, the rest was earned from advertising revenue, the rental of

its facilities and other commercial sources. Since the appreciation rate of the cost of its technical facilities was close to 70%, ETV constantly felt considerable investment deficiencies and was seriously restricted in its plans for technical renewal.

2.5. Public discussion on the fundamental principles of public broadcasting in 1996

Under these circumstances ETV made an attempt to provoke a public discussion on public broadcasting issues. In 1996, assisted by the Broadcasting Council and the Ministry of Culture, ETV published a "green paper" on the future of public broadcasting in Estonia and on television in particular. The key questions of the discussions were formulated as follows (Šein, 1996: 2):

- What are the state's responsibilities towards public broadcasting?
- Should the state guarantee accomplishing the goals of public broadcasting, and how?
- What are the basic requirements to ensure the balance within the dual broadcasting model and the opposition between public and private broadcasters?
- What would be the best model for financing public broadcasting in Estonia?
- What are the most effective organisational forms for public broadcasting services?
- How can high professional standards of programming be guaranteed, and how can programming goals be accomplished most effectively?
- How can editorial independence, unbiased be maintained and protected, in terms of the balanced and impartial treatment of important issues?
- How can a consensus be achieved among politicians and in society in terms of understanding the fundamental ideas of public broadcasting, its programme principles? How can public opinion supportive towards public broadcasting be evoked?

Most of these questions were similar to those asked at that time in different forums on public broadcasting matters by different media professionals, administrators and academics all over the world. Public broadcasting institutions were in deep trouble not only in Estonia, the Baltic States and Eastern Europe, but globally (Mathe, 1993; BBC 1992).

ETV viewed public broadcasting as an inseparable and natural part of European democratic society. In spite of the vast variety of different views, at decisive moments the answer to the main question as to the importance of public broadcasting in Estonia has been a resounding "yes." The Estonian Broadcasting Act gave public broadcasting institutions the responsibility for the sustainable accomplishment of the goals of public broadcasting services. On the state level the question has primarily been about the guarantees the state should give to support the fulfilment of these public broadcasting obligations. It would be hard to imagine that the private sector should ever volunteer for the task of accomplishing these public broadcasting goals, in view of that sector's lack of self-regulatory economic, political or socio-cultural incentives and motivations. Most European countries are convinced that, without the support of legislation,

without the creation of public broadcasting entities, without defining rules and goals, protecting editorial freedom and ensuring democratic accountability it cannot be guaranteed that the aims of public broadcasting will be accomplished. Nevertheless, those principles have often been dismissed by some of Estonia's political parties.

It is not possible to produce the whole scope of public broadcasting programming in the private sector. It is not worthwhile in economical terms, and it would also cause a drop in audience shares. Required programme variety will definitely suffer. Even if the state were to finance the production of public programming in the private sector, there would always be a danger that the production would become commercialised, include hidden advertising, present direct or hidden interests, or would not be impartial and balanced. It is hard to believe that Estonia will find a substantially different alternative to Western European broadcasting traditions and principles. In spite of that the possibility that Estonia may finally find its own original model for the provision of public broadcasting services cannot be excluded.

The discussion on the basic principles of broadcasting started in 1996 after the "green paper" was published. Many Estonian journalists, researchers, politicians and people from different cultural circles were supposed to take part in the deliberations. Unfortunately, the conference that was supposed to conclude the debate proved much less useful and much less effective than it had been expected. The tensions between ETV and the private channels were too bitter. The Broadcasters' Association, the representative body of the private broadcasters, gave up on substantial discussion (Šein, 1997a).

During these years neither the government nor the political parties were able to see real alternatives and new solutions in Estonian media policies, indeed nor have they actively tried to solve the public broadcasting problems. Continual attempts made by the Ministry of Culture to resolve the tensions by means of a new draft of the Broadcasting Act were not successful. By the end of the year 2001 the Broadcasting Act had not been substantially amended in spite of these efforts.

2.6. Defining new programme structures – a shift toward attraction and entertainment

> In the 1990s, the content of television channel programming reflected viewer demand. From the end of 1980s until 1993, people were very interested in politics and in taking part in the process of changing society, so there was a demand for news and political/current affair programmes. After the economic recession and the period of political stabilisation, people increasingly turned to entertainment programs. (Veskimägi & Susi, 1996: 136)

Television programming practices mirrored these new needs, and turned the emphasis towards entertainment. Since 1994–1995, Estonian people and audiences have enjoyed very varied television offerings due to the large number of and the competition between Estonian-language channels. Most of the best and most popular soap operas, TV series and serials from the United States, Australia,

Canada and the UK are running on Estonian TV screens while a good selection of movies and documentaries is also provided.

> Audiences became more interested in entertainment, serials and game shows as opposed to current affairs and news. The highest ratings no longer went to the main ETV news broadcasts, but to game shows and serials. (Veskimägi & Susi, 1996: 129)

Step by step, relying on comprehensive data about audience behaviour, based on continuous diary panel surveys, the audience measurement system, implemented by Baltic Media Facts (see http://www.mediafacts.com) in the fall of 1995, TV channels moved to more and more precise orientations around viewers' demands. The active seeking of target audience groups led to the further segmentation of audiences. All TV channels experimented at this time with different programming structures and models, strategies and policies that proved a fruitful pursuit of new solutions, professional growth and knowledge.

However, ETV faced serious difficulties in maintaining and following the principles of pure public broadcasting. As a result of the insufficiency of state subsidies and the constant need to get additional income from advertising sales, ETV was constrained to implement some elements of commercial programming, and was sometimes unable to avoid a decline in programme standards. This was probably unavoidable during the period of deep structural change and the strengthening of the competition in the struggle to attract large audiences. The lack of proper financial and even of the appropriate professional resources necessary to produce a substantial amount of high quality in-house programming was certainly one of the main reasons for this commercialism. It was also a period of generational change in terms of television's journalists and directors. This period also witnessed the introduction of Western, primarily American productions which first of all served to shift audience preferences towards entertainment programmes. The tensions between public broadcasting remits and the need to keep the organisation functioning became substantial at this time.

In spite of all this, the programme structure which the public broadcaster practiced during the second period can be characterised as general public programming with a slight inclination towards commercial programming. ETV remained the largest producer of the most varied home-produced programming in the Estonian language and in cultural programming as well (see Table 4.4 and Figures 7 and 8 in Appendix). The average of home-produced programming on ETV was constantly over 60%, while commercial channels could not manage more than 30% of in-house production. This situation was inevitable for the private sector, as home-grown productions were lucky if they could attract sponsors' money.

During this period, commercial channels made serious attempts to emulate the functions and programming of public broadcasting. During 1993–1997, this was mainly caused by the ultimate need to prove the competitiveness of the private institutions. Quite quickly it became obvious that they would loose the fight. At the end of this period, commercial programming strategies were shaped to seek specific options, a precise orientation and adjustment of the programming to suit

Table 4.4. The structure of Estonian Television (ETV) programme output, 1993–2000 (%)

	1993	1994	1995	1996	1997	1998	1999	2000
News	10.2	10.1	9.1	8.3	8.9	8.9	8.7	7.6
Information	10.4	12.3	18.0	8.4	6.6	11.6	16.0	9.2
Human interest	na	na	na	7.0	6.4	5.8	7.4	7.1
Sport	9.1	14.0	10.3	14.0	8.2	12.2	8.2	9.4
Education	5.5	2.0	2.5	2.3	1.7	0.8	0.9	2.6
Infotainment	na	na	na	3.0	6.0	10.5	9.4	3.9
Arts, humanities, sciences	10.6	9.7	11.1	9.8	10.5	6.3	4.0	3.6
Religion	1.5	1.6	1.3	0.8	0.8	0.7	0.7	0.9
Music	7.3	6.8	5.6	4.6	5.6	2.8	2.2	4.1
Light entertainment	10.1	10.2	8.0	6.0	5.5	4.6	5.0	6.7
Fiction	26.2	19.0	23.7	26.1	28.9	30.2	22.1	28.8
Other, not attributable	–	2.4	0.5	0.3	1.4	0.2	6.1	1.7
Presentation and promotion	5.9	5.5	3.7	5.1	6.1	5.4	5.0	5.4
Advertising	2.9	3.2	4.1	3.7	3.4	–	1.4	3.8
TV-shop	–	–	–	–	–	–	2.7	5.2
Text news	0.2	3.2	2.1	0.6	–	–	–	–
Own production first-run	49.7	48.6	45.6	42.8	41.7	50.9	48.3	35.2
Own production	55.7	58.0	61.2	56.8	50.7	71.2	65.1	66.2
Purchases and exchanges	27.2	26.7	29.3	32.6	23.6	27.6	30.7	33.8
Total first transmissions	76.9	75.2	75.0	75.5	60.0	79.1	78.4	70.3
Repeats	10.1	12.8	15.0	15.3	12.8	20.8	21.6	29.6
Total hours	2,529	2,741	2,856	3,391	4,012	5,117	5,057	4,849

Sources: ETV, EBU, Estonian Statistical Office

the needs, interests and preferences of thoroughly defined target groups in order to maximise revenues from advertising.

It should be said that television programming fully reflected the controversies of real life at the time. The functions of the media were changing (Vihalemm, Lauk & Lauristin, 1997). News and information programmes remained important, but at the same time more and more programming time was devoted to fiction and entertainment. One third of the Estonian population was living below the poverty line and this fact may possibly explain the huge audiences gleaned by more than twenty different soap operas which ran daily on Estonian screens. Different games and game shows remained at the top of the ratings lists. Estonians love to play, but they even more love to watch other people playing. Life in the wild capitalism was like a game in which you never knew when would you get or lose your chance of wealth and success. The audiences became more and more differentiated. In spite of that, people liked to gather in front of ETV to watch public events and national occasions, which gave them an opportunity to feel a sense of belonging to a larger community, to their nation and culture. These were the glorious moments of national public television.

Strong competition and the ultimate need to grasp and keep audiences eventually also resulted in the rise of the professional quality of television, changes in the structure, style and attractiveness of the programming. The average professional level of television direction has been comparatively high in Estonia, and the artistic perspective and style have been impressive. Interesting and attractive broadcasts could be seen in different programme fields and genres. At the same time, a general shift towards entertainment programming caused a gradual diminishing of the role and importance of journalists and the growing popularity of different kinds of hosts, anchors, entertainers and actors.

Since 1995 the stations have more or less succeeded in compiling their specific programming structures to satisfy the needs of various target audiences, by the distinctive selection of movies, series and serials, sport events and game shows and of original programmes in the Estonian language. This has led to a restriction of the size of audiences and an equalisation of the channels' audience shares. An outstanding achievement of Estonian Television was (and it is important to stress the uncommonness of that achievement within Eastern European and Baltic broadcasting), that the public broadcaster succeeded in keeping its leading position in the ratings during this entire period, maintaining a share of about 35–40% of the Estonian-speaking audience (see Figure 4.3).

3. Third period (1998 – spring 2000): rearrangement and unpredicted deep financial and organisational crisis of ETV

The main features of the third period in the development of public television in Estonia are:

- radical changes in ETV financing as a result of an agreement with private television stations for ETV to abandon advertising shares;

- considerable reduction of the tensions between public and private broadcasters, as a result of the end of advertising in ETV;
- unpredictable and nervous management of ETV;
- substantial growth of ETV programme output and the emergence of considerable financial losses as a result of an uncontrolled rise in expenditures;
- considerable growth of ETV's financial obligations and its sinking into deeper debt;
- move towards equalisation of the audience shares of public and private television stations;
- collapse of the non-advertising agreement between ETV and the private channels;
- increase in foreign ownership and foreign control of private TV channels;
- increase in private televisions' financial losses;
- crucial shift in audience shares – public television loses its lead;
- drop in the output of domestic production as a result of a decrease in advertising revenues and general economic recession;
- continuing and luckless attempts to improve the Broadcasting Act.
- deep financial and organisational crisis of ETV.

3.1. New solution for advertising (end of 1997)

At the end of 1997, the contracts of the ETV management appointed in 1995 expired. The new executive management started work on 1 November and immediately made a radical decision – ETV initiated an agreement with the private television stations (TV 3, Kanal 2 and TV 1) to abandon advertising and stopped advertising sales from 1 January 1998. According to the terms of the agreement ETV received in return a certain proportion of the private channels' revenues: which worked out as a sum of 36 million EEK for 1998. This was much less than ETV had earned from advertising in 1997 (51.9 million EEK). The decision was obviously influenced by undisclosed political factors, and was forced as a result of extensive lobbing by private broadcasters who faced considerable financial disadvantages in the TV market. The net financial losses of the private channels had been grown from year to year and had reached 18,4 million EEK by 1997 (see Table 4.2).

At the same time, ETV joined the Broadcasters' Association, which had previously been an association made up exclusively of private broadcasters. The tensions between public and private television were temporarily defused. Private channels definitely improved their economic standing and gained considerable advantages from the fact that ETV had left the advertising market. It should be emphasized that the new solution to the problems of TV financing was not directly proposed by the state institutions but had been brought about as a result of the initiative of broadcasters themselves. This was one of the most serious weaknesses of this agreement, which eventually caused substantial difficulties for ETV.

3.2. Extensive growth of the programming output of ETV and its organisational reforms

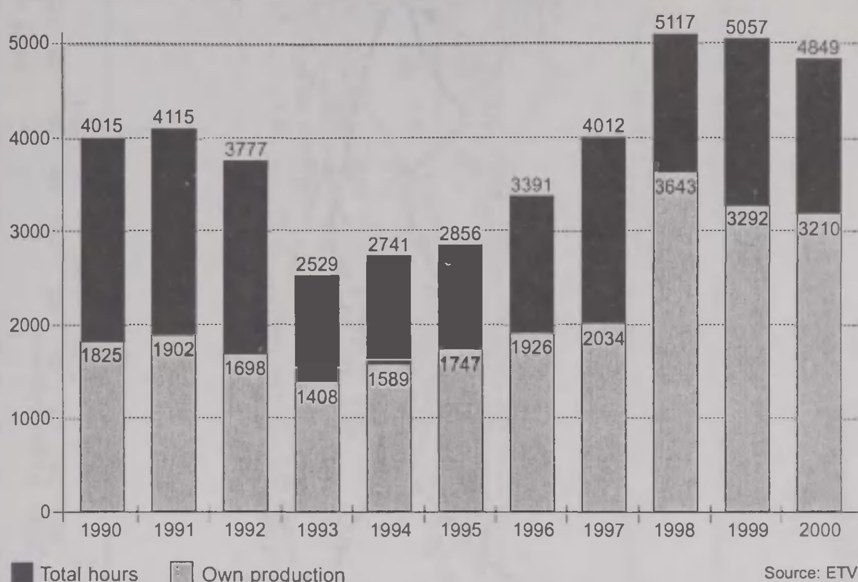
ETV's new board resolved to abandon their predecessors' plan of evolutional development in line with its actual resources, and took risk for a decisive acceleration in both programme production capacity and expenditure. At the same time, with the agreement to stop advertising, the decision was made to enlarge programme capacity by 30% – in 1998 ETV's programme production grew to 5,117 hours, in 1999 to 5,057 hours. A growth by 80% was made in amount of in-house production – from 2,034 hours in 1997 to 3,643 in 1998 and 3,292 in 1999 (see Figure 4.1). This was a risky step because there were no guarantees against the possibility of a reduction in state subsidies, or a possible backlash from the advertising market, or the possible failure of the agreement with the private channels.

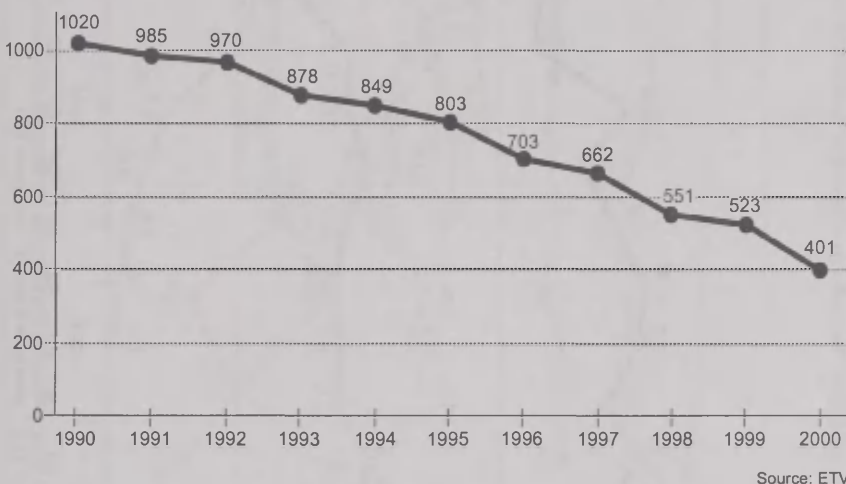
At the same time ETV started serious organisational reforms. ETV gave up on many internal services and started to obtain those from the free market (transport, cleaning, security, performance services). In spite of its already high level of debt, a new loan was needed to improve the studios' technical facilities. The transition to a system of producers' accountability was planned with the purpose of making the use of resources more flexible and more easily controlled, and to raise production effectiveness and quality. The number of employees decreased to 523 in 1999, that was 20% less than at the end of 1997 (see Figure 4.2).

Unfortunately not all limitations and dangers of these fast changes were taken into consideration. Already at the end of the year 1998 ETV faced serious instability. First of all ETV's income in 1998 was reduced by 10–15% (comparing to 1997) as a result of the agreement to call off advertising. Despite the growth of programme output and the amount of in-house production ETV also started to lose its leading position in audience ratings (see Figure 4.3). In addition, ETV started to lose the image of indisputable leader on the domestic television landscape, especially among the younger audience. These processes were certainly enforced by considerable investments the owners of the private channels (especially of TV3 and Kanal 2) decided to devote into popular programming in order to attract the audiences. That would restructure the TV broadcasting market and weaken ETV's hope to make a breakthrough in politicians' ignorance and misunderstanding of the needs and functions of public broadcasting and ETV in particular (see Table 4.2).

3.3. Enforcement of foreign ownership and growth of supplied TV services

Eventually Estonian companies and Estonian money failed in their attempts to compete in the TV market. Every one of the Estonian-owned private TV-broadcasters sold the majority of their shares or went bankrupt. In fact, the regulation





established by the Broadcasting Act in 1994, which required a minimum 51% of domestic ownership of private broadcasting organisations did not prevent the shift in control to foreign owners. (The requirement for 51% of domestic ownership was abandoned in 1999). First, the two biggest private television companies in Estonia came under the control of TV companies from Scandinavian countries. The Norwegian Schibsted owns Kanal 2; the Modern Time Group, a subsidiary

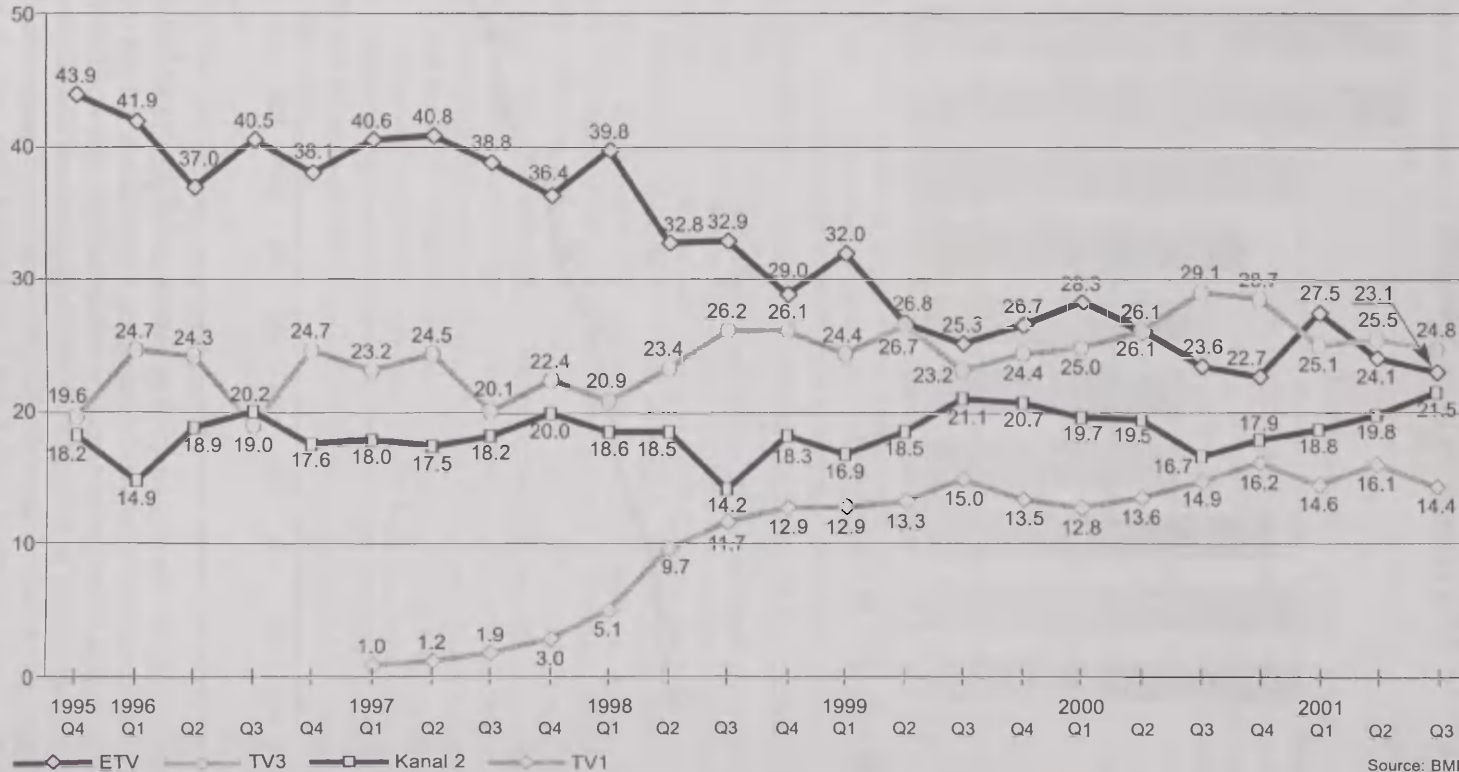


Figure 4.3. Domestic national television channels audience share, 1995–2001. Estonians

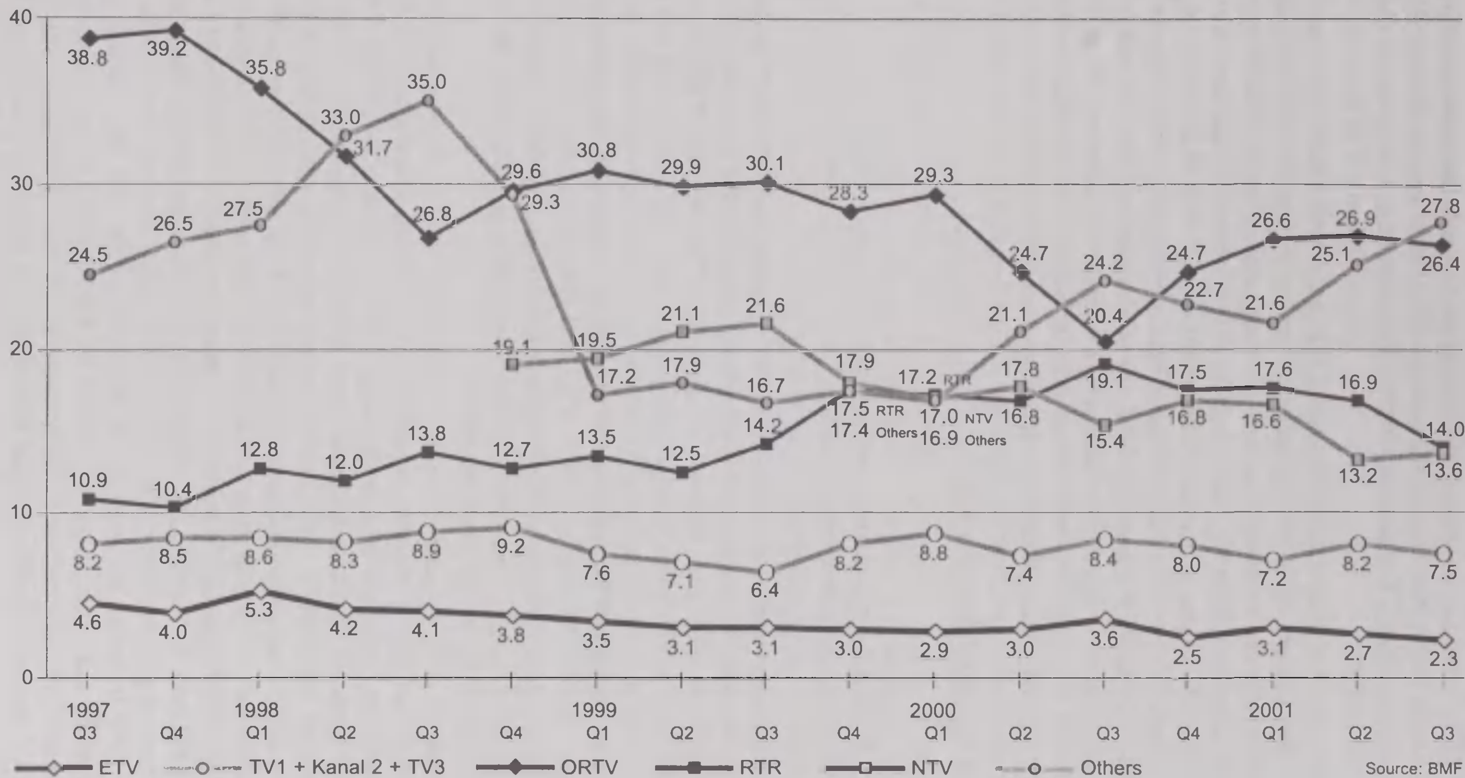


Figure 4.4. Estonian and Russian television channels audience share, 1997–2001. Russophones

of the Swedish Kinnevik and the Finnish Mainos TV, became the main owners of TV 3. TV 3 also runs a chain of TV 3 channels in the Baltic States and operates in Latvia and Lithuania. Finally, the control of TV 1 was taken by Polsat, which also launched a Baltic TV chain, regrouping TV 1 (Estonia), LNT (Latvia) and Baltios TV (Lithuania).

As a result of open and liberal media policies, a lack of thorough control of how the broadcasters meet the requirements set up by the law and their operating licences, Estonia has become a well-televised country. In addition to four nationwide terrestrial channels and two local channels, the TV landscape includes all Finnish TV stations, with penetration rates close to 40% of the Estonian population, and Latvian TV, which can be viewed terrestrially near the border. Tallinn Cable Television, Starman and STV are the biggest private cable programming providers among about 20 smaller cable companies; more than 60 channels are available via cable networks, more than 30 Russian TV channels among them. The penetration rate of cable TV in Estonia is about 40%. When one considers that the nation had not any cable television at all a decade ago, the growth of cable TV in Estonia has been remarkable.

3.4. Artificial economical administration of the Estonian television market

Television has not been a profitable market for the whole decade. The number of channels and the capacity of the market have not been balanced. The annual expenditure of the four national TV channels in 1999 was about 400 million EEK, while their total income was only 288 million EEK, 298 million EEK and 391 million EEK in 2000 respectively. While the losses of ETV had reached 30 million EEK by the end of 1999, the losses incurred by the private channels were much higher, about 82,6 million EEK in 1999 and even 87,8 million EEK in 2000 (see Table 4.2). Large foreign corporations have annually invested and spent millions of Estonian *kroons* above their channels' income levels, without any firm hope of achieving balanced budgets or profits.

It is not easy to explain why these powerful foreign companies have shown such an interest in Estonian television broadcasting operations in spite of the insufficient capacity of the advertising market and unpredictability of Estonian media policies. The constant instability of the advertising market and substantial financial losses did not determine the owners of private channels during 1998–2000. The foreign owners remained – and have continued to remain – interested in investing fresh sums of money in order to maintain and even enlarge the amount of programme output and domestic production. It is strongly believed that the rule of thumb for winning audiences and advertising money is to produce more programming in the Estonian language. Kanal 2, for example, started ten new in-house productions in September 1999 and the general manager explained this decision by saying that he believed that it was worth investing now and incurring certain losses in order to achieve the leading position among the TV channels. In the spring of 2000 it became clear that this strategy was not

working: that channel's audience share had remained practically the same as it had been before they had spent those vast amounts of money. In spite of that, this strategy has considerably influenced the condition of the Estonian television market and has further complicated attempts by politicians and the general public to comprehend ETV's real problems.

The constraints of the non-advertising agreement also emerged. As ETV's advertising income reached only 9.6 million EEK in 1999, ETV's share of the TV advertising market was only an insignificant 7–8% of the total of 145 million EEK. However, the relative smallness of ETV's share of the advertising market did not prevent the deepening losses of the private channels. We may assume that, if the advertising agreement had not been adopted in the fall of 1997, there would have probably been one fewer private channel in Estonia (actually it happened at the end of 2001). On the other hand, if the legislators had managed to insure a way to keep ETV free from advertising, it would have been possible to stabilise the TV sector and to avoid the financial and organisational crisis of public service television in Estonia.

Since the advertising market has remained unstable, it has been difficult to forecast possible developments. After considerable fall in 1999 (–30% compared to 1998), the TV-advertising market enlarged by 17% in 2000 (see Table 4.2). Definitely it was not enough to cover the channel's expenses and production needs. It became obvious during the year 2000 that the private channels had started to change their programming strategies, mainly by cutting the quantity of the programming in the Estonian language. Nevertheless, the TV sector still proceeded on its way without any regard for rational economic arguments and was kept afloat by entirely artificial means.

3.5. Emerging and growth of independent producers' sector

Until 1995–1996, the majority of programming in the Estonian language was produced by the television organisations themselves. Thereafter, audio-visual production schemes started to change. The independent producers' market has gradually emerged, encouraged by the success of the first firms launched in 1994–1995. More and more programming for broadcasting, especially entertainment programmes, talk shows, games, serials, music, tele-shopping, police and sports programmes, are produced by Estonia's approximately 80 medium and small-sized television, film and video companies. Since 1998 when Estonian Television, which devoted about 45–50% of its budget to producing programmes in the Estonian language, started to develop its system of producers' accountability and to manage with a smaller permanent staff, a remarkable increase in independently produced programming has followed.

3.6. Implementation of new media services by public broadcasting

Estonia has quickly become one of the world's most computerised countries, and is today holding its position as one of the leading computerised nations in Europe. In 2000, about 30% of the population were regular users of the Internet. These digital innovations are driving us towards a merger of broadcasting, cable and satellite television organisations and telecommunications firms in order to provide new interactive audio-visual services via the Internet. Among others, the public broadcasters in Estonia are also seeking new options in interactive digital markets. ETV started its first Internet service in 1998, when ETV news was made available via the Internet. The extensive use of ETV archives may be expected in the coming years. The main reason for that is the possible merger of telecommunication and broadcasting firms in order to provide new audio-visual services on the Internet including a substantial amount of streaming video and multimedia. ETV's extensive archives are a good source of material for these services. Although the precise plan for transition to digital television in Estonia has not been developed yet, it is obvious that it cannot be postponed for much longer.

3.7. Substantial changes in TV audience behaviour, and ETV's loss of its leading position

Substantial streamlining took place in the programme structures of the TV channels between 1998 and 2000. Although public television's general programme structure differs from those of the private channels (see Table 25 in Appendix), one can find similarities in the programming principles of private and public TV stations, especially in prime-time programming – similarities which offer obvious evidence of the importance of advertising revenues for the public broadcaster. In fact TV executives have successfully learned the art of professional programming and have been very effective in targeting and attracting small interest groups and special segments of the audience. Audience research companies are constantly providing producers, programmers and advertising agencies with current information about audience behaviour. On the basis of that information, piece by piece and percentage point by percentage point, the private channels have succeeded in taking audiences from ETV. The importance of this particular kind of professionalism is specific to a small market with large number of TV channels.

Until the beginning of 1998, Estonian Television commanded the largest share of the Estonian-speaking audience, maintaining about 35–40% of that share. Between 1998 and 2000, the audience shares of ETV and the private channels changed considerably. The public broadcaster has lost a large proportion of its audience and the private channels have approximately equalled ETV's audience share. In April 1999, TV 3 beat ETV in the ratings battle for the first time (see Figure 4.3) and managed to repeat this beat several times during 1999–2001. The discussion as to whether Estonia needs public service television was strongly encouraged by this. As had happened several times before, new evidence of the

weakness of the public broadcaster prompted radical thinkers even to suggest the privatisation of ETV. Thus Estonia has been made to face one of the most significant cultural problems faced by almost every European nation – the crisis of identity of public television.

As far as television viewing hours are concerned, Estonia maintains one of the highest averages in Europe, of the time spent on TV viewing. The average number of hours which Estonian viewers spend watching TV has been about 30 per week, while Russian-speaking audiences' average hours are even higher – 32–36 hours per week (see Figure 11 in Appendix). Television viewing is strongly influenced by the nationality of the audience. One million Estonians spend more time watching Estonian channels. The non-Estonian audiences, about 450,000 people, are mainly viewers of the more than 30 Russian channels made available by cable companies and satellite channels. Estonian TV channels have had a marginal role for Russian audiences despite the fact that three out of four national channels are making serious attempts to attract Russian-speaking audiences (see Figure 4.4). Altogether Estonian channels have an average share of 10–15% of Russian viewers. The two communities live quite different TV-lives, just as they generally live separately in their everyday lives.

3.8. Unfortunate attempts to amend the Broadcasting Act and failure of further balancing of the broadcasting field

During the last third of the decade, the Estonian electronic media sector came under the comprehensive supervision of a number of new pieces of legislation. Several laws were passed by the Parliament – the Advertising Law (1997), the Telecommunications Law (1998), and the Cable Law (2000). Legal regulation of the media has been one of the most controversial processes in recent legislation in Estonia and has revealed substantial differences in the viewpoints, understandings and interests of different commercial and political groups in society.

The most complicated aspects of the Broadcasting Act involved the instability of the funding of public broadcasting and its simultaneous financing both from state subsidies and advertising. Different ideas and proposals were made to achieve a better balance in the television sector. Quite often the suggestions made by different interest groups were controversial. Private broadcasters have for instance initiated, on several occasions, more or less serious attempts to stop advertising on ETV. An idea to merge ETV and Estonian Radio (ER) was proposed. The option to draft separate laws for ETV and ER was also considered. Implementation of a contracting system to fix the general structures and costs of the separate public broadcasting services was proposed. Suggestions also to involve the private channels in the process of producing and disseminating "public broadcasts" via open tenders was discussed. From time to time the question arose as to the need for public broadcasting at all. A lack of common understanding and an inability to make compromises or achieve consensus in substantial matters slowed down the drafting of the new versions of the Broadcasting Act.

In spite of a continuous lack of any success in making the expected changes to the Broadcasting Act, work on new draft amendments was continued by the Ministry of Culture for several years. It was inspired by the desire to relieve the tensions in the TV sector and by the conviction that public broadcasting services could be provided in more efficient ways, that programme requirements could be better defined and that the principles of funding should be changed. These activities did not achieve any remarkable results; different versions of the amended law did not even pass the preliminary discussions of the Estonian Parliament's Cultural Commission during 1998–1999.

Some new suggestions were made in these drafts. In order to more thoroughly define the programme obligations of the public broadcaster a contracting system for different programming fields and for the maintenance of the audio-visual archives was proposed. A new formula to calculate the annual rate of increase of the state subsidy based on the expected growth of the consumer price index was also suggested. Special amendments concerning EU media principles were made. To facilitate the general EU accession process, the latter were among the few of all these proposals that were actually passed by the Estonian Parliament during the spring of 2000.

Some new ideas were expressed in the amendments made in 1998 and 1999 concerning the management of public television. The number of people forming the management boards of ETV and ER was limited to three. It has been planned to replace the Broadcasting Council, which has dealt both with ETV and ER, with two separate boards for radio and television. A less restricted composition for the Broadcasting Council was also suggested. In accordance with the existing Broadcasting Act, the Broadcasting Council embodied representatives of the three biggest parliamentary parties, representatives of universities, cultural organisations and local governments. However, a political agreement was not achieved and the drafts failed to be passed by the Parliamentary Cultural Commission in 1999. The crisis of ETV led to different solutions mentioned above.

There are several reasons why the attempts to amend the Broadcasting Act have not been successful over such a long period of time. Most of the leading Estonian political parties lack well elaborated visions on media policies and appropriate ideas for the further development of the broadcasting sector. Different lobby groups, mainly supporters of the private sector which favour a liberal economic approach, have proven powerful enough to slow down the process of decision-making, and have ensured the failure of the drafts made by the Ministry of Culture. Conflicting interests made it impossible to find a proper and balanced model for the whole TV sector, a model which would have been acceptable for most of the players in the TV marketplace.

However, the problems that most urgently needed to be solved by Estonian media legislation at the end of the century had remained similar to those that arose and were discussed during the "green paper" deliberations of 1996 and thereafter. The answers to many relentlessly disputed questions are still to be found.

- One of the basic questions which still needs a precise answer addresses an understanding of the role of the public media and the state's obligations towards public broadcasting.

- A financing model, which will guarantee the stability and development of Estonian public broadcasting, must eventually be found.
- Still under discussion is the question as to what extent the structure of public broadcasting services should be regulated and how precisely the programme requirements should be specified. How thoroughly in particular should the law define the programming requirements applied to private broadcasters?
- What means would assure the effective control of and the fulfilment of legal obligations on the part of the broadcasters? By what institutional means can the ultimate requirements for the objectivity and impartiality of disseminated information be guaranteed?
- How may national culture and national identity be protected in the contexts of an increasingly diverse market, of shifts towards foreign ownership of media enterprises, of media concentration, of market-driven decision-making, and of the active segmentation of audiences?
- What kinds of dangers would be posed by the possible implementation of the government order of programming, in relation to the ultimate requirement of the independence of public television?
- To what extent should the public broadcaster take into account the needs and preferences of mass audiences? Should the public broadcaster simultaneously act as a broad- and narrowcaster? What consequences can be expected as a result of the inevitable fall in the public broadcaster's audience shares?
- How possible political pressure on public broadcasting can be avoided, while a substantial part of the station's income – the state subsidy – depends on decisions made by politicians on an annual basis?
- How can we attempt to minimise the influence of advertising sales and to avoid the danger of commercialisation while satisfying mass audience interests and tastes?

Many of these questions were under discussion during 1995–2000 but did not reach any appropriate answer or effective solution.

3.9. Deep crisis of Estonian Television

The period of stability, temporarily achieved in the Estonian television sector by the advertising agreement, lasted only one and a half years till the spring of 1999. The return to instability was a result of several simultaneous factors which occurred.

First of all, the advertising market started to slow down in 1999. According to different estimates, the total TV adspend in 1999 was 17–30% lower than it was in 1998 (see Table 4.3). However, this fall was concurrent with a slowdown in the Estonian economy, which resulted in the approval of budget cuts by the Estonian Parliament in 1999. As a result, the state subsidy of ETV was reduced by 4% in 1999 (see Table 4.2 and Figure 9 in Appendix). This placed additional pressure on ETV's budget. Since the actual losses had already reached 18 million EEK by the end of 1998, a financial crisis was virtually inevitable. Unfortunately, ETV's board and the Broadcasting Council did not reach the right conclusions in time and continued with their plans as they stared catastrophe in the face. Programme over-

production continued – programme output of 5,057 hours (3,292 hours of its own production) in 1999 still did not correspond to real financial options (see Figure 4.1). The losses of ETV as it was said above reached already 30 million EEK by the end of 1999. Conflicts occurred within the ETV board. The Broadcast Council did not act decisively in this critical situation.

At the same time, the financial difficulties of the private channels, especially of TV 1, became more and more serious. ETV's warning that it would break its non-advertising agreement was followed by the threat of TV 1's impending bankruptcy, which caused the beginning of the third TV war in April 1999. Eventually, in May 1999 after unsuccessful negotiations ETV broke its agreement with the private channels and started to sell advertising time again. It was motivated by the argument that the private channels had not fulfilled their obligations on time, had delayed their payments to ETV, and had not received the required contracts from the banks which would guarantee the agreement. The private channels in turn threatened to sue ETV in order to get back the 8 million EEK of advance payments that they had made at the end of 1998, when ETV had asked them for help to deal with its financial problems. This decision caused substantial difficulties for ETV.

ETV returned to the advertising market in the middle of 1999, and had earned by the end of 1999 less than 10 million EEK in lieu of the 52 million that had been guaranteed by the former agreement (see Table 4.2). According to the estimate given by the ETV board in the fall of 2000, ETV lost 130 million EEK in income from advertising between 1998 and 2000, of which the actual net loss of income was 81 million *kroons*. It can be seen that the advertising agreement between ETV and the private channels did not significantly improve the private channels' economic positions but resulted in a deep crisis for ETV. In the fall of 1999, ETV's budget deficit rose tremendously, ETV's debts made it necessary to take an additional 20 million EEK bank loan to rebalance its budget.

ETV ended up in a serious management and financial crisis at the end of 1999. The main reasons for this were mismanagement, programme over-production, the decreased state support that accompanied the supplementary budget cuts, a major reduction in advertising income, and ETV's cumulative problems of underfinancing. ETV now had negative equity. Under these circumstances, the Director General of ETV was isolated from ETV management. The long process of firing the Director General began – a process, which concluded in the spring of 2000. A temporary management board of ETV was appointed. The aggregated financial obligations of ETV had reached 72 million EEK by that time.

The temporary management of ETV applied a crisis management programme during the spring of 2000 to avoid any further deepening of the undesirable instability of the television organisation and to stop the growth of its debts. It was planned to reduce the amount of programme output by 15% (compared to 1999), in-house production was to decrease by 25% (see Table 4.1), and more than 100 employees were fired while strict controls were applied to expenses. ETV implemented a system of producers' accountability.

4. Fourth period (spring 2000–2001): Crisis management and the expected stabilisation of ETV

The main features of the fourth period in the development of public television in Estonia are:

- amendment of the Broadcasting Act in the spring of 2000 in order to change the composition of the Broadcasting Council, and its responsibilities and obligations;
- dismissal of ETV's Director General;
- attempts to defuse the crisis and to stabilise the economic and organisational situation of ETV;
- increasing activity and intervention on the parts of the Broadcasting Council and the Government to find strategies for the further development of the public sector;
- new proposals for the organisational restructuring of public broadcasting;
- emergence of an urgent need to find long-term strategies to guarantee the balanced development of the broadcasting sector.
- amendment of the Broadcasting Act in the fall of 2001 – abandonment of advertising in ETV and implementation of a new financing strategy for public broadcasting in Estonia.

4.1. Appointment of the new Broadcasting Council and the ETV management board

At this crucial moment for public service television the Estonian Parliament changed the Broadcasting Act and expanded the Broadcasting Council's responsibility for ETV's strategic, financial and programme management. It was also decided to change the composition of the Broadcasting Council in order to enhance its political and professional accountability for the efficient functioning of ETV. The new members of the Broadcasting Council were appointed by Parliament in the spring of 2000. The new Council would consist of five Parliament politicians and four media experts. The new leadership took over the office in the worst conditions ETV had ever faced – as it was mentioned above aggregated financial obligations had reached 72 million EEK by that time.

4.2. Attempts made to escape financial and organisational crisis

The appointment of the new Broadcasting Council by Parliament in April 2000 was followed by the election of the new executive management of ETV, which started work in June. The priority of these institutions was the stabilisation of ETV. They started to elaborate new action and development plans for ETV. There was an urgent need to raise the status, importance, impact and role of the

Broadcasting Council as a decisive body in the processes concerning public broadcasting and in relations with other state institutions.

Discussions on new ideas to change the organisational structure and to implement new effective management schemes for ETV were also actively pursued. The management of ETV proposed changes to ETV's programme structure to better fulfil the obligations of the public broadcaster (see Figures 12 and 13 in Appendix). The goal was to increase the amount of programming of news, information, journalistic programmes, cultural, educational, children's programming and broadcasts for Russian audiences while decreasing the amount of entertainment and series-serials. ETV was successful and finished the year 2000 with financial loss of "only" 6 million EEK (see Table 4.2).

At the same time the depressed financial standing of ETV has prompted an extensive discussion on public broadcasting issues. The financial crisis of ETV was a matter of ongoing debates between the Broadcasting Council, the Ministry of Culture and the government during the fall of 2000 and the whole year 2001. Different schemes for the urgent and longrun solutions were suggested. First of all the government resolved to find an opportunity of assigning ETV 6 million EEK from its reserve to pay out redundancy monies if ETV would make efforts to pay its debts. The urgent need to stabilise the situation in ETV was solved by the amendment to the Broadcasting Act, which allowed ETV to get a state-guaranteed loan and refinance its financial obligations. So, ETV received a 37 million EEK as a state-guaranteed loan, and the financial situation stabilised by July 2001.

In late October 2000, the Estonian government suggested merging Estonian Television and Estonian Radio to create a united public broadcasting institution, in order to alleviate ETV's debt burden. The government resolved to support the troubled ETV only on the condition that the Broadcasting Council reorganises the structure of public broadcasting. The government also recommended the Broadcasting Council to set up a working group to prepare for a merger of ETV and ER. The Ministry of Culture expressed its awareness that the reorganisation of ETV and ER into an integrated public broadcasting structure would prove so economical that ETV would no longer need one-off subsidies.

The Ministry of Finance and the Ministry of Culture strongly argued in favour of signing a special agreement between the state and public television and radio that would outline general programme structures and specify the functions of the services provided. According to that idea the amount of state subsidies to the public broadcasters would be based on thoroughly negotiated detailed plans and agreements. However, the Broadcasting Council, citing the Broadcasting Act, argued that the Council alone is the full representative of the state on public broadcasting issues and the ultimate body to which the public broadcaster is obliged to refer.

4.3. Implementation of EU media policies

Although most of Estonia's problems concerning internal media regulation still remained unsolved, considerable progress was achieved in unifying Estonian media legislation with the principles, advanced by the European Union's audio-visual policy. Estonia endorsed the European Convention on Trans-frontier Television (Council of Europe, 1989) in February 1999. In April 2000, a package of EU-related amendments to the Broadcasting Act was passed by the Estonian Parliament. Requirements and regulations concerning the amount of domestic and European production, access to information, rules concerning advertising, teleshopping, sponsorship and a requirement to purchase 10% of programming from independent producers, were brought into accordance with the European principles. The requirements will gradually come into force in Estonia between 2001 and 2003.

4.4. The Broadcasting Council's suggestion for a new funding scheme for public broadcasting

The attention of the Broadcasting Council during the fall of 2000 was mainly concentrated on financial issues and further proposals for possible changes to the ETV's funding model. The implementation of an appropriate financing scheme was considered as the key point as far as Estonian media legislation was concerned. It was still highly regrettable that the legislators did not manage to change the practice of making the decisions about the ETV budget on an annual basis, which had caused continuous uncertainties over the past decade and had complicated the proper planning and elaboration of the reasonably firm development strategies. For public broadcasting, "the allocation of an appropriate budget and a safeguard for the future existence are major conditions for a socially well-balanced way of operating and responsible behaviour" (Television..., 1995: 284).

Since the licence fee payments for public service broadcasters cannot be introduced in Estonia, the Broadcasting Council suggested in 2000 a new basis for calculating the amount of state subsidies on an annual basis per TV household. According to the new idea, the rate per household will be fixed for a period of 2–3 years, in order to guarantee the stability and independence of the public broadcaster and to provide TV and radio with sufficient resources. The Broadcasting Council has suggested fixing the basis for subsidies at 1 EEK per household per day (0.06 USD), which would add up to 365 EEK per year (20 USD). As there are 600,000 TV households in Estonia, implementation of the new model would in theory lead to an annual total subsidy equal to 218 million EEK, which is 30% higher than the public broadcasters (Estonian Television and Estonian Radio) received together in 1999. Although this proposal was abandoned during further discussions it is worth to mention it as a possible alternative to the licence fee system.

4.5. On the way to consensus

Fortunately the ongoing tensions on Estonian broadcasting market and the crisis of ETV intensed the search to find consent solutions in public broadcasting policies. The readiness of the Estonian government, Parliament and political parties as well as the broadcasting institutions to solve the problematic questions and find the right ways to implement a framework to stabilise public broadcasting and the TV sector as a whole increased considerably.

The Ministry of Culture initiated a conference on "Broadcasting and Money" in January 2001. Then a working group of the representatives of the Ministry of Culture, Broadcasting Council, and Estonian Broadcasters' Association was formed in order to find possibilities for enabling the sustainable development and dealing with the financial issues of public broadcasting. The working group agreed upon the financing principles of public broadcasting on 30 April, when the parties signed proposals to change the Broadcasting Act. According to that agreement the public broadcaster will abandon advertising; and sponsorship will be allowed only through non-profit organisations and foundations. The state subsidies for ETV and ER will total 250–270 million EEK annually for the period of the next three to five years; the broadcasting licences for private channels will be taxed and these revenues will be directed to finance public broadcasting.

This agreement was the basis for the Ministry of Culture to prepare a draft of Amendment Act to the Broadcasting Act. This draft included the change of the ETV's and ER's financing scheme; the idea of the agreement between the public broadcaster and the state; and the fee for the broadcasting licence in regional, state and international TV net.

In May 2001, the government confirmed its position – on 31 May 2001 the Ministry of Justice, the Ministry of Culture and the Ministry of Finance submitted a draft of Estonian National Broadcasting Act for discussions. This draft envisages the merge of ETV and ER into a single public broadcasting organisation. It states that public broadcaster will abandon advertising, and the state subsidies will be bound to the agreement made between the public broadcaster and the state. The draft of Amendment Act to the Broadcasting Act and the draft of Estonian National Broadcasting Act were submitted to the Parliament for discussions in the fall of 2001.

4.6. TV 1 dropped out

Although the third national private channel TV1, which started its operations in 1996 made a remarkable growth in audience shares – from 0.7% in January 1996 to 11.6% in July 2001 (even 17.7% in Estonian speaking audience) – it was insufficient to survive in the restricted and competitive TV market. Due to the unpaid depts (approximately 1 million EEK) Estonian Broadcasting Transmission Centre (ERSK AS) switched off the TV 1 programme transmitters at the beginning of

October 2001. Polsat was not able to save the station and restore its financing – as a result to that TV1 was not able to renew the terrestrial programme transmission during ten days in order to improve the situation. On 22 October, the Minister of Culture invalidated TV1's licence. The station will most likely be modified into a smaller firm that will produce programming for a cable company.

4.7. Radical changes in Estonian broadcasting policy

Based on consensus that was achieved in preliminary discussions between the state, public and private broadcasters the amendment of the Broadcasting Act did not find any serious resistance during the deliberations in Parliament. Although the draft of Estonian National Broadcasting Act aiming the merger of ETV and ER was taken back by the government for further improvement the idea to abandon advertising on public television and the need for stabilisation of the financing model found full support of the Parliament's majority.

The Amendment Act of the Broadcasting Act was passed by the Parliament on 19 December 2001. According to the Amended Act, ETV will abandon spot advertising, teleshopping and sponsorship (with some exclusions concerning the programmes purchased via the EBU etc.) from 1 July 2002 (ER respectively from 1 January 2005). The broadcasting licences of the two national private TV channels will be taxed (30 million EEK per year) and these revenues will be directed via state budget to finance public broadcasting. The further financing via subsidies from the state budget will be based on the development plan of public broadcasting for three years (first plan for 2003–2006) that has to be submitted by the Broadcasting Council and approved by the Parliament. The development plan has to reveal the nature and aims of the cultural, social and democratic public service and to reflect the structure and amount of programming according to the goals set up by the Broadcasting Act. Based on these foundations the plan will also fix the need for financing and investments for the whole three-year period and for each respective year in particular.

At the same time Parliament allocated 35 million EEK to compensate the decrease of ETV's income by the abandonment of advertising. As a result, the total state subsidy of ETV and ER reached 217 million EEK for 2002. The Broadcasting Council also applied for a second state-guaranteed loan (40 million EEK) for further financial stabilisation of ETV's situation. All these steps should presumably improve the situation and lead ETV out of the crisis.

The amendment of the Broadcasting Act in 2001 should definitely be considered as a cornerstone in the history of the public broadcasting in Estonia. The decisions made by the Parliament brought to the end the decade-long period of controversial and dramatic development of the broadcasting landscape. ETV is definitely meeting a new challenge. The years ahead will show if these decisions lead to the desired stabilisation of the TV sector and enlarge the public broadcaster's ability to meet its ultimate remits.

Summary

The transformation of television in Estonia during the last decade of the 20th century could be characterised as a period of the emergence and development of the dual broadcasting system. A balance between the public and private sectors and conditions facilitating the stable and systematic development of the TV sectors were not fully achieved. The most serious step towards these aims was done at the end of 2001, when the amendment of the Broadcasting Act prohibited advertising on ETV and changed the basic financing model of the public broadcasting. Many features of the development of the broadcasting sector in Estonian have been, and still are, similar to the trends in European public service broadcasting (EBU 1993; McKinsey, 1999).

Controversies in visions of the development of the broadcasting sector. Serious and sometimes dramatic discussions on the most appropriate TV model for Estonia are still going on. The supporters of public broadcasting tend to argue that public broadcasting is a guarantee of European democratic order and is able to protect the national cultural heritage and cultural identity. They believe that public broadcasting will secure the impartiality and objectivity of the information provided, will supply varied programming in the national language, is the best way to achieve a balance between different interests, and will protect minorities' rights and equal access to information.

The arguments in favour of privatisation or the absolute denial of public broadcasting are based on the economic weakness of public services. It is argued that the product- and market-driven services are much more important than channels or institutions established by the law. Some opponents of public broadcasting believe that only the implementation of a precisely defined government order system will lead to common agreement between the state and public broadcasters. It is also argued that the commercial channels should be involved in the tenders for government-ordered programming. The state would finance the production of the programmes that the private channels themselves are not motivated to produce for economic reasons. Those expressing the most radical opinions propose that public broadcasting is not able to achieve economic effectiveness and should therefore be stopped.

Remarkable growth of the broadcasting sector. ETV's monopoly was broken, the number of national TV-channels increased from one to four and was then reduced to three during the last decade. The number of TV hours transmitted per year rose 7.6 times during 1993–2000 and reached 32,463 hours in 2000 (see Table 4.1). The amount of original programming (in-house/co-produced/commissioned productions) went up by 9.5 times between 1993 and 2000. The total amount of in-house production coming out of the five Estonian television channels was 16,650 hours or, 51.3% of the whole programming time in 2000. Until the year 2000, ETV produced about 40–60% of the total of domestic production of Estonian television channels in the Estonian language (as a result of the ETV crisis the ratio of ETV's and private TV channels' domestic TV production was 20 : 80 in 2000). The proportion of domestic production in ETV programming is

about 66%, whereas it is only 31% in the case of the commercial channels (see Figure 7 in Appendix).

Difficulties in the proper legal regulation of the broadcasting field. The 1994 Broadcasting Act mirrored the main principles and regulations of European public broadcasting. In addition, between 1994 and 2000 several laws and regulations on media, advertising, cable television and telecommunications were introduced. Eventually some of the necessary basic agreements and a political consensus concerning further improvement of the legislative foundations of the broadcasting sector were achieved. There are still considerable disagreements and controversies in Estonian society; understanding of the role, purpose and remits of public broadcasting services and the ultimate need to secure and protect the independent and stable development of public television. This has slowed down the process of securing options by which the state might achieve more balanced and less controversial conditions for both the public and private broadcasters and for the TV sector as a whole. The main concerns are definitely related to the funding schemes for public radio and television. In spite of that, the process of the reconciliation and adjustment of the Estonian media framework to fit the EU media regulatory principles has begun.

Strengthening of foreign ownership and media concentration. The Estonian TV landscape has faced similar transformations to the TV landscapes of the most European countries, in particular in terms of the processes of privatisation, internationalisation and the developing convergence of different media. The period could be characterised as a time of drastic changes in channel ownership, and specifically of shifts of control from Estonian owners to major foreign media, publishing and telecommunications companies. Despite the fact that nine domestically owned TV channels started their operations in 1993, the foreign companies Schibsted and Kinnevik (MTG) dominate the TV market at the end of 2001. The peculiarity of the TV marketplace in Estonia is the large number of TV channels in comparison with the size of the population, and in spite of instability, limited amounts of advertising income and the considerable debts of most TV channels.

Maintaining impartiality and political independence. One of the most remarkable achievements of public broadcasting during this decade in Estonia was the ability to keep general objectivity, impartiality and a pluralistic approach while avoiding political pressure and biased journalistic treatment of important items. However, it may also be the case that public television followed the general shape of the Estonian media and did not participate consciously in creation of a more developed political culture (Lauristin & Vihalemm, 2002), was not active enough to facilitate open debates on different matters of public interest and issues important to the socio-cultural and political development of Estonian society.

Fine-tuning of programming and commercial temptations. ETV succeeded in maintaining the generally recognised structure of public programming during this decade. It remained Estonia's biggest producer of original programmes in the Estonian and Russian languages and was, and still remains, the main producer of news, and political, educational, cultural, sport and children's programming. While a substantial part of ETV's income came from advertising, the commercial

temptations were obvious; however, for the most part, they only influenced the prime-time programming. The concurrent need to fulfil the programming obligations of a broad- and narrowcaster caused continual controversies in the self-concept of ETV and clouded the image and identity of the public broadcaster. While private broadcasters have been able to produce a lot of interesting and competitive news, infotainment and fiction programming, the amount of programme output has considerably decreased during the last few years due to financial factors. The programme structures of ETV and the private channels are very different (see Table 25 in Appendix); foreign film productions and entertainment dominate in the latter. This seems to provide a convincing demonstration of the importance of the programme requirements set by the law upon the public broadcasters.

Funding insufficiencies and inappropriate solutions of financing schemes. The funding scheme of the public broadcasters has remained unstable and insufficient to guarantee fulfilment of the goals and needs of programming and technical development. Hopefully reshaping of the financing procedures according to the amendments to the broadcasting Act in the fall of 2001 will somewhat release the tensions. Obviously, most of the financial difficulties have emerged as a result of the "conditional smallness" of Estonia, its resources and its options. The total expenditure of the TV channels rose from 20 million EEK in 1992 to 400 million EEK in 2000. However, the entire TV industry still faces considerable financial difficulties: the total debt of the Estonian TV sector was about 93.8 million EEK in 2000. There can be little doubt that the need to restructure and stabilise the TV landscape are urgent priorities and need to be founded upon properly conceived government media policies.

Reshaping and segmentation of the audiences. The average time devoted to TV watching remains comparatively high in Estonia and is about 32–36 hours per week. Growing competition has led to audience fragmentation, caused by the channels' needs to refine their programme policies and a more precise orientation on target audiences. The popularity of public broadcasting television was not seriously jeopardised until the end of 1998, when the audience shares of TV channels began to equalise (see Figure 4.3). Afterwards, ETV several times lost its leading position in the ratings. Audience parities and low expectations for the growth of advertising revenues have roused further competitive tensions.

Urgent need for a state programme on broadcasting development. A general understanding of the essential role of state media policies remains unspecified and underestimated. Whatever suggestions on public broadcasting should be proposed, the problems of public service television cannot be solved in isolation from the adjustment of the whole Estonian TV industry to a general plan of development. This plan should take into account the interests of the state and the nation, the needs of the public, and the options offered by the economic development and professional perspectives and creative potential of the TV sector itself. The conditions necessary for the simultaneous development of the public and private TV sectors have to be implemented. In addition, several important issues concerning technical development, digitalisation, convergence and new telecommunication services provided by the public sector need to be addressed. The significance of proper media policies based on political consensus and

professional understanding appears undeniable. At the same time, the responsibilities and decision-making powers of the Broadcasting Council need to be increased, in order that it may fulfil its role as the ultimate representative of public broadcasting in society.

Hopefully the television broadcasting will benefit from the most serious decisions that were made to the Estonian broadcasting policies in the fall of 2001. Most European countries have a dual broadcasting system with a strong public service sector. Hopefully Estonia will accomplish the same goal.

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5. Peaks and Crises of Estonian Radio: 1987–2001

Maarja Lõhmus

The radio broadcasting system in Estonia – its functions as well as broadcast content – has changed completely during the last few decades.

In the early 1980s, under a totalitarian political system, radio was highly controlled: broadcasts went through three to five different levels of censorship while ostensibly maintaining spontaneity (Lõhmus, 2001b). Estonian radio-journalism reached a new stage in 1987, when "forbidden" subjects and manners started to reverberate on the radio. Estonian Radio was actively involved with the political changes in the end of the 1980s, and in the early 1990s became a genuine public service broadcaster. After the collapse of the Soviet regime there was a strong media system that was not under the control of political or market forces. In the new political-economic structure of the 1990s, broadcasting became a part of a new system, a branch of the economy. During the last ten years the liberal model of journalism has risen to dominance.

Thus, three different types of public texts distributed by the media in Estonia may be distinguished that correspond to the existing political-ideological situation: the *totalitarian text* of the closed society (from the middle 1940s until the late 1980s), *participatory public text* (the late 1980s through the early 1990s) and *liberal public text* (the early 1990s until today) (Lõhmus, 2001b).

This chapter focuses on changes that have taken place in the radio system and radio-journalism in the 1990s. The empirical basis relies on the results of analyses of radio and TV programmes and audiences carried out by the journalism students of Tartu University.

1. Estonian Radio in 1987–1991: Active participation in social change

In the late 1980s and early 1990s, radio and television were active and popular channels in Estonia. Radio and television broadcasts can be considered important factors in structural changes. Radio listening and television viewing formed a shared experience; people widely discussed the content of broadcasts and developed perceived viewpoints further.

Changes in radio-journalism started in February 1987, when discussions about current political issues were included in Estonian Radio's weekly direct broadcasts of the Council of the Artist Unions' programme. Estonian Radio actively participated in the "phosphate war" against Moscow's plans to construct huge

phosphate mines in northeast Estonia. The "phosphate war" started with an Estonian Radio broadcast discussing these plans, symbolically titled "Start Given in the Radio's White Hall" (aired on 26 February 1987).

By the spring of 1988, such relatively isolated *textual events* became both a *textual stream* and a general dominant journalistic discourse that started to support, express, analyse and also partially guide changes in society. A characteristic feature of this period was the immediate participation of journalistic texts in social processes.

Changes had taken place rapidly: journalists spoke publicly in the spring of 1988 about problems for which they could have been fired for discussing privately in 1980. Exercising freedom of speech in the end of the 1980s was a constant process, where the limits were broadened step by step. That was not a fearless process. Many journalists said something like these two: "When I finished the programme by Sunday, I was shaking inside and I was sure that something would happen – I would be banned from performing" or "I had no idea if that could be said or not, but I still did, just in case, first in subordinate clause." (Interviews with journalists Mari Tarand and Andrus Saar in 1994).

The end of the 1980s and the beginning of the 1990s was the prime time for Estonian radio-journalism. Skilled journalists and editors had become professionals in developing programmes and audiences. Texts had to be exact, intense and social – the Soviet censorship had developed journalists who were very sensitive towards wording and style. Top-level journalists covered each socially important event, bringing it near to the audience.

The whole journalist profession was transformed in the early 1990s. Some of the active radio-journalists went into politics or other fields of activity either because they lost interest or their programme ended; some journalists had to be removed because they could not adjust to new circumstances; some continued their work in Estonian Radio or in new private channels. The strong and unitary family of radio-journalists at the beginning of 1990s had dispersed by the middle 1990s.

According to data from audience research, in the early 1990s about 80% of Estonians aged 15–74 listened to Estonian Radio on workdays. The most popular broadcasts were: broadcasts for countryside people (Good Morning, Farmers!: 52% of the potential audience), news (News at Noon: 48%), family broadcasts (Home and Family: 47%), literary entertainment (Mind Cooler: 33%), ministrations over the radio (Light of Soul: 31%), children's broadcasts (Children's Morning: 30%) (Information and Computing Centre Newsletter 1990, 8: 3–4).

Comparing the results of surveys made in the beginning and end of the 1980s, there was a growing interest in politics and public affairs (Maimik, 1980; Kivirähk, 1986; Paulson, 1993).

Audience interests in 1990 focused on themes such as regaining independence for the Baltics, Estonia's relations with other countries and the actions of Estonia's government (Infokanalid 1991: 7).

The prime years for political and news broadcasts were 1989–1990, after which interest in them decreased. Interest in entertainment was at its highest (91% of the potential audience) in 1983, which can be connected with the prevailing stagna-

Table 5.1. Public service radio audience trends in Europe, 1995–2000

Country / public service broadcasting organisation	1995	1998	2000	Age basis
Estonia / ER – Estonians ER – Non-Estonians	75 62	40 43	36 36	Age 12+
Poland / PR	59	39	37	Age 10+; 9+ (since 1998)
Russia / Russian PSB	64[1]	49	46	Age 10+
United Kingdom / BBC	48	48	51	Age 15+
Germany / ARD (Radio)	59	56	51	
Austria / ÖRF	92	83	80	Age 10+
Italy / RAI (Radio)	29	23	21	Age 11+
Greece / ERA (Athens area only)	6	8	6	Age 13–70
Sweden / SR	69	65	65	Age 9–79
Denmark / DR	78	70	65	Age 12+
Finland / YLE	69	61	60	Age 9+
Norway / NRK	61	60	59	Age 9+

1 Data from 1996.

Source: Audience Trends 1990–2000

tion and political depression. In 1988–1991, the audience's interest in entertainment was relatively low (Paulson, 1993).

2. Structural changes and marketisation of radio: 1992–2001

2.1. New channels, emerging competition

The transformation of ownership relations from political into economic and the formation of new radio channels in the early 1990s produced a market concept of electronic media and formed business relations in the media industry. Public radio had to compete with commercial radio, which was established in 1991.

Estonian public service broadcasting, Estonian Radio, experienced significant audience losses in the 1990s. At the end of the decade, its market share had decreased by more than a factor of two. In contrast, the traditionally high-public-service-share Nordic countries lost only five to ten percent of their audience to competing broadcasters during the 1990s (see Table 5.1).

Developments in the radio market during the 1990s include the launching of numerous music and entertainment stations and the transition to FM waveband broadcasts instead of the previously used MW. The first private commercial stations in Estonia were Radio Tartu in Tartu in 1991 (spun off from the local department of Estonian Radio) and Radio Kuku in Tallinn and Tartu in 1992.

At the beginning of 2001, thirty-three radio programmes functioned in Estonia. Estonian Radio had four programmes and licensed Estonian legal entities were broadcasting twenty-nine programmes. With respect to coverage, the

Table 5.2. Share of radio programmes and broadcasters in Estonia, spring 2001

Programmes	Public or private radio	Daily national reach (%)	Audience (thous)	Daily national share (%)	Average daily listening (min)
Vikerraadio	Public	15.9	186	17.1	34
Raadio Elmar	Private	12.9	151	14.8	29
Raadio 4	Public	11.3	133	9.8	19
Raadio 2	Public	8.2	96	6.9	14
Klassikaraadio	Public	1.1	13	0.4	1
Sky Plus	Private	6.4	75	6.3	12
Raadio Uuno	Private	5.6	65	4.9	10
Russkoje Radio	Private	5.5	65	4.3	9
Broadcasters					
Estonian Radio (4)	Public	33.8	395	34.7	69
Trio Group (6)	Private	28.3	331	30.2	60
Sky Group (5)	Private	15.3	179	14.1	28
Mediainvest Holding (2)	Private	3.3	39,000	3.0	6
Local stations	Private	9.3	109,000	8.7	17

Source: Emor 2001

programmes can be divided into three groups: 6 national, 15 regional and 12 local (Table 5.2).

In 2000 the government supported public radio broadcasting with 50 *kroons* per inhabitant (Kultuur 2000: 104). Many foreign investors entered the Estonian radio market. The biggest investors in radio broadcasting are Metromedia International, Wodlinger International, Mediainvest Holding and Schibsted.

In the spring of 2001, the highest general ratings went to Vikerraadio (public), Raadio Elmar (private) and Raadio 4 (public, in Russian) (see Table 5.2). In 2000, the share of daily radio listening was approximately 35% for public radio stations and 50% for private radio stations.

When comparing the present to the early 1990s, the size of the television audience is growing while the number of radio listeners is decreasing. The average time spent watching TV in the middle 1980s was 1 hour 52 minutes and listening to the radio was 3 hours 41 minutes. By the middle 1990s the average time for TV was 3 hours 17 minutes and radio listening was 4 hours 23 minutes (Baltic Media Book 1995); in 2000 the corresponding numbers were 4 hours 10 minutes of TV and 3 hours 32 minutes for radio (Baltic Media Book 2001).

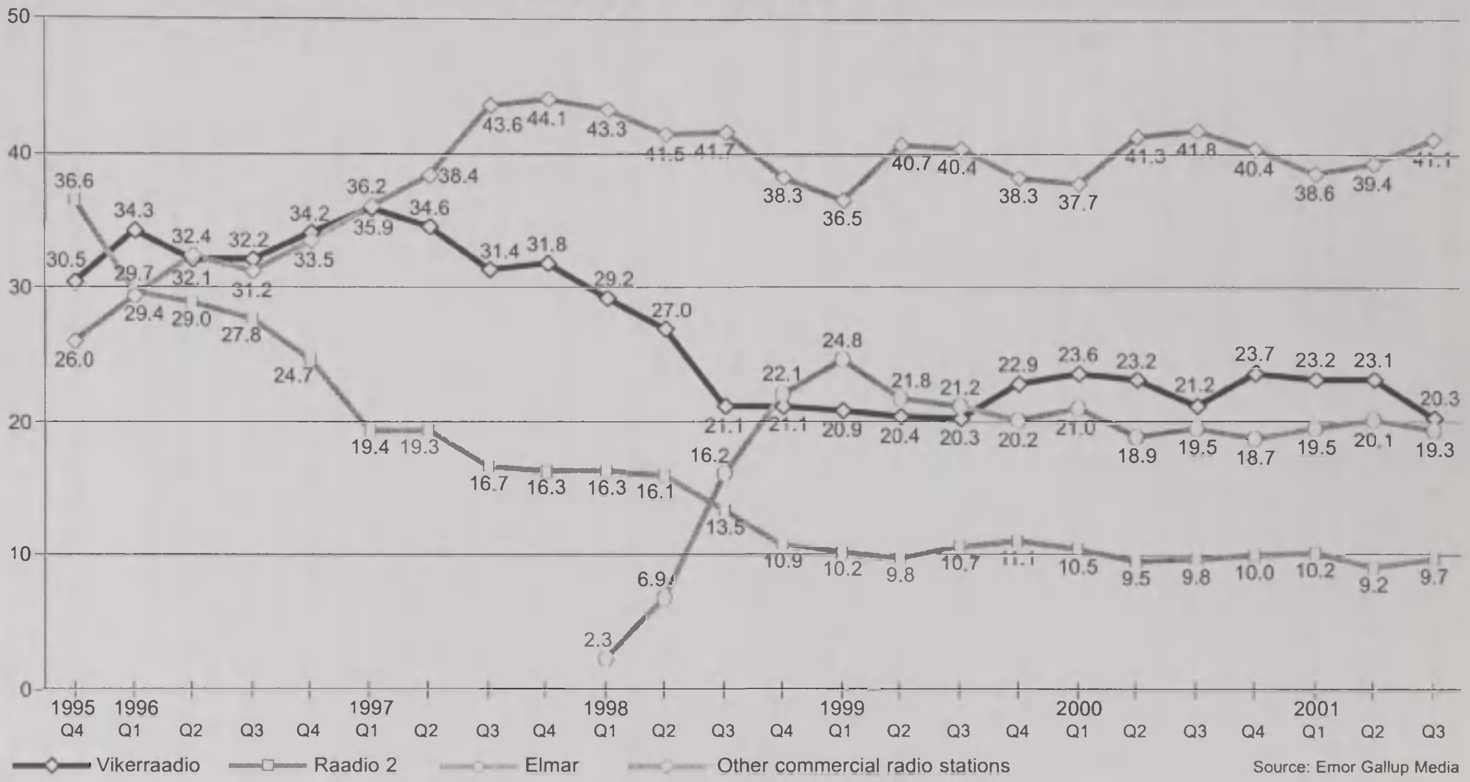

Figure 5.1. Radio programmes audience share, 1995–2001. Estonians

2.2. Changes in Estonian Radio

With political reform beginning in the 1990s, Estonian Radio was restructured into a public institution and officially legalised with the Broadcasting Act (1994) and the new Statute of Estonian Radio (1995). Revenues increased slowly but decreased in 2000 (Table 5.3).

The formation of public service institutions was slow; numerous economic and political differences slowed the process. The weak power of the Parliament-appointed Broadcasting Council has also hindered the realisation of an optimal structure and a professional work organisation.

There have been many changes in Estonian Radio but without strategic planning, public argument or collective discussion. In 1991, before the adoption of the Statute of Estonian Radio, a debate was organised with the participation of the majority of the employees. Unfortunately, it was the only case in independent Estonia when large groups of journalists have been actively involved in decision-making in Estonian Radio. Since 1992, the atmosphere of collective debate, which existed in Estonian Radio even during the Soviet era, steadily disappeared.

At the same time, the organisational structure of Estonian Radio changed considerably and staff was reduced. Several programme departments (including the children's department and the agricultural department) and institutions (including Estonian Radio's mixed-voice choir, light orchestra, etc.) were closed down and about 30% of the journalistic staff were fired (from 437 people in 1990 to 319 in 2001).

The most decisive changes started in period of the "innovative" Director-General of Estonian Radio, Herkki Haldre (1992–1994). One important change was the closing of the audience and programme research activities. The Department of Media Sociology had functioned at Estonian Radio since 1969, providing general and special audience research as well as content analysis of radio broadcasts, and had participated in strategic planning. The activities of this group were reduced progressively in the beginning of the 1990s and stopped in 1994. In 2001 only one person was working on audience and programme analysis at Estonian Radio, while audience research was conducted by Emor, the largest opinion and market research company in the Baltic countries.

During 1992–1994, the principal public service programme Vikerraadio was restructured, the transmission time of many broadcasts (popular for as long as ten to twenty years) was changed, and their production eventually stopped (e.g., the above mentioned Good Morning, Farmers! and Home and Family). The amount of original musical compositions, radio plays and other art programmes, as well as commentaries on sports and other events, decreased. The professional variety of programmes, characteristic of Estonian Radio in the 1980s, did not exist any more.

On the other hand, the amount of entertainment increased, such as in May 1993 when the Estonian Radio second programme was reorganised into the youth-oriented programme Raadio 2, broadcasting mainly popular music. As this

Table 5.3. Revenue of Estonian Radio,1993–2000

	Total revenue (mil EEK)	Support from state budget (%)	Share from advertisements (%)
1993	30.2	69.0	18.7
1994	50.0	72.4	18.5
1995	64.3	76.0	21.7
1996	81.5	81.9	18.0
1997	85.3	82.8	16.0
1998	95.6	80.3	14.6
1999	98.8	80.4	13.7
2000	88.4	80.5	13.3

Source: Estonian Radio 2001

programme is open for advertising, many people consider its launching as the creation of a commercial programme inside the public Estonian Radio.

Constant darkness around the reforms and the sudden waves of firing have strongly injured the professional staff of radio journalists, keeping up the stress and tension. Long and uncertain periods of change have harmed the work atmosphere and made actual work vague: "No-one knows what will happen tomorrow. There are no programme departments, no meetings, where one could discuss current problems together. Programmes are being created casually: 'I included you in that programme.' Everything is casual." (Interview with radio-journalists Mari Tarand and Martin Viirand in 1998).

The instability of the programmes was caused by competition with commercial programmes, by weak self-identity and by the poorly defined functional role of public radio.

One of the basic problems in the current development of Estonian Radio is its constant focus on the "outer front," in which the administration concentrates on economic problems instead of the content of its programmes. Systematic work has not been conducted in organisational structures or in programme quality and strategic development. The Director-General does not see the current statement of public radio as unsatisfactory: "The role of Estonian Radio in society reveals itself in crisis (for example, during the coup in 1991). The desire of some interest groups to undermine the role of Estonian Radio is insulting" (Interview with Ain Saarna, Director-General of Estonian Radio, November 2001).

2.3. Development of new radio stations

Commercial stations are predominantly music stations with advertisements and short news bulletins. In most cases no professional journalists or editors are employed; DJs and commercial staff whose use of language is poor and cultural level are low do all the work. Interviews with the producers of local and regional stations revealed that many of them are experiencing a need for a professionally educated workforce (Interview with Marko Martin in 1999).

Only five or six of the new stations started to work on a journalistic level and created their own professional programme. These include Raadio Kuku Tartu, whose 1992–1994 programme was characterised by a high intellectual level and performances; Raadio Pluss B3, characterised by intellectual humour in 1996–1997; and Uudisteraadio (News Radio), which in 1998–1999 broadcast news, comments and analysis.

The Radio Kuku programme competes with public stations, providing much political analysis, with greater speed and more flexible thinking than most public programmes. Kuku, however, is a classic example of why even a professional and intellectual private station usually does not replace the public service: the programme includes commentaries from its owners, often influenced by their business interests (Berg, 2000; Rudi, 2000).

There is too little democratic journalism and too low an aesthetical level in the commercial stations' programmes. Several programme directors say that, as a rule, talking in their channels cannot last more than 15 minutes (Luts, 2001; Normet, 1999). Similar types of music dominate many channels, including so-called participatory broadcasts, which are usually limited to generally boring and banal studio phone calls, guessing games, song requests or matchmaking.

Serious journalism and social problems are deliberately avoided in many channels due to personal interest or personal relations, or due to an inability to deal with events in a wider context. The promotion of helpful politicians can be noticed in various ways and contexts, especially before local elections (Teppan, 1999; Müller, 2001). Channel owners might prohibit talking about certain subjects: for example, several radio stations do not allow talking on political and social topics; the content of broadcasts is often regulated by the lists of "partners" for positive speaking (Müller, 2001; Ehand, 2001).

The programmes of several channels (Sky Plus, Mega FM) have included suspicious "services" where the listeners have implicitly become a part of potentially illegal acts, presuming that the listener is not a fully law-abiding citizen. That discourse has been typical in news about traffic circumstances (often revealing the locations of traffic inspectors) and crime "news" with heroes as "authorities of the underworld." It could become a direct threat in traffic (corresponding law cases in 1997), where it produces different dangerous situations.

News is usually based on only one or two sources, mainly news agencies, and is often the same for many radio stations. Poor language use, incompetence and unprofessionalism are great problems. Although those employed should be

"on the pulse of life" (Kurm, 1998; Otsmaa; 1999), they quite often lack the needed intellectual resources.

In the 1990s, the owners of stations evidently valued most the fact of ownership itself, and less attention has been given to the quality of the programme. Programme production at the cheapest possible cost is part of this ideology. The programme is inexpensive and indulgent, usually aggressive and consumption-oriented. Most commercial stations have for years been working without making a profit.

2.4. Main radio programmes in 2001

Vikerraadio, a public service channel targeted to the general public, had the highest audience share in Estonia in the spring of 2001. It is the oldest and the most popular station in Estonia, carrying out all the demands of public broadcasting with thematic discussions, literary adaptations, radio drama and different kinds of music. News is aired every hour with longer news programmes five times a day. According to a programme analysis by Tartu University journalism students, 24% of its broadcasts were educational, including *Müstiline Venemaa* (Mysterious Russia), *Tähtpäevatund* (Hour of Anniversaries), *Maailmapilt* (World Picture), etc. Eighteen percent of the programme was entertainment: radio games, a part of the morning programme, etc. The share of informative broadcasts (news and comments) was 16%; experience exchange broadcasts, 13%. The portion of broadcasts with an aesthetic function was 10% and broadcasts with a participatory function 9% (for example, call-in request music broadcasts) (Möller & Süld, 2001: 87).

Raadio 2 (public) is a music-centred channel for young people with a primarily entertainment orientation (79%). Thirty percent of its broadcasts also fulfilled a participatory function, 27% an informative function and 18% an educational function. The programme consists of news, talk shows and pop-rock music.

Klassikaraadio (public) has a high cultural orientation covering musical genres and subjects not included on other radio stations. Professional and skilled radio journalists discuss the world of culture in *Keelekõrv* (Language-Ear), *Sõnaline* (Wordy), *Helikaja* (Echo of Sound), etc.

Radio 4 (public) is addressed to the Russophone population of Estonia. The programme has a high level of radio-journalism; it is varied and rich in genres. The basic function is informative (40%). About 30% of Russophones in Estonia were listening to Radio 4, which competes with the commercial station **Russkoje Radio** (19% of Russophones).

Raadio Elmar (private, owned by Trio LSL) is a popular music programme, transmitting only songs sung in Estonian, with women and middle-aged people dominating the audience. The programme has a high rating and is the main competitor to Vikerraadio.

Radio Kuku (private, Trio LSL) is a station launched in Tallinn and Tartu in 1992 and whose programme is the closest to public radio. Kuku owes its popularity mostly to celebrities: in the beginning of the 1990s, the best journalists from

Table 5.4. Developments in radio-journalism in Estonia, 1987–2001

Type of programme	Before 1987	1987–1991	1992–1999	2000–2001
Public programmes	• State broadcasting as part of ideological state apparatus. • Culture, education, home and family are preferable topics for journalists. • Inner politics, environment problems are avoided.	• Active participation in political breakthrough. • Programme functions as a political and social forum.	• Competition with commercial programmes. • Lack of analytical feedback and strategies for professional programme development. • Legitimisation of institutions of a new political structure, formation of new public text. Social problems and everyday life as topics are poorly covered, there are no children's programmes.	• Driving towards a politically and journalistically balanced programme. Identity crises in the public service broad-casting. Crisis in radio journa-lism, lack of professional staff. • Declared openness without real openness. • Council of broadcasting is more actively trying to solve problems.
Commercial programmes	–	–	• **1992–1995:** Expansion of new private stations. • Launching of new types of programmes and new roles in radio (radio as a media channel; the DJ as the basis of the station; commercials as content's element). • **1996–1999:** Change of ownership, growth of foreign participation. Formation of radio stations as music and commercial stations. High competition. Orientation to the audience as a consumer.	• Growth of foreign capital influence. Change into online stations, toward more cheep programme (Kuku, Raadio Tartu).
Specialised programmes	–	–	• **1992–1995:** Formation of a chain of local stations on a commercial basis. Focus on local information and local problems. • **1996–1999:** Stations with religious orientation emerging. Expansion of music stations. Establishment of experimental stations (e.g., Nõmme Radio).	• Continuing segmentation of audience, formation of specific groups of interest or consumption.

Estonian Radio went to work at Kuku. In addition, Kuku is also uses well-known specialists as commentators. Informative and commentary broadcasts dominate Kuku's programme, like *Keskpäevatund* (Midday), *Pressiklubi* (Press Club), etc., some of which are politically biased. The programme also includes some serious analytical broadcasts where listeners can participate: *Öös on inimesi* (There are People in the Night), etc. For many years the station has been oriented towards educated, active and successful people, advertising itself as a station for "a thinking man." Reformation of the station in recent years has turned it into a station with a strong Internet presence.

Trio LSL is the most successful private radio company, owned by Metromedia International (USA) and by three Estonian businessmen. Trio also owns two Russian-language soft hits stations and three local Kuku stations, for a total of nine stations.

2.5. Trends of radio-journalism development

The development of the radio landscape in Estonia can be viewed in three parallel directions: public service, commercial programmes and specialised programmes.

Four time periods can be distinguished:
1) the end of the totalitarian period before the major social changes (up to 1987);
2) the period of political change and democratic participatory media;
3) the formation of private radio stations and public service broadcasting legislation; the lack of feedback, analyses and strategies for development; the intense competition between the radio stations;
4) the current period with the universal structure of a typical radio programme and a practical standstill in radio-journalism development; the last high-level professional radio-journalists leaving radio (Table 5.4).

A positive result of the development in the 1990s was the emergence of a variety of channels, different types of programmes and originality in radio-journalism. In practice, the situation is much more complicated, mostly due to the lack of economic and professional resources and strategic vision.

Conclusion

Changes in the radio landscape of Estonia during the last fifteen years have been rapid and contradictory. It was a large and complicated system with numerous employees, which at the end of the 1980s was quickly re-oriented towards cooperation with the mass liberation movement, social analysis and the protection of public interests.

In its structure, programme quality and social orientation, Estonian Radio in the late 1980s and early 1990s was similar to the Nordic public service system. One could find similarities between the programmes in the stability of structure,

highly professional staff, diversity of programmes and social responsibility among journalists.

In the 1990s, the centre of attention of the broadcasting leadership was on dividing the media market. It became a battlefield of interest groups that were regulating, managing, drawing budgets and attacking competitors (e.g., several public proposals in 2000–2001 to privatise public broadcasting).

The tradition of Nordic public service presumes that producers are aware of and consider the needs of their audience. Programme production is not focused on ideology or profit but on the needs of the audience. This development philosophy was also in force in Estonia from 1987 until 1991, as a democratic public broadcasting service developed that was based on feedback from the audience and openness.

Estonian public radio took a step off that road in 1992–1994. An extensive industry was created to create and advertise new needs. The industry grew in the direction of propagating goods that the majority of people could not consume due to their high price but which worked as ideological dimensions to map the new world and its value system. The needs of the audience have not been the main priority in Estonian Radio programme development.

The evaluation of changes during the 1990s is ambivalent. In the autumn of 2001, the nature of public discussion about Estonia media has been mostly critical and concerned. Radio has been criticised for several points:

- numerous programmes, a large number of which are unjustified and senseless;
- channels are often used for political interests, not in the interests of the audience;
- owners often inspect and regulate the content;
- content quality is falling.

The development of radio in the 1990s did not pay much attention to the social and cultural quality of broadcasts. Production-centred broadcasting was predominant. Estonian Radio journalists and their broadcasts were no longer well known among the audience as they had been in the 1980s; broadcasting had become anonymous (Ehand, 2001: 274).

Several Estonian politicians have stressed their preference for the Nordic model of public broadcasting development, and the need for an intelligent and democratic media.

There exist many manifests but few public and strategic discussions. How to come closer to the social environment and evaluation system of the Nordic countries? The main focus of strategic discussion seems to be quality.

Estonia presently has good possibilities for the development of public service radio, but lacks qualified people to lead this process towards democracy and quality. Hopefully a new generation of radio-journalists, emerging in the coming decade from today's and tomorrow's students, will be more successful in solving the many difficult problems of Estonian media development.

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6. From Soviet to Market-Oriented: Organisational and Product Changes in Estonian Newspapers, 1988–2001

Kertu Saks

Introduction

The Estonian newspaper organisations as well as their products have changed greatly since 1988, when the first independent editions were published after the fall of the Soviet Union. Due to political, economic and social reasons, Estonian newspapers rapidly became market-oriented. Newspaper organisations have become correspondingly much more complex. The newspaper as a product has changed quantitatively and qualitatively.

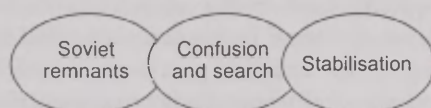
This chapter describes three interrelated phases in the development of Estonian newspaper organisations and products from 1988–2001:

1) the Soviet remnants phase, dominating in 1988–1991 until the restoration of independence;
2) the phase of confusion and search, dominating in 1991–1995;
3) the phase of stabilisation starting in 1996 and continuing today (Figure 6.1).

As all this development was strongly influenced by foreign capital inflow and active use of Western organisational and journalistic patterns, special attention will be given in this analysis to foreign impact. The empirical analysis will focus on two leading national dailies: *Postimees* (until 1991: *Edasi)* and *Eesti Päevaleht* (until 1990: *Noorte Hääl*; 1990–1995: *Päevaleht).*

Newspaper organisations and their products up to 1988 are referred to here as Soviet Estonian, which have by today turned into modern newspaper organisations and modern products, as this has been the aspiration of Estonian newspaper

Figure 6.1. The interrelated phases of change in Estonian newspapers, 1988–2001



From Soviet 1988 — to — Market-oriented 2001

publishers. For example, the last conceptual change in *Eesti Päevaleht* took place (following the Marieberg examples) in September 2000 in order to make the newspaper "more simple, clear, functional and very modern" (Pinn, 2000).

1. Soviet remnants phase: 1988–1991

The changes in newspaper organisations and products started simultaneously with the start of the mass liberation movement in the spring of 1988. At this moment all Estonian press could be characterised as Soviet Estonian, although Gorbachev's *glasnost* had made ideological control much milder and the total character of administrative norms and Soviet journalistic traditions much weaker than they were during the stagnation era.

The Soviet Estonian newspaper publishing was characterised from the organisational point of view amongst other factors by the following indicators:

- strict norms on the staff composition of the editorial office;
- rigid hierarchical structure of the editorial board;
- Communist Party control over employment, planning and management.

During the Soviet period there were strict norms on all aspects of journalistic activities including the editorial structures of newspapers. The Communist Party Central Committee in Moscow directly determined the editorial office employment list, the number and payment norms of all papers, including the smallest ones, according to the publication's type. For example, the Estonian SSR belonged, together with some others, to the third category of the smallest Soviet republics and Moscow determined that the leading Communist Party paper *Rahva Hääl* could employ 65–70 people, with 40 being creative employees (journalists). The first category (Soviet republics) could employ up to 90 people in the same type of newspaper. In local newspapers, the number of staff was 12–15 people (Uus, 1998).

The whole media system in the Soviet Union was strictly hierarchical. There were the central media (at the all-Union level); the national media (at the level of the Soviet republics); the regional media (at the level of larger administrative units called oblasts which did not exist in the smaller Soviet republics); the local media (at the level of cities and districts); and newspapers; sometimes there was also broadcasting inside large organisations (factories, *kolkhozes*, universities, etc.). There was no place for any independent media, not to mention opposition publications.

The editorial office structure was also hierarchical. The newspaper management was led by the Communist Party, i.e., the editorial office managers had to be politically and ideologically trustworthy; all activities were based on work plans which were approved and their realisation controlled by the Party committees of the appropriate level. Leading positions in editorial offices corresponded to functions of ideological responsibility and control that presupposed Communist Party membership.

Table 6.1. The first new newspapers in Estonia at the end of the Soviet period

Newspaper	First issue	Publisher
1. *Nelli Teataja*	October 1988	Kooperatiiv Nelli
2. *Esmaspäev*	May 1989	Eesti Kultuurkapital
3. *Eesti Ekspress*	September 1989	Cross Development FSP
4. *Äripäev*	October 1989	Mainor Bonnier Kirjastus
5. *Eesti Elu*	October 1989	Kultuur ja Elu

Source: Paju, 1999

Among the indicators of Soviet-era newspapers as a product are the following:

- limited volume of each issue;
- no segmentation of stories by devices like leads, subheadings and photo captions;
- long stories;
- no commercial advertising;
- no supplements.

Soviet Estonian national newspapers were broadsheets (A2) of four pages, local newspapers four pages of tabloid size (A3), and weeklies 8–16 pages of tabloid size.

The Tartu local newspaper *Edasi*, which in fact was also a national daily both in content and distribution, changed the size of its page in 1979 from broadsheet to tabloid while retaining the same volume of published materials – the change was from four pages broadsheet to eight pages tabloid. Due to a lack of paper and printing facilities, newspapers' volumes could not increase even after the Communist Party's control over the media was practically abolished in 1990. New papers established on a commercial basis were able to start with larger volumes than eight pages of tabloid size from the very beginning (mainly 1989; see Table 6.1), but volumes of the already-existing papers began to grow only in 1992.

The Soviet editing tradition used no illustrative segmentation of stories by devices such as leads, subheadings and photo captions. There was no commercial advertising and correspondingly no supplements. The stories were longer in length. If materials important to the Communist Party had to be published (coverage of congresses, plenums, public speeches of leaders, etc.), all the pages of a broadsheet might have been used without any subheadings or pictures. Design during the Soviet period depended entirely on the political orientation of the newspaper: long columns and pictures of workers and collective farmers. As private enterprises did not exist, there was no commercial advertising, which is also one reason for not having thematic supplements. Today the supplements are usually planned in the newspaper according to the larger advertising categories (such as construction, cars, cosmetics, etc.). The appearance of supplements parallels the economic development in Estonian newspapers and the pace of advertising development.

Despite the atmosphere of quick changes, the content of newspapers could not change overnight. This primarily characterises the newspapers that converted from Soviet Estonian to modern management, but also the entirely new ones. The circle of the people who started with new publications was quite small and their experiences in the journalistic field in the late 1980s were bound to Soviet tradition.

Nearly 800 new periodicals were launched from 1988 to 1996 (Lauk, 2000). Most did not survive on the market more than two or three years. There was obviously a need for new journalists and media professionals. The majority of those hired did not have any education in this field. It was estimated in 1998 that only one quarter of Estonian journalists had some kind journalistic education (Saks, 1999).

One of the biggest alterations in newspaper organisations was generational replacement (Lauk, 1996). The majority of Estonian journalists are currently younger than 40 years while in the Soviet era most were older than 40. Epp Lauk observes:

> The fact is that the nature and influence of the media in Estonian society today depends largely on the knowledge and attitudes of young people. Although they have more energy, flexible minds and are capable of finding relevant answers to the challenges of transitional times, they also lack knowledge and experience, which too often make Estonian journalists dependent on their sources and open to manipulation by politicians (Lauk, 1996: 99).

These alterations directly influence the product.

Newspapers that were created on the basis of Soviet Estonian newspapers did not considerably change their design in 1989–1991. The size of the page and the number of pages of *Päevaleht* stayed the same up to 1992, though the first commercial ads appeared a year earlier.

The totally new papers (the national weekly *Eesti Ekspress* and the business paper *Äripäev*) started with innovative product ideas right from the beginning. *Eesti Ekspress* was first published on 22 September 1989 in nearly broadsheet size (35 x 50.5 cm) with 8 pages. It was a combination of a sensational tabloid and an investigative quality newspaper (Paju, 1999). Both these types of papers were new in the Estonian market and this naturally demanded a new approach to the product. The same was true in the case of the first Estonian business paper *Äripäev*, which was started in 1989 as a Swedish (Bonnier) and Estonian (businessman Ülo Pärnits) joint initiative. The pink-paged newspaper *Äripäev* resembled *Dagens Nyheter* and differed considerably from Soviet Estonian papers.

2. Confusion and search phase: 1991–1995

Searching for new, specifically Estonian ways of newspaper publishing brought about remarkable confusion in 1990 and to some extent it continued until at least 1999. As a dominant characteristic of Estonian press development, the confusion and search phase can be delineated as occurring during 1991–1995.

The main organisation and product indicators of this phase are the following:

- difficult privatisation process of Estonian newspapers during the period 1991–1995;
- different patterns and rapid changes in creating new editorial structures and new journalistic functions;
- introduction of new work routines (due to technology development and structural changes);
- no written regulations in 1991 and the creation of the first regulations during the phase of confusion and search;
- rapid product changes.

The confusion and search phase is first characterised by the privatisation of Estonian newspapers in 1991–1995. A good example of the difficulties of this process is the case of the privatisation of *Rahva Hääl*.

Until 1993, *Rahva Hääl* was the largest national daily in Estonia with 158,000 circulation copies in 1992 (Paju, 1999). Up to 1993 it was owned by the state but due to the conflict between the owner and *Rahva Hääl*'s editorial office, it was decided to privatise the paper quickly. The government decided in an open bidding process to give the paper to two government-loyal Estonian businessmen, Kivimägi and Strandberg, who together owned the company AS Maag. A competing media company, AS Hommikuleht, sued over this decision and the privatisation decision was annulled by the court. The government resolved the bidding procedure again in favour of AS Maag. The new owners started pressuring the editorial office of *Rahva Hääl* and fired the Editor-in-Chief Toomas Leito. Leito left with the entire staff of the editorial office and started a new newspaper, *Eesti Sõnumid*, in March 1994.

Rahva Hääl was published until 5 June 1995, when three Estonian dailies, *Päevaleht*, *Hommikuleht* and *Rahva Hääl* merged into *Eesti Päevaleht*. *Eesti Sõnumid* was published in October 1995 under yet another title – *Sõnumileht* – which was turned from a serious quality paper into a sensational tabloid in October 1998 when the Norwegian company Schibsted obtained partial ownership of the paper. The two tabloids *Sõnumileht* and *Õhtuleht* merged in July 2000 due to the ruthless "price war" in the small Estonian media market, and the largest Estonian national tabloid, *SL Õhtuleht*, was born. *SL Õhtuleht* today has the biggest circulation in Estonia (see Table 21 in Appendix).

There was confusion in privatising local Estonian newspapers. To some extent it was caused by the lengthy persistence of the Soviet remnants in managing local newspapers. Three local newspapers (*Postimees*, *Harju Elu* and *Saarte Hääl*) were privatised in November 1991 and the rest were given by the state to the local municipalities. During 1992–1996, municipalities privatised all local newspapers.

All Estonian national newspapers (except *Rahva Hääl*) and many local papers were originally privatised to their editorial staff members. The typical feature in the Estonian newspaper privatisation process was that neither banks nor large industrial corporations participated in this process and also today are not featured among newspaper owners (Paju, 1999). Journalists and other editorial staff as shareholders in newly established private enterprises did not have enough capital nor experience in the press business. Some years later the privatised

newspapers were usually sold to economically more effective and business-oriented owners, usually large media enterprises, often with the participation of foreign capital. For instance, *Postimees* together with *Sõnumileht* bought up three local newspapers in 1997–1998: *Virumaa Teataja, Järva Teataja* and *Pärnu Postimees* (Uus, 1999).

The process of privatising local newspapers occurred with various tensions and conflicts up to 1996. Local municipalities (the original owners) had a habit of meddling very actively with the newspapers' activities. In some cases a new Editor-in-Chief was appointed amongst the local power elites (as might have been common during Soviet times when people active in Communist politics were often appointed to these posts).

The confusion and search phase is also characterised by varied patterns and rapid changes in creating new editorial structures and new journalistic functions. The employment structures of Estonian newspapers were peculiar until the stabilisation phase and some might argue until the foreign owners set a clear pattern to them. For example, when observing the specialists who were responsible for language style and editing in Estonian newspapers, it came out that even in the late 1990s this task was done by specialists with very different titles: *proof-readers, language editors, style editors, technical editors, senior editors, copy editors* or *Editors-in-Chief* (Saks, 1999). In smaller local newspapers, hiring a separate language editor was often not done due to financial considerations. This is why senior editors, technical editors or Editors-in-Chief have also been mentioned in the list above. The specialists at the tabloid *Õhtuleht* (now *SL Õhtuleht*) replied in 1998 that their language was edited only during the working hours of their language editor and that later in the evening their texts often did not go through linguistic editing at all (Saks, 1999).

Changes from Soviet Estonian to modern brought along the introduction of totally new functions in newspaper organisations and the job titles used previously have obtained new meanings. Most signficantly, the term "editor" itself has changed in content. In the middle of the last decade virtually all newspaper employees dealing with content were called editors – there were seldom (if ever) any reporters on the payroll.

The job functions of an editor were also not clear-cut in the beginning of the stabilisation period. In 1996–1998, this author was the editor of the *Relations* pages in the weekend edition of *Eesti Päevaleht*, which meant producing all the material for these pages except photos. If the pages were illustrated with some other material (e.g., magazine cut-outs), it meant producing those materials as well. The Editor-in-Chief edited all the textual material in the paper single-handedly. Even today in some newspapers, an editor means a journalist fulfilling a wide variety of tasks while being responsible for certain sections (foreign, culture, domestic etc) of the publication. The editor reports, edits, chooses pictures, creates subheadings, writes captions and headings and is responsible for the layout of his/her section.

While the development was rapid, the newspapers made many changes in work routines due to structural changes and contemporary needs. For instance the function of a copy-editor was first introduced in the business paper *Äripäev*

in 1996 (Saks, 1999) and also later in *Eesti Päevaleht*, the third-biggest daily. The technological change in work routines added confusion. Newsrooms worldwide have witnessed great technological changes over the last decade, which have influenced their ways of work – altering the work routines and creating new functions. Newsrooms in former Eastern bloc countries have thus experienced a dual change of huge proportions – a social-political change and a technological change. This confused things in the editorial offices even further. Computerisation of work processes, especially in the print media, has been very rapid since the mid-1990s.

Technological developments made possible access for Estonian newspapers to different sources of information through several international news agencies, which also complicated and added routines in journalistic work.

The confusion and search phase was also characterised by the absence of written regulations on how to compile a newspaper. The first stylebooks were created in 1995–1996 and the specifically Estonian feature in them, compared to their counterparts in Scandinavian countries or the Anglo-American tradition, was that amongst other topics they described and taught writing in different journalistic genres – guidelines for writing news, editorials and features.

The confusion and search phase was characterised by the rapid adoption of Western models in newspaper publishing. The most drastic changes appeared up to 1996, when by then the former Soviet Estonian newspapers had changed to such extent that they became interesting to foreign owners (i.e., dull black-and-white politically orientated newspapers with no advertising and text segmentation had turned into informative, special audience, group-oriented, advertising-centred publications). The product changes continued after 1996, but were done mainly in order to win more clients rather than changes associated with the conceptual politics and economics.

3. Stabilisation phase since 1996

The main indicators of the stabilisation of Estonian newspapers include:

- the concentration of the Estonian newspaper market;
- the rapid growth of the advertising market in 1994–1997 and its stabilisation from 1998;
- the appearance of foreign owners;
- stabilisation in the newspapers' circulation after the big decrease during 1992–1994 (see Table 1.7 in the overview of Estonian media development in current book and Table 22 in Appendix);
- more stable development of newspapers' content that followed an earlier period of rapid change in design and layout, principal topics and journalistic forms, all connected with the adoption of Western patterns of journalism and media production in 1992–1995.

The concentration of the media market started in 1995. As mentioned previously, three national dailies merged in June 1995, and two national television channels

Table 6.2. Media advertising expenditure, 1994–2000

	million EEK	million USD
1994	117	9
1995	281	25
1996	409	33
1997	585	41
1998	710	51
1999	639	44
2000	675	40

Source: Emor

Table 6.3. Media advertising expenditure distribution by media, 1995 and 2000 (%)

	1995	2000
Newspapers	55	45
Magazines	9	14
Television	23	23
Radio	8	11
Outdoor	5	5
Internet	–	2

Source: Emor

established a new integrated channel in the beginning of 1996 with the participation of the Swedish firm Kinnevik.

The rapid growth of the advertising market and the corresponding economic growth of the newspapers are associated with the overall economic growth in Estonian society in the mid-1990s. This in turn brought more advertising to the newspapers. The Estonian media advertising market grew 3.5 times from 1994 to 1996 and was relatively stable in 1998–2000, with some backlash in 1999 due to the Russian economic crisis (see Table 6.2). The share of newspapers in the advertising market in 2000 was smaller than in 1995 but newspapers were still the leading advertising medium in Estonia (see Table 6.3), similar to the advertising expenditure distribution in Nordic countries (Nordic Baltic Media Statistics 1998).

The role of advertising and advertising departments grew with the newspapers, or to be more exact, the newspapers grew together with advertising revenues. The role of commercial advertising was acknowledged at the very beginning of the establishment of independent newspapers. In 1994–1996, the average share of advertising in Estonian newspapers' revenue increased from 37% to 49% (Nordic Baltic Media Statistics 1998: 282).

The appearance of foreign owners in the Estonian media market can also be viewed as an indicator of stabilisation. Foreign owners stabilised the situation in Estonian newspapers by influencing their organisation as well as the product.

Although the period of rapid change in newspaper content and appearance had peaked by 1996, changes nevertheless continued. For example, the daily newspaper *Eesti Päevaleht* has changed its design three times during 1997–2000.

The practice of written editing and other regulations has not developed much in Estonian newspapers. Only a few of them have stylebooks. If they do, the books carry either only design rules or combine language and genre and design rules. The weekly *Eesti Ekspress'* new stylebook (Viidik 2000) devotes even more passages to this topic, giving very detailed guidelines on how to write news, interviews, features and opinions, whereas very little room is devoted to ethical issues.

4. Foreign impact

The first non-Soviet newspapers in Estonia were started in 1988–1989, most of them as local initiatives (besides the first business paper).

The Swedish firm Bonnier joined the Estonian firm AS Mainor in 1989 and formed Mainor Bonnier Publishers in order to make the Estonian pink-paged business paper *Äripäev* (an equivalent to *Dagens Industri*), which was launched in October 1989.

The Scandinavian interest was obvious but it is interesting to that there almost was a strong French influence. In 1992, the French Hersant Corporation was interested in Estonia's second largest daily, *Päevaleht*. *Päevaleht*'s Editor-in-Chief Margus Mets practised in *Le Figaro* in 1992. Hersant and *Päevaleht* signed a protocol of mutual interest to create a joint newspaper enterprise with each owning 50%. Hersant, however, turned its eye to the Russian market and later made an investment in Albania instead of Estonia (Paju, 1999).

Negotiations started in 1995 between *Postimees* and the Finnish magazine publisher Yhtyneet Kuvalehdet, but the merger ultimately did not take place (Paju, 1999).

The same year Schibsted ASA bought 24% of the shares of Kanal 2, one of the Estonian television channels.

Swedish Marieberg was again active on the Estonian market in 1996, exploring possibilities of buying the national evening newspaper *Õhtuleht*. Marieberg AB also explored the possibilities of founding an entirely new paper in Estonia. These plans did not come true.

The situation changed completely in 1998.

Schibsted bought 92% of the *Postimees* shares in 1998 and a majority of shares of some other newspapers and magazines, establishing a large company, AS Eesti Meedia, which in the beginning of 2001 controlled about one third of the Estonian nationwide press market.

AS Ekspress Grupp, another large media company, was established in 1998 and in which 50% of the shares belonged to Swedish Marieberg AB, a member of the Bonnier Group and 50% to Estonian businessman Hans H. Luik. In the beginning of 2001 this company controlled another third of the Estonian press market.

Until the autumn of 2001 the foreign interest in Estonian media market was only growing. In November 2001, Hans H. Luik bought the other 50% of the AS Ekspress Grupp shares and became the sole owner of the company.

The presence of Scandinavian owners in the Estonian newspaper market has influenced both the organisational and product development of Estonian newspapers.

This is seen by comparing the outlook of the latest issues of some of the largest Swedish and Norwegian dailies and their "counterparts" in Estonia. Besides the language, there are very few other external differences, as *Äripäev* resembles the Swedish *Dagens Industri* and *SL Õhtuleht* is influenced by western tabloids.

The changes in product that were introduced by the foreign owners have also influenced the editorial structures and the demands on editing in the newspapers, as the rules and regulations are very strict both in Schibsted and Marieberg newspapers, especially concerning journalistic ethics and style rules (design, language). The majority of journalists and media professionals have had longer or shorter internships abroad, and foreign professionals have conducted many courses in Estonia to teach editing and reporting. Western experiences have also had a great direct and indirect impact on Estonian journalism training. For instance, one of the influential lecturers and consultants, Priit Pullerits studied in the beginning of the 1990s in the United States. Another well-known lecturer and consultant, Tiit Hennoste taught at universities of Finland and the Netherlands. Both have since been very active in teaching and consulting and have published several textbooks.

5. Development of the leading daily *Postimees*

Postimees (Postman) is the largest Estonian national daily by readership (see Table 21 in Appendix) and was begun in 1991 based on the Tartu newspaper *Edasi*, which was nominally a local newspaper but in fact had been national in its content and distribution. Before the Soviet occupation its name was *Postimees*; it had been established in 1886 and in 1891 became the first Estonian daily.

Organisational changes after Estonian independence. *Postimees* was fully privatised (with all its properties) during November 1991 – March 1992. It was initially privatised to its employees via shares, as were many other Estonian newspapers. The majority of the shares and then ultimately all the shares were bought by Heldur Tõnisson, an Estonian businessman living mainly in Switzerland. He is the son of Jaan Tõnisson, who was a prominent Estonian politician and the prewar principle owner and Editor-in-Chief of *Postimees*. The Norwegian media concern Schibsted in April 1998 bought 34% of the *Postimees* shares from him and in August of same year that number increased to 92%.

Table 6.4. Organisational and product changes in *Postimees*, 1988–2001

	1988–1989	1990–1991	1992–1993	1994–1995	1996–1997	1998–1999	2000–2001
Title	*Edasi*	*Postimees* (*Edasi* until 1 Jan 1991)	*Postimees*	*Postimees*	*Postimees*	*Postimees*	*Postimees*
Owners	Estonian	Estonian	Estonian	Estonian	Estonian	Since April 1998 foreign (Schibsted)	Foreign
Number of employees	Whole staff: 65	Whole staff: 65	Editorial office: 46	Editorial office: 59	Editorial office: 69	Whole staff: 144	Whole staff: 153
Number of departments (editorial and other)	na	9	11	12	11	15	26
Size of the page	Tabloid	Tabloid	Tabloid	Tabloid	Tabloid	Tabloid	Tabloid
Number of pages	8	8	16	24	24	16 + *Extra*; 28 in 1999	24 / 28
Changes in design and supplements	No story segmentation devices used. Pictures of machines and workers often dominant on the front page.	No story segmentation devices used. Commercial advertising pages emerging.	Photos have captions. Leads and sub-headings appearing with the stories.	First separate local sections (in 1994 *Tartu Postimees*, in 1995 *Tallinna Postimees*).	Weekend section *Extra*. New design since 1998, done by an Austrian designer Rolf Rehe.	Weekend section *Kultuur*.	Weekend section *Arter*.

In analysing *Postimees* here, the emphasis is on the development of new departments and on the corresponding new sections in the paper.

New departments. In 1991 there were nine departments in *Postimees:* six of them were editorial departments, the rest were advertising, secretaries and management. In 1993 three new editorial departments were created: business, culture and sports; and one new organisational department: an Information Centre. A new department and a local section appeared in 1994 with separate staffs: opinion and *Tartu Postimees.* The following year, an investigative journalism department and *Tallinna Postimees* were added. *Postimees* established *Extra,* its weekend section, in 1996. It also installed correspondents in Viljandi, southern Estonia and Pärnu. By 2001 there were a total of 26 departments in *Postimees*: 14 editorial departments and 12 departments responsible for layout and design, photos, proofreading, advertising, distribution, marketing, personnel and others.

Changes in the structure of editorial offices. In order to understand how much Estonian newspapers have changed in their organisation, the staff structures of *Postimees* in January 1991 are compared with those of January 2001 (see Figures 6.2 and 6.3).

Changes in the structures of the editorial offices reflect new power hierarchies and new functions for Estonian media people, and are influenced by foreign examples, technological changes and economic necessity.

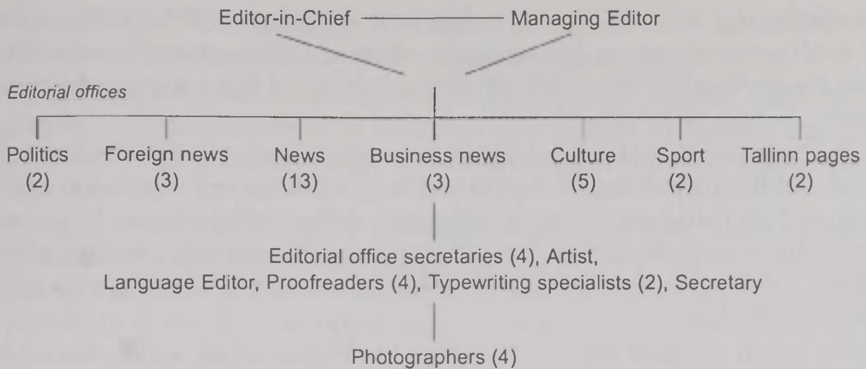
There is no longer any use for employees like typewriting specialists and post ladies. The post lady mentioned in the list of *Postimees* employees in 1990 was absent in 1992. The typewriting specialists were still on the payroll for a longer period because even when computers were used, the texts of some authors had to be re-typed to the needed computer form. From this author's personal experience, there were several typewriting specialists working in *Eesti Päevaleht* in 1996. Computerisation, though, soon made this function unnecessary and by 1997 only those texts that were produced in the appropriate electronic version were used.

New functions like reporters, foreign correspondents, cartoon artists, webmasters, layout specialists, graphic designers, Internet specialists and various advertising and marketing functions have also found their place (functions connected with the start of the Internet version of *Postimees* in the autumn of 1995 being a part of the larger technological change).

The number of employees. In ten years the number of employees in *Postimees* has more than doubled (63 in 1991 to 154 in 2001). It is fair to say that all of the 91 new employees represent new functions in the newspaper's organisation. It is noteworthy that ten years ago there were no reporters on the payroll. Some members of the staff just didn't have specific job titles. They were in fact operating as reporters, but the term itself was not used.

The commercial side of producing newspapers has become much more important, as illustrated by the 35 people currently working in advertising in *Postimees* compared to five people ten years ago. New functions have also been needed because of the growth in volume. *Postimees* currently has a twice-per-week supplement for classified ads, weekend editions with a separate TV programme,

Figure 6.2. The staff structure of *Postimees*, January 1991



Company management: Director, Assistant Director, Chief Accountant, Accountant, Drivers (2) and Post Lady

Advertising department: Manager, Designer, IT-Specialist, Language Consultant, Receptionist.

Source: *Postimees*, 1 January 1991

Figure 6.3. The staff structure of *Postimees*, January 2001

Administration: Publisher, Editor-in-Chief, Chief Director, Managing Editor, Managing Editor of the Internet version, Deputy Managing Editors (2), Assistant to the Editor-in-Chief, Assistant to the Chief Director, Secretary of the Editorial Office

Editorial Offices: Estonian news (15), Foreign news (4, including the correspondent in Moscow), Business (6), Opinion (4), Culture (4), Internet version (3), Sport (4), Media and TV

- Weekend edition *Arter*: Senior Editor, Editors (4)
- Monthly magazine *Luup*: Editor, Managing Editor
- TV Programs: Editors (2), Language Editor / Proofreader
- Tartu Edition: Senior Editor, Editors (2), Reporters (9)
- *Tartu Börs*: Editor
- Photo: Chief Editor, Photographers (4)
- Realisation Group: Manager, Assistant Manager, Photo Editor
- Language: Language Editors / Proofreaders (6)
- Layout: Layout specialists (10)
- Computer Design: Graphic Designers (4)

- Advertising Department (35)
- Distribution Department (3)
- Marketing Department (2)
- Personnel Department (1)
- Information Centre (3)
- Drivers (2)
- Finance Department (5)

Source: *Postimees*, 3 January 2001

a monthly supplement for non-governmental organisations, special sections on building, gardening, holidays, tourism, cars, etc.

Product changes. The changes in design have appeared according to the growth of wealth and changes in the ownership of the newspaper. The first issue of the new *Postimees* in 1991 was partly printed in colour and had a special advertising page.

The *Postimees* issued ten years ago shows obvious remnants of the Soviet newspaper publishing philosophy: a picture of huge machines and workers on a front page and also inside (a typical Soviet means of illustrating articles), layout and design (no leads to the stories, few and random photo captions), very little advertising. *Postimees* ten years later, on the other hand, carries traces of foreign influence in its design.

When *Eesti Päevaleht* changed its design in 1997, according to the rules set by Estonian media specialists Tiit Hennoste and Roosmarii Kurvits, *Postimees* ordered a new design from a well-known Austrian designer Rolf Rehe.

Number of pages and sections. While *Postimees* in 1991 was 8 pages, by the beginning of 2001 it was 28 pages, with the weekend edition running to 68 pages. It has also grown in quality, not to mention incorporating more varied content.

5.1. Comparison of two specific issues of *Postimees*

Changes in *Postimees'* content over ten years are clearly seen when comparing the main topics covered in first issues of *Postimees* from 1991 and 2001.

The general social context has changed enormously – in 1991 people wished that there would be enough food for everybody in the coming year (Sports section) and in 2001 wealthy people were cuing for new BMWs (Cars section).

***Postimees* (1 January 1991)** had seven sections with the following topics.

- *Politics:* A chronology of the main political points in 1990.
- *Domestic*: A story of a brand new printing house where *Postimees* is printed.
- *Economy*: *Postimees* asks if Estonian agriculture has any future after the collapse of the *kolchos* system.
- *Cultural*: The secretary of the Writers Union Tartu Department, Henn-Kaarel Hellat, worries in the cultural column about the fact that 50 years of the Soviet regime have made Estonians easy to manipulate.
- *Foreign*: In the foreign column, Allan Alaküla observes that Fidel Castro is leading a sinking ship and that his regime will probably soon be overthrown by a 35-year-old Communist, Roberto Robaina. Kalev Vilgats writes about the leading ladies in contemporary world politics: Raisa Gorbachev, Nancy Reagan, Hannelore Kohl and Margaret Thatcher.
- *Sports*: A calendar of the birthdays (in January) of the famous sportsmen around the world. There were also New Year's wishes from Estonian sportsmen: for

instance, famous sailor Toomas Tõniste wishes that all Estonians would find something to eat and drink in 1991.

- *Ads and announcements*: Theatre, cinema, concert, exhibition and classified ads.

Postimees (3 January 2001) had ten sections and the main topics were:

- *Domestic*: Speculations on the selection of the opposition Central Party candidate for the President elections. Interview with a priest, Vello Salo, who suggests that Estonians should observe Sunday. Higher electricity prices in the New Year.
- *Foreign*: A New Year's tragedy in Holland claimed at least ten lives. Yassir Arafat went to the United States to discuss peace with Bill Clinton. A story suggesting that Swedish Prime Minister Göran Persson should use the Swedish presidency of the EU as an opportunity to correct the mistakes made in Nice, where the larger states made it impossible for smaller states to influence EU development.
- *Economy*: The prognosis promises a good economic year. The Hansa Bank Group rises to a leading position in the Baltic market.
- *Cars*: Instructions on how to keep a car on the road when it begins to slide on ice. Fifty people from Estonia have ordered the new BMW X5S. There is a one-year waiting list.
- *Opinion*: Kirsten Michal on the benefits of moving the Ministry of Education from Tallinn to Tartu.
- *Culture*: Stories about the Winter Theatre Festival. Duran Duran comes to Estonia.
- *Free time*: Theatre, cinema, concert, exhibition and classified ads.
- *Sports*: The story of legendary sports commentator Toomas Uba, who died of cancer.
- *Ads, Media, Variety*: Ads, obituaries, announcements, media criticism, horoscope, comics, anniversaries, birthdays, short news from Estonia and abroad, weather, puzzles.
- *Last page story*: Mart Kadastik, the Editor-in-Chief of *Postimees* in 1991, on the re-launch of the newspaper ten years earlier.

Compared with the developments in other Estonian daily newspapers, the changes in *Postimees* seem to have been more stable and not so abrupt. The larger organisational changes appear with the arrival of the foreign owners in 1998 (see Table 6.4). Before that, the number of departments and employees stayed more or less at the same level. The editorial structural changes have occurred commensurately with the overall economic and technological changes. The tabloid size of the paper has stayed the same since 1979 but there were already clear product changes in the first copy of the new *Postimees* in 1991.

6. Development of *Eesti Päevaleht*

Eesti Päevaleht (Estonian Daily), Estonia's third-largest daily, has its roots in the Soviet Estonian youth daily *Noorte Hääl* (Voice of the Youth), which was published from 1940–1990 and renamed *Päevaleht* (Daily) on 1 February 1990. A daily under that name had been published from 1905–1940 in Estonia before the Soviet regime. *Päevaleht* appeared as a successor to *Noorte Hääl* and at first did not differ much in content. The editorial office was the same and main changes were related to design. Another important difference was that *Päevaleht* lost the declaration under the heading, which stated that *Noorte Hääl* was an organ of the Estonian Communist Youth Organisation.

Päevaleht's privatisation process was almost easy when compared with some other privatisation processes (like *Rahva Hääl's* described above). Thus *Päevaleht* is not characterised by the difficult privatisation process indicator in the confusion and search phase. *Päevaleht*'s managers were the first to offer the state the possibility that an in-place editorial office staff would form a private enterprise. This development was hindered by the August 1991 events in Moscow and the Baltics. In 1992, *AS Päevaleht* (a stock company) rented the properties of *Päevaleht* from the state. All newspaper employees could purchase shares. When the state wanted to have open bidding for *Päevaleht* in 1993, it was impossible because all of the newspaper's properties had amortised and the new ones belonged to *AS Päevaleht* (Paju, 1999).

6.1. Organisational changes

New departments. Several new editorial departments were created in *Eesti Päevaleht* during 1992–1998. This was done corresponding to the creation of thematic supplements for the paper. These vary over the years – new ones appear, others disappear. In 1992–1993 there were three new supplements: the weekend edition *Pühapäevaleht*, Sports and Business. In 1995–1996 sports and business disappeared, and media, theatre and cinema supplement *Magasin* was created. New departments and their corresponding pages in the paper were Science and Tartu. In 1996 Social and Virumaa departments and pages were added, in 1997 also Pärnu. In 1998 there were two more new ones: Tallinn and *Koduleht* (Home Theme).

New departments have also been created according to the economic and technological needs and opportunities. In 1993, the biggest department in *Päevaleht* was the department writing on economic topics (employing 9 people). In 1998 a separate graphic design department was created. Other changes were made in 2000 and a technical department was created that employs designers, reproduction editors and an Internet editor.

Some of these changes reflect content shifts and some are associated with the modern production and distribution of the paper.

Table 6.5. Organisational and product changes in *Eesti Päevaleht* (formerly *Noorte Hääl* and *Päevaleht*), 1988–2001

	1988–1989	1990–1991	1992–1993	1994–1995	1996–1997	1998–1999	2000–2001
Title	*Noorte Hääl*	*Noorte Hääl*, since 1 Feb. 1990 *Päevaleht*	*Päevaleht*	*Päevaleht*, since 5 June 1995 *Eesti Päevaleht*	*Eesti Päevaleht*	*Eesti Päevaleht*	*Eesti Päevaleht*
Owners	Estonian	Estonian	Estonian	Estonian	Estonian	Since 13 May 1998: 50% Swedish Marieberg International, 50% Estonian	Foreign by 50% until 14 Nov. 2001, when it became 100% Estonian
Number of employees	na	ca 30	ca 30	ca 50	na	Editorial office: 89	Editorial office: 92
Number of departments (editorial only)	na	7	9	9	12	12	10
Size of the page	Broadsheet	Broadsheet	Broadsheet / tabloid	Tabloid / broadsheet	Broadsheet	Broadsheet	Broadsheet / tabloid
Number of pages	na	4	4 / 6	16 / 16	12	10 / 12	16 / 24
Changes in design and supplements	na	First commercial ads. Stories became shorter. First segmentation devices were used (subheadings).	All photos had captions. Leads to the stories appeared. Separate page for commercial advertising.	First thematic supplements appeared. From 1995 a broadsheet in colour. First and last page ads appeared.	New design in November 1997 (aggressive double or triple headings of the stories), made by Tiit Hennoste and Roosmarii Kurvits.	New size of the page (38 x 60 cm instead of 42.5 x 60 cm) and new design in March 1999.	In Sept. 2000, EPL became nearly tabloid size (30 x 45 cm). The new look was designed in co-operation with Marieberg International specialists.

Figure 6.4. The staff structure of *Eesti Päevaleht*, September 2000

Editor-in-Chief, Deputy Editor-in-Chief (part A), Deputy Editor-in-Chief (part B), Chief Artist, Internet Project Manager, Secretary

Editorial offices: News (11, including 3 Copy-editors), Opinion (6, including a Cartoonist), Life (7), Foreign news (3), Culture (6), Business (3), Sport (3), City (3), Entertainment & TV-Programs (1), weekend edition *Pluss* (1)

- Design Group: Reproduction editor, Designers (3), Graphics specialists (3)
- Photo: Manager, Photographers (3)
- EPL Online: Editor, Reporters (2)

- Advertising and Marketing Department (22)
- Finance Department (3)
- Distribution Department (4)
- Technology and Production Department (3)

Source: *Eesti Päevaleht*, 18 September 2000

In 1993, economic issues were the most important, followed later in the decade by sports and entertainment; and then by science and local issues (Tartu, Virumaa, Pärnu, Tallinn pages) are added. In the second half of the 1990s, the Internet, design and graphics issues gain importance.

Number of employees. The number of employees has grown corresponding to the need to establish new departments. In 1990, there were approximately thirty editorial office employees in *Päevaleht*; by 1994 there were already fifty. By 1998 the editorial staff was 89 people and in 2001 the number had reached 92.

6.2. Product changes

Changes in size of the page. *Noorte Hääl* and *Päevaleht* before 1992 were broadsheet papers. This remained the same with the change of the name until 1992.

In February 1992, *Päevaleht* changed to a tabloid size. It has changed its size of the page three times: in 1992 from black-and-white broadsheet to tabloid; in 1995 from tabloid to colour broadsheet; in 2001 back to tabloid.

Changes in design. The first changes in design appear at the beginning of 1991: stories become shorter and the first subheadings appear. By 1992 the text has been segmented by subheadings and all photos have captions. Leads appear to the stories.

Tiit Hennoste and Roosmarii Kurvits created a new look to *Eesti Päevaleht* in 1997. Hennoste declared that the outcome was a classic European newspaper that was totally new in Estonia (Vahter, 1999).

The appearance of commercial advertising. The first commercial ads appeared in the paper in 1990. *Päevaleht*'s advertising department was created in 1992, as was a separate page for commercial advertising. Ads had previously only been printed in between editorial material (except the classified ads which already had a separate section). In 1995 the ads as well as the rest of the paper were printed

in colour and the first large ads (whole-page size) appeared on the first and last pages of the paper.

Number of pages. The economic growth as a stabilisation phase indicator is also reflected in the growing content volume of the newspapers.

In 1990 *Päevaleht* was a four-page broadsheet, by 1992 it had become an eight-page tabloid. In 1994 the tabloid had sixteen pages and in 1995, when it reverted to broadsheet size, the number of pages remained the same (sixteen). In 1996 the number of pages was cut to twelve and in 1998 reduced to ten. This reduction was due to the growing number of separate supplements. In 2000 the broadsheet had sixteen pages and in 2001 the tabloid size had twenty-four pages.

Concluding remarks

The strongest Soviet remnants indicator from the organisational point of view is state ownership. From that perspective it might be said that this phase lasted up until 1995, when the last local newspapers were privatised, although the domination of Soviet remnants was generally over by the time of the restoration of Estonian independence in August 1991.

The segmentation of stories by devices, the appearance of advertising, the publishing of supplements and other significant changes in the newspapers' content and journalistic forms compared to Soviet norms and traditions started in the new private newspapers from the very first issues. In *Päevaleht* these changes started in 1990 and in *Postimees* in 1991.

The difficult privatisation process of Estonian newspapers lasted from 1991 to 1995. There were very different development patterns and rapid changes in creating new editorial structures and new journalistic functions in Estonian newspapers. This period can thus be characterised as the domination of confusion and search indicators.

New work routines were introduced due to technology development, editorial structure changes as well as economic demands.

In the mid-1990s, newspapers started to develop regulations for design as well as language style and ethical issues. More specific patterns were set in this field by the foreign owners, who actively came to the Estonian newspaper market in 1998 and had very strict rules and traditions about operating and editing.

The confusion and search phase, dominant in 1991–1995, was followed by the stabilisation phase, characterised by the increasing concentration of the Estonian newspaper market, economic growth, the appearance of foreign owners and stabilisation of the newspapers' circulation after the large decrease in 1993–1994.

The foreign impact on Estonian media development throughout the entire period of transformation from Soviet to market-oriented was not only connected with foreign ownership. Western patterns of media performance and journalistic work were quickly adopted in Estonia, achieving dominance at the beginning of the stabilisation phase and intensifying throughout this phase.

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7. The Role of the Russian-Language Media in Estonian Society

Valeria Jakobson

The main purpose of this chapter is to reveal the roles and functions of the Russian-language press in Estonian society, concentrating on the period 1991–1999. However, in order to get an idea about the historical roots of the present situation, the chapter also includes a brief review of the Russian-language press in Estonia since the second half of the 19th century. This review is based on various studies conducted from 1996 to 2001 (Jakobson, 1996; Jakobson & Iljina, 2000).

The basis of this analysis is the functionalist approach to the concept of the "role of media," which observes it as dependent upon the type of society (De Fleur & Ball-Rokeach, 1989) and as a result of performing its functions (Wright, 1974). The social role of the press is understood as a result of its interaction with the prevailing environment, which includes the interests of the owners/sources of finance, system of control (overt or latent censorship/control/regulations, etc.), their own workers and the mass audience.

A fundamental issue is what the minority media role in society should be. Authors who have studied the role of minority media underline its importance in preserving minorities' ethnic and cultural identities, maintaining connections with the historical motherland and at the same time facilitating their integration into the host society and providing them with information about its institutions (Levkovic, 1986: 66–67; Togora, 1986: 52–54; McQuail, 1984: 204). This chapter also reviews how the press depicts social reality in general, and the minority/majority role in the state and society in particular. This is accomplished by assessing what qualities the press attributes to the role, what interrelations the press constructs, and how the press influences the socialisation of the minority in the host state and society. Finally, the media is often viewed as a public forum. This chapter assesses how effectively it performs this role in Estonia.

1. The Russian-language press in Estonia – historical review

1.1. 1853–1917

Although the territories composing the present-day Estonia and Latvia were incorporated into the Russian Empire in 1721, until the second half of the 19th century this region was actually governed by German landlords. The local potential

audience of Russian print editions was very small until the end of the 19th century and its cultural needs were fulfilled by St. Petersburg magazines (Isakov, 1999: 26). As a result, regular Russian-language newspapers only appeared in Estonia nearly 150 years after they emerged in Russia (for example, early failures of local Russian-language magazines in Estonia were the *Raduga* magazine, issued in Tartu in 1832–1833 with a circulation of 207–260 copies and the *Uchebny matematicheski* journal, issued in Reval (Tallinn) in 1833–1834 with a circulation of 467 copies).

By the middle of the 19th century, the Tsarist government became interested in increasing the effectiveness of its administrative work and the influence of the central government in the peripheral districts of the Empire. It thus began a project in which local Russian-language newsletters (*Vedomosti*) were launched in many regions. Two were launched in Estonia in 1853: *Estlandskie Gubernskije Vedomosti* and *Liflandskie Gubernskije Vedomosti*, both publishing information in both Russian and German. The structure of these editions was prescribed by law. They carried out mostly utilitarian functions: informing local administrators, gentry, traders and entrepreneurs about new laws and regulations, publishing official advertisements, propagating desirable norms of behaviour. They were not interested in feedback and did not encourage dialogue between social groups and institutions. Society was constructed in the texts of the newspapers as deeply divided on a class basis, consisting on the one side of officials, landlords and burghers with German and Russian names, and on the other side of peasants who either had Russian names or no names at all. Estonians were semiotically non-existent in the texts, no cultural groups were mentioned there.

As a result of the economic and political reforms of the 1860s, industrial development in the Russian Empire received a new impetus. Factories appeared in Estonia, targeting the Russian market and owned by Russian entrepreneurs. Agricultural production also became more Russian-oriented. Gradually the number of educated Russian administrators and entrepreneurs in Estonia increased and started to form a thin layer of local Russian bourgeoisie. Its informational needs became more diverse. Thus, in the 1870s, the first private newspapers appeared in Narva and Reval, providing a wide range of information including economic aspects (trade, prices on the markets, etc.) and local news. Both private and state-owned media started to inform audiences about the local cultural life, Estonian history, literature and culture, and to publish local private advertisements. These years also saw the first appearance of translations of Estonian poetry into Russian.

In the 1890s, a political-commercial Russian press appeared in Estonia, which became regular and widespread. In general, its main task was to preserve administrative, cultural and economic links with the mainland, but the range of its functions widened. During this period, the first translations of some articles from Estonian-language newspapers appeared. Essays on the local cultural, historical and political context were occasionally published, such as translations of Estonian literature and poetry (e.g., the first translation of the Estonian epic poem "Kalevipoeg" into Russian). Nevertheless, Estonians as a cultural group were seldom represented in this media. Russians, meanwhile, were construed not only as

loyal citizens, but also as a cultural group with a rich history, traditions, specific national culture, etc.

As in previous years, Estonians and their interrelations with Russians were nearly non-existent in the Russian press. In *Revelsky vestnik* of 1915, a discussion was held about the language of municipal government (Tallinn Town Duma). Some contributors insisted that Russian, being the state language in the Russian Empire, could be the only language used in the debates at the Tallinn City Council. Others opposed this, saying that for decades both Russian and Estonian had been used. The newspaper did not take a particular side, but it is important to note that the latent tensions became overt and that the language of conflict is rooted here. Also, a very visible image of an enemy appears – it is Germany, the German army and the local Germans, who sometimes have to pay penalties for "demonstratively speaking German in public."

The local Russian press in the Empire period mostly socialised local Russians within an all-Russian cultural, political and economic context and only to some degree in the Estonian social and cultural context, providing very superficial knowledge of Estonia and Estonians. The role of the press as a public forum was bounded on one side by Tsarist censorship, and on the other side by a limited set of sources of information and the composition of the audience (Russian nobility, merchants and intellectuals).

1.2. 1918–1940

Before 1940 non-Estonians accounted for 12% of the population of Estonia. Two thirds of these (91,000) were Russians of two definite groups: 73,000 peasants who had lived in Estonia since 1915, and 18,000 political emigrants. The majority of them belonged to the poorest part of the Estonian population. Russians were disassociated, mainly passive and estranged from politics. They were poorly represented in the administrative and power structures (Isakov, 1996: 7–9, 52–55). Estonian foreign trade re-oriented to Western Europe, such that Russians did not play an important role in economic life. The majority of them belonged to the poorest part of the Estonian population and were interested in personal survival and preserving their cultural identity.

In these conditions, the Russian-language press helped to preserve Russians' cultural identity with Tsarist Russia. Its predominant function was the transmission of culture; its informational and entertaining functions were reduced. It also performed limited educational and entertainment roles for the audience, and some administrative and political information was also published. As the potential audience of these newspapers belonged to the poorest social strata, their circulations were quite low, the largest of them reached a maximum of 5,000 copies (Tsassovskaja, 2001). The majority of these newspapers survived less than a year (Isakov, 1996).

In the Russian-language press in Estonia, Russians were mostly construed as
1) peasants, worrying mainly about agricultural issues;
2) urban intelligentsia, poor but carefully preserving Russian culture in Estonia;

3) criminals;
4) deprived people, including refugees from the USSR.

Estonians were construed as a state-nation, while Russians mostly as a cultural and language minority.

As this press did not provide two-way communication between the Russian minority and the state institutions, and even between the different sectors of the Russian diaspora, it can be concluded that the press did not become an effective public forum on an all-Estonian scale and in the socialisation of the Russian minority.

1.3. 1940–1987

After the Second World War, when Estonia was annexed by the USSR, major changes took place in Estonia's economy, politics, structure of population, etc. Very quickly the Estonian Soviet Socialist Republic (ESSR), especially its north-eastern region and Tallinn, became an industrial outpost of the USSR. Several ports were built and railway communications were developed, which had a significant economic impact on the USSR in general.

After the war, cities in north-east of Estonia were rebuilt and repopulated mostly by the newcomers from the Slavic Republics of the USSR, who considered migration to Estonia as moving within the borders of the unitary state. By 1989 the share of non-Estonians in the Estonian population reached 38% (over 602,000 people). Many Russian-speakers worked at so-called "Union factories," which served the economic needs of the USSR in general and where the working collectives consisted mostly of Russian-speakers. Their Estonian language proficiency was low: according to different estimates, in 1990 only 13% of non-Estonians could communicate in Estonian, and 44% of non-Estonians reported in 1991 that they did not speak Estonian at all (Arutunjan, 1995). Since their contact with Estonians was limited, the Russian-speakers developed their ideas about Estonians, their culture, and their attitudes towards Russians mostly from the Russian-language newspapers.

In 1940 all previously existing Russian-language newspapers in Estonia were closed down. Instead, three official Russian-language newspapers were set up, which existed until the German occupation. In the autumn of 1944, Soviet Russian-language newspapers were re-established, although their circulation was lower than that of the Estonian papers. They were issued only in the towns where large enclaves of Russian-speaking population developed: in Narva, Tallinn, Kohtla-Järve, Sillamäe, Jõhvi and only since 1987 in Tartu.

These newspapers were financed and controlled by the local Communist Party Commitees, which combined the roles of media owner and organ of its control. The newspapers' circulations were stable and quite high: in 1977 the circulation of *Soviet Estonija* was 45,000 copies and of *Molodjozh Estonii* 46,000 copies (Høyer, Lauk & Vihalemm, 1993: 343). During this period, the state combined the roles of a media owner and a controlling authority. It constructed a clear picture of the world and defined the USSR as the strongest and most developed country in it.

Soviet citizens were the bearers of the most progressive ideology, whose main component was labour. The press constructed a certain political identity of the Soviet people, which co-existed with the ethnic identities of titular nations, local identities (such as Soviet Estonian, where the main element uniting the population of Soviet Estonia was common labour) and various social identities (professional, etc.).

The Estonian ethnic identity was recognized and supported in the Russian-language press. The press wrote about events in Estonian culture, usually portraying Russians and Estonians as working together and communicating in Russian. Nevertheless, the history of Estonia was taught in the media in a sanitised way, with the result that Estonians (relying not only on the official version, but also on collective memories) and non-Estonians knew different versions of Estonian history. Russian-speakers thus had the illusion of "being informed" about Estonian culture and history, experiencing "international friendship" with Estonians and lacking the necessity to learn the Estonian language. Russian-speakers were construed as the national majority and Estonians as one of the Soviet Peoples. In the 1940s and 1950s, it was also emphasized that Russians are "older brothers" and the other nations are "younger" ones. Local Russian cultural life was not mentioned and supported until the 1980s: the word "Russian" was virtually non-existent in the Russian-language press until 1987. These editions were directed at the Soviet people, who spoke the Russian language and lived in the Estonian Soviet Socialist Republic.

The state was also interested in following the moods of the population and preserving a minimal veil of socialist democracy. Feedback from the population was therefore welcomed within a limited range of topics. The editorial correspondence departments registered all incoming mail. If there were complaints regarding the economy or daily life, the facts were sometimes verified. If journalists found that these complaints were well-grounded and somebody's rights were violated, they could apply to the appropriate institutions with a demand for a solution to the problem. Soviet legislation required any institution to which the press inquired to respond within a month. Thus, the population had an instrument of influence over the state bureaucracy, used for solving life's daily problems and to some degree for the protection of their rights.

In this period the media's informative function diminished; information was carefully selected and also combined with misinformation. Different variations of the regulative function dominated, just as in the Empire period in the 19th century. In spite of censorship, the press to some extent performed a communicative function, involving governing institutions and population and to a certain degree functioning as a means of their reciprocal influence. It also helped people and groups from different regions of the USSR to establish and maintain contact. It played an important role in socialisation within the Soviet political and cultural context, spreading common norms, values, symbols and identities. For Russians it produced an illusion of being included in the local cultural context, symbolically uniting them with Estonians on the basis of their common labour and mutual economic interest. On the other hand, it also performed a segregating sub-function, isolating local Russian-speaking "Soviet people" from both Estonians and their own ethnic Russian roots. Also, in some spheres the media were

used by the populace as the tool in the struggle with the bureaucracy and as a public forum for discussing a limited range of daily economic problems.

1.4. 1988–1990

In the period 1988–1990, the media could still influence practical matters, but also enjoyed virtually unlimited freedom. Due to an increase in the variety of information, audience satisfaction increased and newspapers' circulation rapidly increased. The high circulation of the press together with the Soviet system of state financial support provided the media with financial stability. At the same time, one could observe a gradual growth of disappointment with the functioning of the press as it ceased to be an instrument of solving daily and personal problems and did not offer satisfactory explanations for the new political and economic situation. By 1990 the authority of newspapers started to decrease. Journalists, whose status became even higher, started using the press for their personal interests as a starting point for political and business careers (Tolz, 1992). The press was celebrated as a deconstructor of an old regime, but the break-up of old social networks caused a decline in its role as an organiser.

After years of stagnation, radical changes started to occur in 1988 in the Soviet economy and politic structure. The state was interested in promoting economic development as well as in preserving the existing political system and the integrity of the state. At the same time, the Republics' Party Committees, who owned the local media channels, were interested in increasing the economic and political independence of the Republics. Also, when the Estonian People's Front declared its goal of regaining national independence for the Estonian Republic, many local Russian-speakers (especially workers in the Union factories) felt threatened.

The media during this period had virtually unlimited freedom to inform the audience about nearly all aspects of social and political life, because the political control over their content was abandoned. This led to a greater variety of content. Information finally appeared about the Estonian Republic and USSR history, and about the Russian-speaking community in Estonia. Discussion started about the Russian-speaking community's place and role in Estonian society, whether Russians had obligations towards native Estonians and rights as inhabitants and citizens of Estonia (for example, were they obligated to study the Estonian language and culture, did they have the moral right to make decisions regarding the future of Estonia, etc.). Discussion also started about the future of the Russian language, culture and education in Estonia. It should be pointed out that the press at this time tried to fulfil two contradictory roles: it was concerned about increasing the separation between non-Estonians and Estonians, while at the same time trying to preserve their ideological and political proximity with the USSR in general. In order to do this, the press had to soften the existing contradictions and differences of opinion between supporters of state independence and USSR unity. The information in Estonian and Russian-language newspapers at this time was thus very different. In the Estonian newspapers of this period, there was negative feeling towards Russian-speakers, offensive labels, demands to leave Estonia, etc.

In the Russian-language newspapers, there could be found only limited reflections of these moods together with calls for international friendship, co-operation and peace. The traditional Soviet period roles of Russians and Estonians were deconstructed. In the opinion of many Estonians, which was reflected in the Russian-language media, Estonians as an ethnic group were the victims and Russians were the bearers of collective guilt for their deportations, inhibition of the development of Estonian culture, Estonian-language extinction, etc. On the contrary, the Russian-language sources blamed Stalin's policy for the deportations of Estonians in the 1940s and "nationally-minded politicians" for the present tensions, but not those Russians who were living in Estonia. In short, the Russian and Estonian views of each other's group, national relations and social reality in general were diametrically opposed during this period.

On the one hand, the situation of uncertainty, distortion and disinformation increased stress and tension between Russian-speakers. On the other hand, the Russian-language media tried to some degree to decrease the social tension and prevent overt conflict, which took place in many other regions of the collapsing Soviet Empire. This latter view was repeated in many articles of the period: "Would you like Estonia to be like Pridnestrovje or Karabach?" Russian journalists, public actors, businessmen and others stated that they strove to preserve stability and prevent conflict. It is likely that the efforts of these participants as well as the position of the press combined to play an inhibiting function in this period and avert conflict development.

The importance of the informative function of press increased during this period, but the information itself had an unsystematic character; often the quality of information was quite low. Information also assumed an entertaining character, the function of the transmission of culture at this period was reduced to entertainment.

The press for the first time in its history played the role of public forum, as the range of sources represented and topics discussed was fairly wide. Due to an increase in the variety of information, the satisfaction of the audience rose and the newspapers' circulation reached 80,000–90,000 copies. At the same time, there was the gradual growth in disappointment in the press, as it ceased to be an instrument of solving daily and personal problems and did not provide satisfactory explanations for the new political and economic situation. Thus by 1990, the authority of newspapers started decreasing.

2. The role of the Russian-language press in Estonia in the 1990s

2.1. Social background

The break-up of the USSR and the restoration of state independence for the Estonian Republic caused a change in the position of the ethnic minority and majority. In 1991, Estonians from the ethnic minority turned into a state-nation. Conversely, Russians turned into a national minority, their political and civic status rapidly changed. A number of laws (e.g., the Language Law, the Citizenship

Law, the Local Elections Law, the State Service Law) subsequently legitimised the situation in which access to citizenship, many jobs and positions, and to political activity depended upon a person's Estonian language proficiency. According to the Estonian Citizenship Law, adopted in February 1992, only 10% of non-Estonians received Estonian citizenship automatically, the others had to undergo a procedure of naturalisation if they applied for citizenship. The legal status of non-citizens was indefinite until July 1993, when the Law on Foreigners was adopted. According to this law, non-citizens were declared to be foreigners who had to apply for temporary residence and working permits, even if they were born in Estonia. Non-citizens possessing residence permits preserved their social guarantees but they were deprived of the right to be members of political parties, to vote in Parliamentary elections, to take positions in state and municipal administrations, to serve in the Estonian army, etc. In 1992, non-Estonians were not represented or were weakly represented in the Parliament and other power and administrative structures of the Estonian Republic, although since 1996 their number in local administrations has grown.

The decline of the old system of economic and political relations in the post-Soviet era resulted in a rapid decrease of industrial output and agricultural production in Estonia, especially from 1992 to 1994. A new network of social status emerged, in which new social groups were formed on the basis of legal status, nationality, income and other criteria.

The crisis in industry (which employed many local Russian-speakers), poor knowledge of the Estonian language and a limited labour market has left Russian-speakers in Estonia with a generally low level of income, higher unemployment, a decrease in social status, and a high degree of dissatisfaction (Pavelson, 2000).

From 1991 to 1993, segregation and confrontation were the predominant tendencies in inter-ethnic relations and especially in relations between the Estonian state and the Russian population. Since the second half of the 1990s, many studies have noted the beginning and strengthening of the process of integration at the societal level and the growth of mutual tolerance between Estonians and non-Estonians (see Kruusvall, 1997, etc.). In 1998 the state launched the politics of national integration, as political stability and the absence of national conflict are mandatory requirements for joining EU.

2.2. Control over the media or loyalty demands

Since 1991, the Communist Party Committee has officially lost the function of control of media content. A logical expectation would be the rapid democratisation of the Russian media. Surprisingly, the next development was a new demand of "loyalty," imposed in the Russian-language press in 1992–1996 by Estonian politicians and journalists. Russian-speaking newspapers and journalists were accused of "disloyalty." Any criticism of certain politicians or laws was interpreted by the Estonian authorities and media as disloyalty on the part of Russians. These accusations should be seen in a more general context of Estonians'

typical distrust of the political loyalty of non-Estonians and suspicions that they promote the interests of Russia inside Estonia (see Kolstø, 1996: 625; Kruusvall, 1997: 133–140; Kirch, A., Kirch, M, Tuisk, 1997: 54–55; Haab, 1998: 110, 113; Raid, 1996: 130–131). Moreover, the boundaries and forms of expected loyalty were not demarcated. As a result, the Russian press strove to avoid any criticism of Estonian state institutions on many topics related to the whole population of Estonia, such as economic issues, corruption, conflicts between Estonian political parties, legislation in the social sphere, etc., except for questions regarding the political and cultural rights of Russians and non-citizens.

2.3. Owner's interests

After the Estonian Communist Party Committee ceased in 1991, the former party newspapers were privatised. The largest Russian dailies, *Estonija* and *Molodjozh Estonii*, were privatised by their own journalists. Gradually their editors became the main shareholders. After 1992 the financial situation of these newspapers grew perilous, as the production expenses rapidly increased while the circulation of all newspapers was gradually falling. The newspapers in this period realised that they could not be financially independent and had to seek additional sources of financing such as advertising and outside investment. In 1996 the newspaper *Estonija* was privatised by Rukon-Info Ltd. and *Molodjozh Estonii* was officially privatised in September 2000 by the liquor-producing company Onistar. These two companies, as well as some companies that published advertisements in these newspapers, were also openly or latently sponsoring so-called Russian political parties/blocks/movements.

The question thus arises as to whose interests were represented in the press in this period. A brief analysis of the Russian-language newspapers during the Parliamentary elections of 1996 and the local government elections of 1999 is useful in determining the answer.

During the Parliamentary elections of 1996, the Russian-language newspapers mostly gave column space to the representatives of the Russian parties. The parties stressed the necessity "to protect people's (non-citizens') rights." They formulated the main problem of non-citizens as "difficulties in participation in the elections," although an analysis of reader feedback (see below) has shown that the readers themselves did not see any problems on this subject. In fact, all residents, including non-citizens with temporary residence permits, were allowed to vote in the municipal elections. Representatives of the Russian parties tried to create the illusion that the situation in Estonia could be quickly and radically changed if they were elected (they often used such expressions as *it looks like, as if, like,* etc.). They shifted the responsibility for the present problems on to Estonian politicians. Until 1999, the latter were also constructed as enemies of Russians.

> Somebody finds pleasure in looking into the hungry eyes of Russian children... The inhabitants of Toompea are hostile towards the non-Estonian majority of Ida-Virumaa. *(Estonija,* 9 May 1996)

In the autumn of 1999, the strategic political aim was changed from citizenship and "protection of people's rights" to the creation of a welfare society.

> It is necessary to increase the effectiveness of the heating systems of the district, which will help to decrease expenses for communal services... to plan concrete measures in order to decrease unemployment, alleviate social problems... to build municipal living blocks for poor people... to organise local cultural and integration centres, to work out and accept the plan of co-operation of municipal council and government, NGOs, schools. (*Molodjozh Estonii,* 11 October 1999)

Russian politicians also promised to fight for the legal equality of Russians and Estonians, the status of Russian as a second official language and the preservation of Russian culture. To achieve this, it would be necessary for Russian voters to support the Russian politicians:

> Estonian parties will not solve your problems. They have a detailed plan for eliminating the Russian population, aiming at the restoration of mono-ethnic state. ... Russian-speakers do not trust Estonian deputies to solve their problems. They seek support from the Russian Party and have the right to be represented in legislative bodies of the town and country. (*Molodjozh Estonii,* 13. October 1999)

In general, in the election periods in 1996 and 1999, the Russian newspapers mainly supported Russian political parties and blocks. The methods used by Russian politicians, business leaders and journalists in 1996 and 1999, show that on the one hand they were interested in preserving a certain stability or at least avoiding social outburst, as it could harm their business and social position. In order to reach this goal, the Russian language press often softened the information in crisis periods with calls for patience, expectation, peace: *one should be patient, there is no sense in complaining, all the difficulties are determined by the stars, let's think, let's stop, don't hurry,* etc. On the other hand, the Russian-language press was trying to maintain some degree of social tension, so that Russians would feel the need to view Russian politicians as saviours and advocates. The strategic aims of such behaviour were: 1) to inhibit the social processes; 2) to segregate the Russian population from the Estonian population and institutions; 3) to shift the responsibility for failures and problems on the others; and 4) to attract and keep the Russian-speaking voters. The underlying motive of these aims was apparently the preservation or improvement of the social status of the current leaders of the Russian community.

2.4. The audience and its interests

On the basis of studies of readers' letters and telephone calls published in the newspapers for 1991, 1996 and 1999, it is possible to compare the topics prevalent during these years and to make a comparative table about how the audience used the press in 1991–1999 (see Table 7.1). Only texts produced by people on their own initiative were considered.

Table 1. Types of readers' letters to the Russian-language press, 1991–1999

Type of letter	1991	1996	1999 [1]
Complaints	45.6	60.9	10.5
Expression of opinion (contains constructive proposals)	33.3	4.7	21.0
Using as a channel of communication with politicians	6.0	>1.0	10.5
Applying to newspaper as to collective board	5.2	0	0
Using as an "Infotable"	4.7	28.2	36.8
Using for solving personal problems	5.2	5.5	26.3

1 In 1999, data was collected only a week before the elections, while in 1991 and 1996 a content-analysis of all letters was carried out for 6 months.

Sources: Jakobson, 1996; Jakobson & Iljina, 2000

Two topics were dominant in 1996:
1) problems connected with the legal status of non-citizens (31% of letters);
2) the decrease in the quality of life in general (30% of letters).

The topics of other letters were connected with these two (a decrease in the quality of medical service, the growth of unemployment and the crime rate, family problems connected with the lack of documents or residence permits in Estonia by one member of the family, etc.). In 1999 the main topics were the necessity of improving the quality of life in different spheres, social care, and the need for information necessary to protect peoples' rights in the economic daily sphere (63%). Thus, the topics connected with the decrease in living standards and daily economic problems dominated these years and their importance increased as time passed.

It is also important to compare the ways the press was used by its audience during these years. Table 1 shows the ever-growing tendency of using the press as an "infodesk" (readers ask for information from the newspaper or its lawyer). Using the press for solving personal problems in 1999 became very similar to its usage as an "infodesk" (where a reader asks a journalist for help in getting information from a certain institution). Also, the content of a category such as "expression of opinion and constructive proposals" changes, as in 1991 those proposals were addressed primarily to society in general, yet in 1999 were focused on certain addressees (for example, members of residents' cooperatives, management of a factory, administration of a district, specialists working out the programme of teaching Estonian to Russians, etc.).

During the 1990s, the same primary traits of the "social ideal" of the audience could be observed: civic equality, stable legal status, financial stability and a high level of information. While in the period 1991–1996 the population expected that state and municipal institutions would help them reach this ideal, by 1999 the main methods proposed by representatives of the population had changed to the independent solving of problems, activity and self-organisation. At the same time, practically all other sources of information reported that the population increasingly turned to illegal ways of achieving their aims, probably because the

legal means were too complicated. People relied mainly upon themselves, and did not ask for help or complain. In 1999, people mostly asked the press questions of *where* to go or *where* to get additional information to solve a problem, but not *how* to solve the problem. Searching for ways of achieving aims, people seldom applied to the media and preferred alternative sources of information (rumours, or information obtained on an interpersonal level – Jakobson, 1996; Pettai, 1999).

2.5. Constructing the Russian and Estonian communities and their interrelations

In 1999 the Russian community was described in the Russian-language press as mostly consisting of *poor Russian voters, having no citizenship*, and it was mostly differentiated on the basis of age and sex. The dominant definitions were connected to various forms of deprivation, including moral and intellectual (*passive, frightened, distressed, uninformed, unaware, offended, marginalised*), economic (*poor, deprived*), and legal deprivation (*non-citizens, discriminated*). In cases where youngsters were mentioned, they were most often characterised by some form of deviance (*drug-addicts, criminals, drunkards, poor*). Only in a few articles was the audience was described as active (*house dwellers*). In 2000 the situation had changed. In a large number of articles (45% for *Estonija* and 70% for *Molodjozh Estonii*), representatives of the Russian community were described as active (*town dwellers, successful high school students, Russian politicians, Russians as a cultural minority, simple readers)*. In other materials, the old paradigm is preserved: passive Russians are described as victims of discrimination (*former KGB-officers, non-citizens, Orthodox believers, youngsters, Russians in Estonia, deceived, children)*. It is necessary to note that such different behaviours of the two dailies could be explained by the difference in their position. As *Estonija* is more middle class and local Russian élite-oriented, the old paradigm still prevails. At the same time, *Molodjozh Estonii*, whose circulation has dramatically fallen, desperately needs to attract readership in order to become an effective instrument for its owners, and tries to come closer to the audience.

During the period 1992–1996, Estonians were construed in the Russian press as consisting of two main groups:
1) "simple people," friendly to Russians and oppressed by the state;
2) "national-radicals" (nationalist-minded politicians), hostile towards Russians.

Under this construct, it was the Soviet regime or certain of its institutions, the pro-Soviet Intermovement or Estonian nationalist-minded politicians, who were guilty of creating tensions and misunderstanding, but not the Estonian Russian-speakers or Estonians as ethnic groups. In 1998–1999, these images practically disappeared from the Russian press. The two main images presented in the Russian-language press were:
1) the Estonian official, polite and neat, not overtly hostile towards Russians, but indifferent to the needs and problems of "simple people" and estranged from them;
2) Estonian intellectuals and enthusiasts – teachers, scientists, bringing Estonian culture to Russians, helping them to integrate into Estonian society.

In many cases the Estonians were represented as "looking down from above," "teaching and civilising," and "tolerant" towards Russians. Thus, these images could hardly be accepted by representatives of the audience as "their own."

In the 1990s the Russian-language press informed its audience about the main events of Estonian political, economic, social and cultural life, published essays on Estonian history, etc. It was certainly a difficult problem to select the proportion and combination of materials to both bind the diasporal community with the major society and its historical motherland, and cover the life of this community in particular. Nevertheless, the press could evidently play a more important role in integrating the Russian-speaking community into Estonian society, as according to many reports, local Russian-speakers (even those who have learned the Estonian language) entering into the Estonian environment feel a cultural shock. It is more likely that throughout the Russian-language press, non-Estonians were given the illusion of "being informed" about Estonians, the Estonian state and society.

Conclusions

Compared to the *perestroika* period, the 1990s saw a reduction in the informative function of the Russian press. The performance by the press of the sub-function of orienting the population and adapting it to the changing environment was limited. Its role in socialisation diminished, especially with regards to young people, and it remained unused as a tool of integration of society.

The minority press instead performed such sub-functions of the regulative function as filtering, i.e., limiting information and segregating the Russian population from Estonians and the institutions of the Estonian state. The press compensated for the need for information instead of satisfying it, as only 20% of non-Estonians in 1996 and 30% of non-Estonians in May 2000 considered themselves to be well-informed (Saar Poll 2000). Also, the sub-function of activisation declined throughout this period. The result of this functioning led to the performance by the press of the role of social damper.

In connection with the political struggle in general, especially during the election periods, the press also played a role of "trader-mediator," trying to "sell" votes and the trust of the voters for the political élites. Nevertheless, it was not a very successful agent, as despite aggressive propaganda campaigns, in October 1999 more than 50% of non-Estonians did not participate in municipal elections and over one third of the voters voted for "Estonian" parties. Also, in order to maintain political correctness, it was "selling" to the state and officials the loyalties of Russian-speakers, giving column space to numerous explanations of their aims and methods, and promulgating calls to be patient and wait.

The performance of these roles was effective until 1996. The press was a particularly effective "damper" in the years 1992–1993, when it helped to alleviate inter-ethnic conflict. Since 1997, however, an intensification of the integration process between the population groups has been observed. Poor quality information, the lack of analysis and constructive proposals instigate a further

rejection of the press by the readership, as well as a preference for alternative sources of information (primarily interpersonal communication).

The importance of the press to its potential audience decreased. This tendency is illustrated by the fact that only 33% of non-Estonians regularly read local Russian-language dailies and 56% do it as little as once per week (Vihalemm, 2000). It also reveals itself in the permanent decrease of press circulation from 68,000 (*Estonija*) and 95,000 (*Molodjozh Estonii*) copies in 1989 to 22,000–25,000 copies in 1992 and only 8,000 copies in 2001. Thus, the effectiveness of the performance of its roles has also decreased and as a result, the role of the Russian press in Estonia is fast becoming superfluous.

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8. Development of Media Regulation in Estonia: 1988–2001

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Estonia has experienced a free media only during 1920–1933 and since the very end of the 1980s. This is a fairly short time in which to develop media regulation in a democratic society, especially compared with societies where press freedom has lasted over one hundred years. Hence, in Estonia in the beginning of 1990s, after the first exuberance of media freedom, the need to achieve contemporary regulation of the mass media became paramount.

A society in transition can copy the means of regulation (e.g., implementation of new laws and enforcement of a self-regulation system) from countries with long experience with democracy and press freedom. Another way is to learn the discourse of normative regulation of public communication and mass media and adopt the available concepts and laws selectively. The discourse can be developed and learned during the course of conflicts between the mass media and other interest groups and demands time-consuming public negotiations concerning freedom of expression and the conflicting rights (e.g., an individual's right to privacy vs. protection of honour). The development of the discourse is verbally reflected in new legal acts, decisions of the courts and various press councils, public debates over media performance, etc.

This chapter analyses the development of the discourse of the normative regulation of mass media in Estonian during the 1990s. The media has traditionally been regulated legally. There are some laws that apply primarily to the mass media, but most of the legal norms are scattered throughout various codes. In practice the law is interpreted by lawsuits. Therefore one country might have "sleeping codes" that are not applied, while other statutes are interpreted by numerous lawsuits and therefore actively contribute to the normative media discourse.

The chapter begins with an overview of the development of legal means of media regulation, followed the self-regulation system of mass media in Estonia.

The chapter examines both the operating regulation in Estonia (laws and court practice) and the regulation of the mass media implemented in other democratic countries but which is not applied in Estonian laws and cases. The question of absent regulation is relevant in order to compare the communication norms with those of other democracies. To enable comparability, the analysis is based on a comparative research study made in 1993 on media regulation in eleven countries. This research used twenty-two categories (Coliver, 1993). The modified variant of the comparative research categories are:

- constitutional provisions;
- statutory framework (Single Press Act, provisions affecting the media content)
- access and disclosure of information (including official secrecy, commercial secrecy, etc.);
- protection of personal data and invasion of privacy;
- defamation (including insults to government institutions or officials);
- right of reply and correction;
- protection of sources;
- blasphemy, obscenity and protection of public morals;
- restrictions on advertising;
- self-regulation system.

Also examined is how the Estonian media regulation corresponds to Article 10 of the European Convention on Human Rights, which defines the freedom of expression[1]. The first paragraph of Article 10 declares: "Everyone has the right to freedom of expression. This right shall include freedom to *hold opinions* and to *receive* and *impart information* [emphasis added – H.H.] and ideas without interference ...". As the freedom of expression is not an absolute right, Article 10 also provides a list of rights that might conflict with the freedom of expression and therefore might limit it:

- the right of the state to licence broadcasting, television and cinema enterprise;
- interests of national security, territorial integrity and public safety;
- prevention of disorder or crime;
- the protection of health or morals;
- the protection of the reputation or rights of others;
- prevention the disclosure of information received in confidence;
- maintaining the authority and impartiality of the judiciary.

Hence, the analysis of the development of the regulation of public communication and media in Estonia will also assess the balance between the rights set forth by the Convention's Article.

1. Late 1980s – middle 1990s

The beginning of the 1990s can be characterised as the period when freedom of expression was interpreted as absolute freedom. After almost 50 years of living under censorship, the achievement of press freedom was the top priority. In addition, when the media played a significant role in the national independence movement, there was little ground for conflict between public, personal and media interests. The basis for conflicts emerged gradually in conjunction with the privatisation and commercialisation of the media that steadily started in the beginning of the 1990s.

The Soviet regime precluded any special laws regulating the mass media as well as any lawsuits against the media. The channels of the mass media were

[1] Estonia signed the Convention on 14 May 1993; the Convention and its protocols 1, 4, and 7 were enacted in 1996.

considered a voice of the Communist Party; hence the directive documents of the Party were the only guidance for media performance. Still, the legal possibility to protect ones honour was available through Article 8 of the Soviet Estonian Civil Code (which covered untrue and defamatory data) or Article 13 of the Soviet Estonian Penal Code (insults). This law was not applied to media content until 1988, when three Estonian politicians started a lawsuit against correspondents of TASS. The focus of this lawsuit was disseminating untrue and defamatory information by the journalists. Although the information was circulated personally, i.e., not through the official media channels, the complainant emphasised that making the data available even to one person would be considered dissemination. The complainants did not sue to punish the journalists but pointed out their responsibility for publicising incorrect information. The court decided that an adjusted statement should be published (Harro, 1994: 113).

The need for particular legislation covering the mass media was discussed in the early 1990s. Several drafts of the Press Law were written, but none of them passed. At first, no one could sufficiently define the object of regulation. Should the law be applicable to the printed press only, should it include also broadcasting or should it regulate information processing? Another strong argument against a special press or media law was that Constitution should be passed first. The Constitution[2] was passed in 1992. The public discussion finally determined that there was no need for special regulation of the mass media and that over-regulation might damage the newly achieved communication freedom rather than protect it.

Paragraphs 44 and 45 of the Constitution of Estonia guarantee the right to freedom of expression and the right to receive information in the following terms:

> § 44. Everyone has the right to freely obtain information disseminated for public use.
>
> All state agencies, local governments, and their officials have a duty to provide information about their activities, pursuant to procedure provided by law, to an Estonian citizen at his or her request, except information the disclosure of which is prohibited by law, and information intended exclusively for internal use.
>
> An Estonian citizen has the right to access information about himself or herself held in state agencies and local governments and in state and local government archives, pursuant to procedure provided by law. This right may be restricted pursuant to laws to protect the rights and freedoms of others or the confidentiality of a child's filiation, and in the interests of combating a criminal offence, apprehending a criminal offender, or ascertaining the truth in a criminal procedure.
>
> Citizens of foreign states and stateless persons who are in Estonia have the rights specified in paragraphs two and three of this section equally with Estonian citizens, unless otherwise provided by law.

[2] The unofficial translations of Estonian legal acts provided by the Estonian Legal Translation Centre are available at www.legaltext.ee.

> § 45. Everyone has the right to freely disseminate ideas, opinions, beliefs and other information by word, print, picture or other means. Laws to protect public order, morals, and the rights and freedoms, health, honour and good name of others may restrict this right. This right may also be restricted by law for state and local government public servants, to protect a state or business secret or information received in confidence, which has become known to them by reason of their office, and the family and private life of others, as well as in the interests of justice. There is no censorship.

Article 17 of the Constitution guarantees the protection of honour.

The Estonian Constitution is traditional in the sense that the freedom to express one's ideas may be limited by provisions of other laws including those which protect personal rights, national security, interest of justice, etc. One can conclude that it has taken almost 10 years to develop modern and comprehensive laws.

In general, while society went through very basic reforms in the beginning of 1990s, the regulation of public communication was not the highest priority, with the exception of the regulation of broadcasting. As the first commercial radio stations started in 1991, the lack of legislation concerning broadcasting became apparent. However, the political discussion on broadcasting law lasted until 1994, when the first version of the Broadcasting Act was finally passed. That law was only "the frame law" that provided essential regulation for the performance of commercial and public television and radio stations. The law did not provide policy for fundamental questions such as: Is public broadcasting allowed to show advertising? If not, what should be the financial schema for public television and radio? What is the main function of public broadcasting programming and what should be the mechanism to decide the content and quantity of public service programmes? The Broadcasting Act has been amended several times during the 1990s. Although several drafts of a new broadcasting law were proposed in the 1990s, none of these have been passed.

Whether a conflicts between individuals (organisations) and the media is taken to court depends on existing laws but also on the access and cost of a lawsuit. If a lawsuit against the media is complicated or very expensive, the legal regulation of the media is weak though there may be many laws. The "freedom of the press" thus appears to be very high but it is not the result of high esteem of public communication and democracy, rather this "freedom" is achieved through defenceless individual rights (e.g., right for honour, right for privacy, etc.).

Until the middle 1990s, relatively few people sued media organisations. Most of those lawsuits concerned defamation. In 1991, the court case *Tiit Made versus Eesti Ekspress* (a politician against a weekly newspaper) entailed the first public discussion about the nature of defamation.

In 1992 Väino Villik brought an action against *Eesti Ekspress*, drawing on Article 25 of the Estonian Constitution, which gives an individual the right for reparation in the event of moral damage. The case was deadlocked because the suit was against a trademark and not against the owners. That was a lesson about "who is responsible for published information and is a potential defendant" (Harro, 1994: 115).

In 1994 the Soviet Estonian Civil Code that had been in effect since 1965 was changed. The new Civil Code modified the definition of defamation (Article 23) and also included the right to privacy (Article 24), but media organisations and journalists have been sued on the basis of intrusion of privacy only in very few cases.

Division 4 (Protection of Personal Rights) of the General Principles of the Civil Code states that:

> A person has the right to demand termination of defamation, refutation of defamatory information concerning the person and compensation for moral and proprietary damage caused by the defamation ... unless the defamer proves the accuracy of the information." In addition, if inaccurate information is disseminated through mass medium, it shall be refuted in the same medium (Estonian Civil Code, Article 23/2).

In addition, defamation is regulated by the Estonian Penal Code, which was passed in May 1992. It was a modification of an old Soviet Penal Code. Article 129 states:

> Dissemination, knowingly, of false or embarrassing unfounded information, or in a petition or anonymous letter submitted to a state, non-profit or other organisation, is punishable by a fine or detention. (2) Defamation in print or by other means accessible by several persons, or in a petition or anonymous letter submitted to a state, non-profit organisation, is punishable by a fine or detention.

Article 130 of the Penal Code defines an insult as "degradation of the honour or dignity of another person in an improper manner."

In 1996, Toomas Liiva, the Editor-in-Chief of the most-sued newspaper *Post*, published an analytical summary of the defamation lawsuits against mass media organisations in 1994–1995. He analysed 18 civil and criminal charges against media organisations and journalists and concluded that, "Due to the court practice, press freedom has been limited significantly within the last years" (Liiva, 1996: 1). Hence, during the first half of the 1990s the Estonian press learned that press freedom is a limited right, but the practice of deciding on the borders was inconsistent.

If there are enough lawsuits against the mass media, the decisions of the court set the final rules and borders on public communication. In a transition society the court also goes through reformation; hence, the court might be not ready to solve complicated conflicts concerning the mass media. Legal acts concerning defamation were interpreted in many cases against the mass media during the 1990s. One can point out now the deficiencies of these laws concerning the sophisticated concept of protection of an individual's honour.

Until the middle of 1990s, different lawsuits about defamation reflected different understanding about what was a defamatory statement, what was moral damage, who should prove the real damage, who could estimate the sum for compensation, etc. In most cases the judges decided that even if the defamation had taken place, the plaintiff had not proven the moral damage.

An example of the fact that typical citizens could not protect themselves from journalistic malpractice, as they could not afford sufficient legal aid, dates back to 1996. On 13 July 1996, the national daily *Postimees* published a photo of a fat woman in the humour section. In an ironical way the woman was called a Summer Hag. The person depicted on the archive photograph happened to be a actual living person. The photo was originally taken, but not published, for a story in the early 1990s about workers at a meat processing plant. After the photo was printed in 1996, the woman heard from her relatives. In her lawsuit, she claimed: "As I am paid for my tough work 3,000 kroons per month, I am able to pay the state duty in the amount of 300 kroons. If I can save money for the state duty, I will increase the demand."

Postimees defended itself with the argument that according to the Article 23 of the Civil Code, "defamation" meant publication of inadequate data, not corresponding to reality. Consequently, when the data is correct, although expressing an offensive and negative attitude towards the person, it cannot be the grounds for a lawsuit. *Postimees* also argued that the claim of direct and moral damages was not justified. The case never reached a verdict.

2. Second half of the 1990s: Defined problems but open ends

During the second half of the 1990s, Estonian society reached the stage of increasing conceptual discussions on media regulation. The main problems can be listed as following: defamation – a crime or civil tort; different status of people (public persons and private individuals); difference between fact and opinion and the protection of opinion; definition of public and private information; access to public information and state secrets. The discussion on the regulation of broadcasting continued and did not reach any final decision. The Personal Data Protection Act was passed in 1996. The Advertising Act, the Databases Act and the Act to Regulate Dissemination of Works Which Contain Pornography or Promote Violence or Cruelty were passed in 1997. The regulation of information in Estonia became more sophisticated.

2.1. Problems of defamation

The Estonian Parliament ratified the European Convention for the Protection of Human Rights and Fundamental Freedoms in April 1996; hence the Strasbourg Court practice was also applicable in Estonian courts. The change concerned concepts that are not rooted in the Estonian legal system. For example, in *Castells versus Spain* (1992), the European Court ruled that governments are required to suffer an even greater degree of scrutiny than politicians (Coliver, 1992: 251). Another conceptual change concerned the protection of strong opinion in political discussion. The European Court ruled in *Lingens and Oberschlich versus Austria* (1997) holdings that the requirement that a journalist should prove a value judgement

is impossible and is itself an infringement on the freedom of expression (Coliver, 1992: 251).

The first Estonian suit where the status of the plaintiff was raised was held in Võru country court in 1995 (*Tõnu Anton versus Postimees*, a local politician *versus* leading daily). The newspaper's lawyer asked the court to take into consideration that the plaintiff was a politician who should sustain stronger critical opinions about his activities that ordinary people. The court accepted this view.

Further court practice concerning the status of the plaintiff has been inconsistent. The District Court of Tallinn ruled in 1996 that persons who run for parliament should anticipate higher public scrutiny and their tolerance of criticism should be greater than that of ordinary citizens (*Ulvi Valdja and Heiki Sookruus versus Keila Leht*, court decision 31 October 1996, p. 3). The District Court of Tallinn ruled in June 1997 that a "politician like any other citizen should be protected against insult, especially mass mediated insult." (*Peeter Kreitzberg versus AS Cronoes*, the article was published in the weekly *Eesti Ekspress;* Decision of the District Court of Tallinn, 13 June 1997, p. 3). However the State Court ruled in October 1997 about the same case (*Kreitzberg versus AS Crones*) that a public person who has voluntarily placed himself under public scrutiny could suffer moral damage only if the untrue information about him was extremely offensive (Decision of the District Court of Tallinn, 2 February 1998, p. 2). In summary, Estonian court practice had defined by 1998 that politicians should withstand sharper criticism than a common citizen.

The question about defamatory factual statement and opinion has also been inconsistent until two important cases reached the State Court (Supreme Court): *Vilja Laanaru versus Enno Tammer* (1996/1997) and *Yens Marsen Luther versus Ülo Pärnits and AS Media* (1997). With the suit *Laanaru versus Tammer*, Estonian society discussed the question of whether an insult in the media can only be a tort or also a crime. *Laanaru versus Tammer is* also the only case in Estonia that was taken to the European Court on the basis of Article 10 (*Tammer versus Estonia*, application no. 41205/98).

As stated previously, Estonian legislation provides for criminal as well civil causes of action for defamation. Criminal charges for defamation are rare, however; the most discussed case of defamation was based on Penal Code Article 130, that defines "insult." That case reflected the insufficiency of legal understanding of the sophisticated concept of defamation.

In 1996, Vilja Laanaru, at that time the mistress and assistant of prominent Estonian politician Edgar Savisaar, gave a series of interviews to journalist Ülo Russak with the intention of publishing her memoirs. In addition to intrigues between Estonian politicians, her interviews also revealed many facts about her life with Edgar Savisaar. Among other facts, Vilja said that their daughter had been living with her grandparents for several years. The interviews were published as a serial and drew much public attention. Another Estonian journalist, Enno Tammer, published an interview with journalist Ülo Russak. One of the questions Tammer asked was: "By the way, don't you feel that you have made a hero out of the wrong person? A person breaking up another's marriage (*abielulõhkuja*), an unfit and careless mother deserting her child (*rongaema*). It does

not seem to be the best example for young girls." The question was printed without a question mark and therefore was interpreted as an allegation.

Vilja Laanaru sued Enno Tammer under Article 30 of the Penal Code for allegedly being insulted. The City Court of Tallinn found Enno Tammer guilty and awarded a penalty 220 kroons (a symbolic amount of money). An appeal did not change the final decision – the journalist was found guilty. However, the case broke new ground about personal rights versus press freedom.

First, there was a discussion of whether defamation should belong in criminal law and, in case of conviction, is a journalist a criminal? The State Court referenced its decision to a deficiency in the Civil Code. The State Court said that according to the Civil Code defamation could only be claimed when an untrue factual statement degrades the plaintiff's honour. If a person feels that his honour has been besmirched by a value judgement, it is impossible to prove that allegation in a legal sense. Thus, Estonian law provides only criminal causes of action, namely, criminal law (Article 30) says that ignominy (improper estimation) is punishable. The Supreme Court had reversed this position in December 1997, holding that civil law provided remedies to protect a person's honour (*Yens Marsen Luther versus Ülo Pärnits and AS Media*).

Another topic that was discussed briefly but was not addressed in court decisions was the status of Vilja Laanaru: was she a public person? Tammer contended that Vilja Laanaru was a public figure in her own right, as she had played an independent role in the political life of Estonia by holding the high and influential position of Counsellor to the Minister of Interior. By putting herself in the centre of a secret tape-recording scandal, she had attempted to obtain additional publicity for herself. In addition, Vilja Laanaru had herself made public issue of her interference in Savisaar's marriage as well as her relationship with her daughter.

The journalist appealed against the judgement of the Estonian courts to the European Court which passed a final judgement in January 2001.

The court did not find that the impunged terms in relation to Vilja Laanaru's private life was justified by considerations of public concern. "... it has not been substantiated that her private life was among the issues that affected the public in April 1996. The applicant's remarks could therefore scarcely be regarded as serving the public interest." (*Tammer versus Estonia*, final judgement, p. 15).

Here it is useful to connect the discussion with conventions of regulating privacy matters. Article 24 of the Estonian Civil Code does not provide a privacy definition that allows an individual's own activity to determine his private sphere. Instead, it forbids trespass into a private room, unlawful observation or the collection of private data. Article 24 also primarily protects the secrecy of private communication. Thus, the legal approach to the protection of privacy according to the Civil Code is incomplete.

The most celebrated insult case was based on Article 130 of the Criminal Code. In 1998, the television magazine *Nädal* published a one-question interview with popular TV journalist Urmas Ott about writer Olev Remsu, who had previously published a critical opinion about TV sports commentator Toomas Uba. Ott's opinion about Remsu was critical, which he expressed using vulgar vocabulary.

Ott also told the editor that the magazine could print his comments. The key factor in this case was that the words were indecent and they reached the offended person via the media. After Ott was found guilty by the criminal court (Article 130 of the Penal Code – Ott was fined 10,800 kroons), Remsu sued Ott in civil court and in 2001 the Town Court awarded 200,000 kroons to Remsu for moral damages. This is the largest amount of money awarded to date for moral damages. As the court decision was made by default, the case is still continuing.

2.2. Regulation of public and private information

A substantial deficiency in the Estonian body of laws and legal interpretation comes from the limited understanding of the concept of "public information." Article 44 of the Estonian Constitution declares that every citizen has a right to receive public information according to the law. Article 44 leaves open the possibility not to provide access to "official use" information and information that is "confidential according to the law." Thus, any administrative power-holder in Estonia has enough power to arbitrarily decide what data is not public.

The discussion about the definition of public information and access to this information started in the middle 1990s. Several drafts have been discussed. In the spring of 1997, Parliament ordered the government to prepare a draft information law named the Information Act. The first State Secrets Act had been passed in 1994, the second one in 1997. In addition, the Law of Public Service and Foreign-Service obligates public servants to keep official secrets and hold confidential data. The Personal Data Protection Act (passed in 1996) is so vague that it allows almost any use of individual data. The Public Information Act was finally passed in November 2000 and might increase the transparency of society.

At a seminar in Tallinn in February 2001, lawyers stated that much uncertainty can still be observed in the system of requests for public information. Although the Public Information Act states that any kind of information intended for public use must be available immediately upon request, the law does not apply to the cases, in which access to the particular information has been regulated by some other law (Article 2). The lawyers stated that the number of these restrictions varies between 20 to 50 and there is no complete database of the restrictions. Thus, the public disclosure process can create a situation in which an official in charge of state secrets has wide discretion in interpreting the obligation to disclose public information. Also, in many cases the technical outfit disables necessary procedures.

Personal data is protected primarily by the Personal Data Protection Act, which provides definitions for personal data and delicate personal data. This is the area where the regulation also meets the confidence concept, namely, Article 128 and 167 of the Penal Code regulate the disclosure of confidential data. There is as yet no court experience about the co-functioning of these two laws.

Estonian laws cursorily regulate publishing information about court proceedings. Article 4, Section 3, Clause 5 of the Personal Data Protection Act defines the "information collected in criminal proceedings or in other proceedings to

ascertain an offence before a public court session or before a judgement is made in a matter concerning an offence" as personal sensitive data. According to the Act, the inspection of data protection is conducted by the Data Protection Inspectorate, but there are no precedents so far.

2.3. Regulation of public morals

As mentioned previously, the dissemination of works containing violence and pornography are regulated by the Act to Regulate Dissemination of Works Which Contain Pornography or Promote Violence or Cruelty, and by the Broadcasting Act. The first also defines "pornography." Article 9 of the Broadcasting Act prohibits the broadcasting of programmes with immoral contents. These two laws have been used against media once: on 18 May 2000, the very popular TV show *Kahvel* contained a portion of a show from a sex fair depicting a sexual act between two women. The broadcaster was fined 10,000 kroons.

2.4. Restrictions on advertising

Advertising in the mass media is regulated by the Advertising Act, and in broadcasting also by the Broadcasting Act. In addition, some specific fields of advertising are regulated by other laws such as the Medical Products Act, etc.

The Advertising Act requires the distinction between advertising and editorial text. It also prohibits misleading, offensive and hidden advertising. Separate requirements are set for advertising targeted to children. The advertising of alcohol has special restrictions – for example, hard liquor cannot be advertised from 7 a.m. to 9 p.m. on radio and television. Tobacco advertising is banned in any form.

The inspection of advertising activities, especially concerning hidden advertising, is inefficient because it is often difficult to prove that there has been payment for published materials. Also, the monitoring sufficient to observe all advertisements, particularly in broadcasting, is not availablable.

3. Development of self-regulation

The Estonian Newspapers' Association established the first Press Council in 1991. The pattern for the Estonian Press Council was taken from Finland. During the first two years the Press Council received few complaints. Neither the public nor the media knew much about the self-regulatory system.

The Council became more active in 1993. Estonian journalists at that time had no code of professional conduct or any other written rules. The Council thus based its decisions on more or less universal rules operative in North European countries.

By the end of 1992 the Press Council received 19 complains; by the end of 1994, 51 complaints. During the period 1995–1996, the total number of complaints was 29. Until the middle of 1990s the subject matter of complaints varied, but the most common problem was linked with "contempt of court" – biased reporting about lawsuits in progress. This matter was and is not regulated legally, which may explain why the problem was put on the self-regulatory system. Another reason might be better-informed lawyers who were eager to test the new means of media regulation.

The Estonian Press Council (EPC) was reorganised in April 1997 by six media-related organisations: the Newspapers' Association, the Broadcasters' Association, the Association of Media Educators, the Journalists' Union, national public radio and TV, and the Consumers' Union. The Network of Non-Profit Organisations and the Council of Churches joined the EPC in 1999.

A Code of Ethics was adopted in December 1997. This was preceded by open discussion and the receipt of numerous amendments. The Estonian practice of introducing self-regulation was contrary to several other post-Communist societies (e.g., Slovenia and Latvia). The Estonian media first established the council and later passed the code of good practice. That was reasonable because the existence of the code itself does not provide interpretation of good and reprehensible journalistic practices; it remains a "sleeping code." The Press Council (or any other body designed to receive complaints about media performance) channels complaints and therefore serves as a bridge between the press and other interested parties discussing the rules of public communication.

The ideology of the Estonian Press Council assumes that the professional community of journalists should not solely define the rules of good professional conduct; rather, it is a matter of public concern. The task was thus to promote the principles of self-regulation among the profession and to introduce it to the public. Seminars were held in 1998 and a manual for the public, "How to Manage with the Media" was published and the website of the Council makes available all the adjudications (www.asn.org.ee).

In 1995 the Press Council received 14 complaints; 1996 – 12; 1997 – 18, but then the numbers rose: 1998 – 32; 1999 – 37; and in 2000 – 37 complaints. As the function of the Press Council can be fulfilled only if the system is known and easily available to the public, it is also important to analyse the structure of the complainants.

According to Table 8.1, the number of private individuals as complainants has increased steadily and the number of high public figures among complainants has decreased from 1996. Hence, it is possible to conclude that the Estonian Press Council has fulfilled the objective that the self-regulation system should be accessible to those people who can not afford a lawsuit against the media. It is important to add that most of the lawsuits (defamation claims) against the media organisations were initiated by the public and by powerful people.

About one third of the cases since 1997 have been upheld. During the last few years the most frequent reason has been the reckless control of embarassing facts and one-sided reporting (for example, 9 out of 13 upheld cases in 2000). In most such cases the reputation of an individual was harmed. Article 1.5 of the Code of

Table 8.1. The dynamics of the complaints and complainants, 1996–2000

Complaints made by ...	1996	1997	1998	1999	2000
... an individual	1	4	9	12	15
... high public figure or government institution	1	6	11	4	3
... half-public figure	4	1	3	6	6
... private company	3	3	0	2	4
... NGO	0	1	1	1	3
... other	6	8	9	12	6
Total	15	23	33	37	37

Source: Estonian Press Council

Ethics of the Estonian press says: "The reputation of any individual shall not be unduly harmed without there being sufficient evidence that the information regarding the person is in the public interest." In addition, Article 5.1 of the Code of Ethics of the Estonian press says: "Individuals subjected to serious accusations should be offered an opportunity for immediate rebuttal in the same edition or programme."

Sometimes the false, misleading or accusative facts have been emphasized by journalistic means, in headlines and in editorials. The first-mentioned tendency marks the growing pressure of creating interest in the news industry. Cases that are caused by the use of poorly controlled facts in editorials have impeached the simplified approach to the "freedom of opinion" concept. Sometimes Estonian journalists handle opinion-genres as a sort of privileged format that justifies inaccuracy. In addition, journalists do not always remember that strong conclusions based on false or incomplete facts might reinforce groundless accusations.

For example, in 1999 a previous chancellor was accused of being linked to corruption (case no. 188, Estonian Press Council). On 29 August 1999, *Eesti Päevaleht* published an article in which they revealed different facts about the illegal activity of a publishing company. Among other facts, the newspaper said the wife of the ex-chancellor was working at the company as a bookkeeper and that she was regularly getting money from the company. The next day the newspaper attempted to publish a correction by saying that the ex-chancellor's wife had never worked in the company but that one of his relatives was working as a bookkeeper. This fact was also false but was used in an editorial in which the newspaper directly stated that because the ex-chancellor's relative was working in the accused company, the newspaper could therefore speak about the corruption. In fact, the distantly related relative worked in the company as a language editor and started only two days after the article was published.

The same type of problem – opinion based on poor reporting – has arisen in some other cases as well (*Ain Otstavel versus Eesti Päevaleht*, 1998, case no. 136; *Fertilitas versus Eesti Päevaleht*, 1999, case no. 195). Not all these cases have been upheld, especially if the groundless accusations were not reinforced by the columnist. However, these cases reflect the specific problem of media ethics in

Estonia today: the conflicts often emerge from the poor quality of journalistic work instead of from serious ethical dilemmas.

Sometimes journalists only mechanically understand the demand of complete and unbiased reporting. If a quote or reference from the accused party is presented in the story, journalists count the requirement as fulfilled even though the commentary of the accused party might be not be relevant to the accusation.

Cases concerning the exposure of dead people and children in the media reflect more ethical choices made by the Estonian media and the position of the Estonian Press Council.

Problems with the exposure of dead people began with the case of a photograph of five murdered people in 1994. In 1999, while discussing a photograph of an infant that starved to death, the Press Council phrased more general principles of publishing photography or video material of a corpse. "Showing a photograph or film is justified in case the material carries an aesthetic value or message ... That should be done with all respect towards death, the victim, his or her family, as well as the public." The matter is not violated by the press any more, but is still done so by some TV channels.

The representation of children has been discussed in a different context. Most of these cases have been upheld by the Council. In 1996 a newspaper published a detailed and biased article about a lawsuit involving child custody (case no. 99). In 1998 a newspaper published an article about some children whose drunken parents were supposed to lose their parental rights (case no. 145). The children were identified (by a large photo) and their life was described as very wretched. In 1998 a weekly magazine published a list of the secondary schools that had the lowest final exam results. The cover picture of the magazine was designed to illustrate the article (depicting a boy with an opened skull full of chaff) and included the caption, "Where do chaff-heads grow?" The president of the Estonian Union of Child Welfare made a complaint. In order to find out if the cover could offend children or teachers, the Estonian Press Council carried out an opinion poll in one of the listed 50 schools (64 students answered). The majority of the students found the picture offensive although they were not informed why the question was asked. In 1999 Kimmo Koivikko, a student at Tartu University, conducted an experiment: he asked the Finnish Press Council to evaluate the same case (Koivikko 2000). The Finnish Press Council interpreted the article and cover page as a critique against the educational system, not against those schools, students and teachers. This case demonstrates that "good journalistic practice" is dependent on specific cultural context.

In 1998 a newspaper fully identified a juvenile victim of harassment and published embarrassing details about his life with his natural mother. In 2000 three newspapers published a photo of an eleven-year-old-boy who (under vague circumstances) set fire to his friend. Most of these cases have posed an ethical dilemma: is the priority of the mass media to inform the public or to protect children? The Estonian Press Council has supported the latter value.

The presumption of innocence in most cases is the result of journalistic mislabelling: someone is named a murderer before conviction, just because the police suspect the person of being involved in a crime. But the most sophisticated case

in the whole history of the Estonian Press Council was discussed in 1999: "Unsolved Murder Case of a Provost". The article was considered several times by the EPC and the final decision (the case was upheld) was taken by majority voting. The article covered a ten-year-old unsolved murder case that was closed because there was not enough evidence to accuse anyone. The journalist presented his version about the murderer. The journalist did not directly name anyone as a criminal; still, the story was presented in a way that excluded other possible suspects. The Press Council analysed the construction of the story. In addition, the article did not contain any new information that could have qualitatively changed the situation, e.g., impel the police to further investigate the case and take the case to court before expiring in April 2000. The Council asked about the actual public interest and did not find any that could outweigh the harm that was caused to the accused priest. In addition, from the text of that same article it became clear that the journalist should have known before publication that *de jure* the murder case would never be solved. The accused priest will thus never be able to free himself from public suspicion of murder.

Such cases demand analytical experience from the Council. Therefore the personnel of the Estonian Press Council have been rotated differently. Some people are in Council for 2 or 4 years, others for 8 or 10 years.

4. The 2000s: Amendment of laws, economic pressure on media freedom

By the end of the 1990s the laws that affect individual rights, especially the right for the protection of one's honour, were in the process of renewal. As mentioned previously, the insufficient protection in the case of defamation was pointed out by the State Court in 1997 in the case *Laanaru versus Tammer*.

In 1997 the special body between the criminal and the civil boards of the State Court tried to find a solution to the case *Yens Marsen Luther versus Ülo Pärnits and AS Media (Ltd).*

A sentence by Pärnits served as basis for the case: "Luther is a classical blackmailer as are all square heads." The court established that the sentence contained both a defamatory factual allegation, the compliance with actuality of which could be verified ("blackmailer"), and an offensive evaluation ("square head"). The highest court found that all rights mentioned in Article 23 ("right to demand termination of defamation, refutation of defamatory information and compensation for moral and proprietary damage") serve as an independent civil means of protection. Thus, termination of defamation can be requested and compensation for moral and proprietary damage can be awarded if the defamation was caused by a value judgement.

This adjudication demonstrates clearly that the old defamation law had gone out of date. The problem was solved by a general private law reform, which included the Law of Obligations (passed in October 2001).

The protection of honour is now regulated by the new Law of Obligations and the new Penal Code. The former will displace the Civic Code. The draft of Article

1151 says that it is unlawful to malign someone's honour, include an incorrect assessment, misuse someone's name or identification mark, violate a person's privacy or any other similar personal right. Article 1152 makes unlawful the publication of wrong or incomplete data about a person or his activities. In sum, the new law provides a more explicit defence against libel accusation for the media organisations. Namely, a plaintiff must prove that he checked the data with thoroughness in correspondence to the published accusation. Thus, if he proves that he had no doubts that the data were untrue, then he cannot be responsible for the libel. In addition, the publisher (as a defendant) might prove that publishing was in accordance with "justified interest" (Article 1152, p. 3). On one hand, this demand pushes media organisations to put more emphasis on checking the harmful facts, while on the other hand the clause provides a greater defence of publishing data in the public interest. The draft of the Law of Obligations also sets forth that the misuse of someone's name is wrongful.

If the Law of Obligations had been passed, the lawsuit *Müürsepp versus Eesti Ekspress* would have been handled differently. In December 2000 the Town Court of Tallinn heard this lawsuit as a defamation case. The newspaper published a marriage announcement in the name of the sportsman without his consent. The Town Court of Tallinn acquitted the newspaper. The attorney for basketball player Müürsepp alleged that his client's name was misused. Article 23 of the then-valid Civil Code only gave the plaintiff the opportunity to demand the repudiation of untrue and defamatory data. The court said that the damage to the sportsman's reputation was not proven and in addition, any reasonable person would recognise the announcement as humour.

The case again raised the question of the media's right to use information that has been already revealed to the public by the individual. The case also raises the question of the boundaries of the freedom of press to damage the original context of the information.

The decision of the court was appealed and therefore is not available publicly. Here the approach to public information is again confusing. Although the court should be public, the Law of Public Information does not cover court documentation and immediate access to the information depends on one's relations with a certain judge.

The Penal Code was also reformed. According to the new Penal Code, Article 132 says that it is a crime to publish a defamatory statement against someone's reputation if the publisher knew that the statement was untrue. Article 133 provides a penalty (equivalent to 300 day's salary) if a person is insulted in an improper way. The first version of the draft provided the possibility for a heavier punishment for insults against an official person, but this version was criticised publicly and was withdrawn.

Economic power is the third direct agency that influences the communication freedom in a society. A news organisation may enjoy freedom but that does not necessarily equate to independence for a journalist. If a journalist is forced to be loyal to the media organisation and not to his professional ethics and values, the journalistic community does not function as a counterbalance against the commercial interests of the owners. In a transition society, the process of media

concentration and job shortages is a force that seriously affects the loyalty to high professional standards.

In the end of the 1990s and the beginning of 2000, the journalistic job market considerably diminished. The largest daily *Postimees* moved in 1998 from Estonia's second-largest city Tartu to the capital Tallinn. A small part of the staff remained to Tartu and started to publish a local edition of the daily. In 2000, two competing tabloids were merged and about 30 journalists lost their jobs. There are currently four national dailies in the Estonian language (all situated in Tallinn). The same companies that own the national dailies also own most of the local newspapers. Three national commercial TV stations incurred large losses throughout several years and in the autumn of 2001 the prognosis that at least some of them would merge or disappear came true – TV 1 went bankrupt. According to data from the Broadcasters' Association, of 28 functioning commercial radio stations only seven stations in November 2001 had local news and views in their programme.

The result is that opportunities to find a job in another media company are diminishing quickly and journalists feel insecure. In private conversations, journalists are increasingly complaining about restrictions on certain issues inside the media organisation. Freelance journalists complain about their defenceless situation in case their article is "edited" in a way such that they can hardly recognise it. The press freedom in Estonia is thus diminished on an individual level. The Union of Estonian Journalists is still too weak an organisation to be taken as a serious defender of professional values.

The competitive situation at the end of the 1990s has also influenced the status of the Press Council. The Estonian Press Council seems to be toothless: newspapers or broadcasting stations are only obliged to publish the decision of the Council. Some newspapers do it without showing their attitude. But some papers feel that a decision where the newspaper is "convicted" is an irrecoverable loss to their reputation. For example, when the Council decided that *Eesti Ekspress* had not breached good journalistic practice (case no. 197 "No Resting Place for Old Camels") the newspaper published the full text of the decision and added large photography of the claimant. When the Council "convicted" the newspaper, the decision was published in the usual place among letters to the editor, but in short form. In one case the same newspaper did not publish the decision at all. Before 2000, *Eesti Ekspress* always published the decisions of the Council. Today, all decisions of the Estonian Press Council are accessible on the Internet, but the example illustrates a dangerous tendency in Estonian media at the beginning of the new millennium.

The media as an institution is assumed to be a watchdog of society but tolerates very little criticism about itself unless there is a direct threat of a lawsuit. For example, when the rector of Tartu University was named a recidivist by *Eesti Päevaleht* in the spring of 2000, the newspaper allowed him to respond, otherwise the rector was ready to sue the newspaper. According to the rector's own words, he would have done it for the sake of the culture of public communication (per conversation of the author with Prof. Aaviksoo in April 2000). It is important to remember that the rector of the largest Estonian university is a very powerful

person who has various resources to bring to bear against a strong media organisation.

Summary

By the autumn of 2001 Estonia has established a sophisticated body of legal texts on public communication. Neither the laws nor the court decisions limit the institutional freedom of the press. Personal rights are far less protected because the cost of taking a case to court would barely cover the sum one can obtain in compensation for moral damage. Press freedom is more affected by the fact that the press market is shared by two corporations and the Estonian Union of Journalists is too weak to protect journalists' individual freedom. The Estonian media market is small, therefore it is not always easy to protect editorial content from the influence of the marketing department. Most important is the continuing weekness in Estonia of the conventions of public communication used in the countries with long democratic traditions to harmonise the conflict between freedom of information and individual rights. For example, in Sweden the publication rules for criminal matters are mostly regulated by conventions of good journalistic practice, while in Estonia the reporting of criminal affairs is determined by attorneys, prosecutors and the police. There is no shortage of legal acts but a definite lack of wise interpretations of these laws.

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Appendix 1.
Chronology of Main Events in the Baltics: 1987–2001

1987

February–June: Mass protest in Estonia against proposed phosphate mining.

June 14: Demonstration in Riga commemorates the Soviet deportations to Siberia on 14 June 1941. Over 10,000 attend; it was probably the largest unofficial demonstration up to that time in recent Soviet history.

August 23: Demonstrations in Tallinn, Riga and Vilnius to commemorate the anniversary of the Molotov–Ribbentrop Pact on 23 August 1939.

September 26: Four-Man Proposal on Estonian economic autonomy in the framework of Soviet system.

October: The USSR Council of Ministers decides to stop projects for new phosphate mines in Estonia.

November 6: About a year after mass protests began against Moscow's project construct a hydroelectric dam on the Daugava, Latvia's largest river, the USSR Council of Ministers cancels the project.

November 18: To avoid a mass demonstration on the anniversary of the national proclamation of independence on 18 November 1918, Soviet authorities surround the Freedom Monument in Riga with militia and KGB troops.

1988

February 2: Demonstration in Tartu commemorating the Estonian–Soviet Peace Treaty of 1920 is brutally assaulted by the militia. This was the last major incident of brutality by the Soviet regime in Estonia.

February 16: Demonstration in Vilnius to commemorate the 70th anniversary of independence. The militia harass protestors and arrests several leaders.

April–June: Plenums of the Estonian and Latvian creative unions openly critisize the Communist Party elite and calls for genuine federalism.

April 13: Initiation of the Popular Front of Estonia (PFE).

June 3: Initiation of the Lithuanian Movement for Restructuring (Sajudis).

June 16: Vaino Väljas replaces Karl Vaino as Communist Party of Estonia First Secretary, becoming the first native Estonian to hold that office since 1950.

June 17: First massive political rally in Tallinn, organised by the PFE; almost 150,000 attend.

June 21: Initiation of the Latvian People's Front.

June 23: Supreme Soviet of Estonia legalises the national colours and national flag.

July–November: Foundation of the pro-Moscow International movements – Interfronts in Estonia and Latvia, Yedinstvo in Lithuania.

August 20: Foundation of the Estonian National Independence Party, the first self-declared opposition party in the Soviet Union.

September 11: Massive political rally in Tallinn, organised by PFE; almost 300,000 attend.

September 28: A demonstration organised by the Lithuanian Freedom League is violently dispersed by police. Gorbachev, piqued by the Lithuanian Communists' conservatism, reshuffles its leadership, appointing the reformist Algirdas Brazauskas as the Party First Secretary.

September 29: Latvian Supreme Soviet declares Latvian the state language and legalises the national flag.

October 4: Moderate Janis Vagris replaces Boris Pugo as the Communist Party First Secretary in Latvia.

October: Inaugural congresses of Popular Fronts in Estonia and Latvia, Sajudis in Lithuania.

November 16: Estonian Supreme Soviet passes the Declaration of Sovereignty, asserts its right to veto all-Union laws passed in Moscow.

1989

January 18: Language law passed in Estonia (Estonian declared the state language). In Latvia and Lithuania the same happens in May 1989.

February 18–19: Foundation of the Latvian National Independence Movement (LNNK).

February 24: Registration of Estonian citizens and formation of citizens' committees begins.

March 12: Manifestation of Popular Front in Riga, 200,000 attend.

March 26: Elections to the USSR Congress of People's Deputies, successful for Popular Fronts and Sajudis candidates. Baltic deputies in Moscow co-operate actively with democratic movements from other Soviet republics.

August 9–17: Thousands of Russian factory and shipyard workers in Estonia walk off their jobs in protest "against discrimination."

August 23: Baltic Chain – about two million people form a human chain from Tallinn to Vilnius to call for independence.

August 26: The Communist Party Central Committee in Moscow issues a stern warning to Balts.

November 12: The Estonian Supreme Council declares Soviet annexation illegal.

November 18: Manifestation in Riga, almost 500,000 attend.

November 27: The USSR Supreme Soviet adopts a law ceding the Baltic republics considerable economic autonomy; central ministries subsequently block implementation of the law.

December 6: The Lithuanian Supreme Soviet abolishes the Communists' monopoly on power, and establishes the first multi-party system in the Soviet Union.

December 20: The Lithuanian Communist Party withdraws from the Communist Party of the Soviet Union.

December 24: Official denouncement of the secret protocols of the Molotov–Ribbentrop Pact by the Soviet Parliament.

1990

January 11–13: Gorbachev visits Vilnius but fails to persuade the Lithuanian Communist Party to remain in the CPSU.

February–March: Pro-independence candidates gain a majority in elections to the Estonian, Latvian and Lithuanian Supreme Soviet. Vytautas Lansbergis becomes a leader of the Supreme Council of Lithuania and Kazimiera Prunskiene the Prime Minister. In Estonia Arnold Rüütel and Edgar Savisaar, respectively; in Latvia – Anatolis Gorbunovs and Ivars Godmanis.

February 15: Pre-war Republic of Latvia symbolism restored.

March 11: Lithuanian Supreme Soviet declares full independence, Moscow objects.

March 11–12: The Congress of Estonia, elected by citizens of Estonia in late February and early March, convenes and declares itself the constitutional representative of the Estonian people

March–May: Moscow an embargo on Soviet gas and oil supplies to Lithuania.

March 30: The Estonian Supreme Soviet declares Soviet power illegal in Estonia and proclaims a transition period to independence.

April: Communist Party in Latvia splits into pro-independent and pro-Moscow wings.

May 4: Latvian Supreme Soviet declares Latvia *de jure* independent and restores the official name "Republic of Latvia."

May 8: Pre-war Republic of Estonia symbolism restored, including the name of the state as the Republic of Estonia.

May 15: Intermovement's attempt to seize the Estonian and Latvian parliament buildings fails.

June: Landsbergis announces a moratorium on Lithuania's independence declaration; the Soviet embargo on gas and oil supplies is lifted.

November: Publication of the draft Union Treaty which is designed to replace that of 1922 with a new document devolving considerable powers to the republics while retaining a strong centre responsible for the economy, foreign affairs and defence. The Baltic States declare that they will not sign the Treaty.

1991

January 11: Lithuanian premier Kazimiera Prunskiene resigns in the face of an impending no-confidence vote over recent price hikes. She is replaced by Albertas Simenas, who is himself replaced several days later by Gediminas Vagnorius.

January 13: Thirteen civilians are killed and 500 injured by Soviet troops at the Vilnius television station. Demonstrations in Riga (500,000 attend), people built barricades. Demonstrations in Moscow (200,000 attend) to protest the Lithuanian crackdown and call on Gorbachev to resign.

January 14: Yeltsin in Tallinn, signs mutual recognition of sovereignty with all three Baltic countries and urges Soviet troops not to fire on Baltic civilians.

January 20: Soviet troops kill six civilians in occupying the Ministry of Interior in Riga.

January: Communist Party in Estonia Splits into pro-independent and pro-Moscow wings.

February 9: More than 90% of Lithuanian voters support independence.

March 3: Referendum on independence in Estonia and Latvia, 78% of voters in Estonia and 74% in Latvia say yes.

August 19–21: Reactionary coup in Moscow, Yeltsin emerges as a dominant Russian leader.

August 20: Estonian Supreme Council declares full independence.

August 21: Latvian Supreme Council declares full independence and re-adopts the 1922 Constitution.

August 21: Lithuanian Parliament reaffirms its 1990 declaration on independence.

August 23 – September 16: All three Baltic States receive international diplomatic recognition. The United States recognises the independence of the Baltic States on 2 September, the State Council of the Soviet Union on 6 September.

September 17: The Baltic States are admitted to the United Nations.

November 6: Estonian Supreme Council renews 1938 citizenship law granting automatic citizenship to citizens of Estonia in June 1940 and their descendants. All other residents can apply for naturalisation, after demonstrating a minimum proficiency of Estonian.

December 11: Latvian Supreme Council adopts a law on registering citizens from pre-1940 Latvia and their descendants.

1992

January 11: Estonian government's austerity measures include food rationing.

January 23: After widespread protests against the Government's emergency measures Estonian Prime Minister Edgar Savisaar resigns and is replaced by Tiit Vähi.

March 21: Several thousands Russians protest in Tallinn against price hikes and the Citizenship Law.

June 7: Introduction of the Latvian rouble.

June 14: In a referendum, 90% of Lithuanian voters support an immediate withdrawal by Russian troops.

June 20: Introduction of the Estonian kroon, the first independent, convertible currency in the former Soviet Union.

June 28: Referendum on a new constitution in Estonia, 91% vote for its passage.

July 6: Latvia re-institutes its 1922 constitution, Guntis Ulmanis elected as President, Valdis Birkavs (Latvia's Way) nominated as Prime Minister.

September 20: Parliamentary elections in Estonia result in a majority for a right-of-centre coalition. Some weeks later Mart Laar (Pro Patria) becomes Prime Minister and Lennart Meri President.

October 1: Temporary coupons are issued in Lithuania to take place of the rouble until the national currency (litas) is introduced.

October 25: Referendum on a new constitution and parliamentary elections in Lithuania. The latter result in political comeback of former Communists, the Democratic Labour Party, led by Algirdas Brazauskas.

1993

February 14: Algirdas Brazauskas elected as President in Lithuania's first direct presidential elections. Some weeks later Adolfas Slezevicius (Democratic Labour Party) becomes Prime Minister.

May–June: Estonia and Lithuania are admitted to the Council of Europe, notwithstanding of Russia's opposition to Estonia's admission.

June 5–6: Parliamentary elections in Latvia result in a majority for a right-of-centre coalition. Some weeks later the Latvian Parliament elects Guntis Ulmanis as President and confirms Valdis Birkavs as Prime Minister.

June 21: Estonian Parliament passes Law on Aliens, which requires all non-citizens to apply for residence permits and is criticized as anti-Russian; the law is later moderated.

July 20: The litas replaces the temporary coupon as the sole legal tender in Lithuania.

August: Russian troops withdraw from Lithuania.

October 18: The lat replaces the Latvian rouble as the sole official currency in Latvia.

1994

January 27: The Baltic States join NATO's Partnership for Peace programme.

June 21: Latvian Parliament approves a new citizenship law, including quotas on the naturalisation of non-Latvians.

August: Russian troops withdraw from Estonia and Latvia.

September 15: A new Latvian cabinet is formed under Maris Gailis.

September 28: *Estonia* ferry catastrophe, worst post-war transport disaster in Europe.

September–October: Estonian Prime Minister Mart Laar resigns, Andres Tarand becomes Prime Minister.

1995

January 31: Latvia becomes a member of the Council of Europe.

March 5: In Estonian parliamentary elections, the left-of-centre bloc of the Coalition Party and rural parties win 42%t of seats. During the next four years, this bloc forms four different governments, led by Tiit Vähi and Mart Siimann. Nevertheless the mainstream course of liberal economic policy and rapid integration into European political and economic structures continues.

June 12: The European Commission signs association agreements with Estonia, Latvia and Lithuania.

September–December: Latvian parliamentary elections do not produce a clear winner; Parliament finally approves an eight-party right-of-centre coalition, led by businessman Andris Šķēle as Prime Minister.

1996

June 18: Guntis Ulmanis is elected Latvia's President for a second three-year term.

August–September: Presidential elections in Estonia: Lennart Meri continues as President until October 2001.

October–November: Lithuanian parliamentary elections result in a majority for a right-of-centre coalition; Gediminas Vagnorius (Homeland Union) becomes Prime Minister.

1997

July 16: Recommendation of the European Commission to invite Estonia into negotiations about joining the EU, among the first five post-Communist countries selected.

July: Andris Šķēle resigns as Latvian Prime Minister due to personal conflicts caused by his energetic/aggressive style of behaviour. Guntars Krasts (For Fatherland and Freedom) leads the government until general elections in autumn 1998.

1998

January 4: Valdas Adamkus is elected Lithuania's President.

January 16: The Presidents of Estonia, Latvia, Lithuania and the United States sign a US–Baltic Charter of Partnership.

March: Beginning of negotiations on Estonia's accession to the European Union.

August: Beginning of financial and economic crisis in Russia.

October: Parliamentary elections in Latvia, successful for right-of-centre parties. Valdis Krištopāns (Latvia's Way) becomes Prime Minister but only for seven months.

1999

March 7: Parliamentary elections in Estonia result in majority for a right-of-centre coalition of Fatherland, Reform Party and Moderates. Mart Laar becomes Prime Minister again.

April: Vagnorius resigns as Prime Minister of Lithuania. For a short period Rolandas Paksas becomes Prime Minister; after him, Andrius Kubilius.

June: Vaira Vīķe-Freiberga is elected Latvia's President.

July: Andris Šķēle becomes Latvian Prime Minister for second time but is replaced in May 2000 by Andris Bērziņš.

December 11: The European Council decides to invite Latvia and Lithuania, along with three other post-Communist countries, into negotiations on joining the EU.

2000

October: In Lithuania's parliamentary elections a left-wing coalition wins 36% of the seats, but an alliance of centrist parties forms the government. Rolandas Paksas again becomes Prime Minister.

2001

June: Lithuanian governmental coalition dissolved. Social Liberals form another alliance with the Social Democratic coalition. Algirdas Brazauskas becomes Prime Minister.

September 21: Arnold Rüütel is elected Estonia's President.

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Appendix 2.
Comparative Statistics of Development of the Baltics in the Context of Post-Communist Transition

Table 1. Comparative data of the Baltics

	Estonia	Latvia	Lithuania
Total area (km^2)	45,227	64,600	65,301
Share of agricultural land (%)	32	38	53
Share of forest and woodland (%)	45	44	31
Demographic indicators			
Population (thousands, 1 January 2001)	1, 367	2,366	3,693
Natural increase of population in 1999	- 5,910	- 13,448	- 3,588
Natural increase of population in 2000	- 5,340	- 11,950	- 4,557
Net migration in 1991–1999 (emigration mainly to Russia and other CIS countries)	- 81,367	- 133, 999	- 47,515
Net migration in 2000	- 1,169	- 1,836	- 1,120
Share of urban population, 1 January 2001	69.1	68.2	68.1
Share of Estonians, Latvians, Lithuanians in the respective country in 2000	67.9	57.9	81.8
Share of Estonians, Latvians, Lithuanians in the capital of the country in 2000	53.7	41.2	52.5
Economic indicators			
GDP change in 2000	6.9	6.6	3.9
GDP change in 2001, 1st quarter	5.8	8.3	4.4
GDP change in 2001, 2nd quarter	5.0	9.2	5.7
GDP in current prices, 2000 (million USD)	4,969	7,150	11,232
GDP per capita in 2000 (USD) without taking into account the purchasing power parity (PPP)	3,635	3,013	3,039
GDP per capita, based on PPP, data of 1999 (USD)	8,068	6,234	6,480

Continued ...

CONTINUATION. Table 1. Comparative data of the Baltics

Economic indicators	Estonia	Latvia	Lithuania
Exports, 2000 (million USD)	3,829	3,449	3,809
Exports per capita, data of 1999 (USD)	2,092	1,030	1,418
Share of OECD countries in exports	77	59	65
Imports, 2000 (million USD)	5,055	5,834	5,457
Imports per capita (USD)	2,849	1,475	2,399
Share of OECD countries in imports	70	47	58
Average monthly gross wages and salaries, 2nd quarter of 2001 (USD)	322	248	267
Change in average wages in comparison with 2nd quarter 2000 (%)	14.6	5.3	0.1
Employment by sectors, 2000 (%)			
Agriculture, forestry, fishing	7	15	20
Industry and construction	34	25	26
Service activities	59	60	54

Source: National statistical offices

Table 2. ***Nations in Transit*** **2001 ratings for democratisation, rule of law and economic liberalisation in post-Communist countries**

Ratings and scores are based on a scale of 1 to 7, with 1 representing the highest level and 7 representing the lowest level of democratic development. The 2001 scores and ratings reflect the period 1 July 1999 through 31 October 2000.

Central Europe	PP	CS	IM	GPA	Democra-tisation	CLIF	CO	Rule of law	PR	MA	MI	Economic liberalisation
Czech Republic	1.75	1.50	2.00	2.00	**1.81**	2.50	3.75	**3.13**	1.75	2.25	2.00	**2.00**
Hungary	1.25	1.25	2.25	3.00	**1.94**	2.00	3.00	**2.50**	1.50	2.25	2.00	**1.92**
Poland	1.25	1.25	1.50	1.75	**1.44**	1.50	2.25	**1.88**	2.00	1.50	1.50	**1.67**
Slovakia	2.25	2.00	2.00	2.75	**2.25**	2.25	3.75	**3.00**	3.00	3.25	3.50	**3.25**
Slovenia	1.75	1.75	1.75	2.50	**1.94**	1.50	2.00	**1.75**	2.25	2.00	2.00	**2.08**
Balkans												
Albania	4.00	4.00	4.25	4.25	4.13	4.50	5.50	**5.00**	3.75	4.50	4.25	4.17
Bosnia	4.75	4.50	4.50	6.00	**4.94**	5.50	5.75	**5.63**	5.00	5.50	6.00	**5.50**
Bulgaria	2.00	3.50	3.25	3.50	**3.06**	3.50	4.75	4.13	3.50	3.25	3.75	**3.50**
Croatia	3.25	2.75	3.50	3.50	**3.25**	3.75	4.50	4.13	3.50	3.50	3.75	3.58
Macedonia	3.75	3.75	3.75	3.75	**3.75**	4.25	5.00	**4.63**	4.00	4.75	5.00	4.58
Romania	3.00	3.00	3.50	3.75	**3.31**	4.25	4.50	**4.38**	3.75	3.75	4.50	**4.00**
Yugoslavia	4.75	4.00	4.50	5.25	**4.63**	5.50	6.25	**5.88**	5.00	5.50	5.50	**5.33**
Baltics												
Estonia	1.75	2.25	1.75	2.25	**2.00**	2.00	2.75	2.38	1.75	2.00	2.00	**1.92**
Latvia	1.75	2.00	1.75	2.25	**1.94**	2.00	3.50	**2.75**	2.50	2.50	2.50	**2.50**
Lithuania	1.75	1.75	1.75	2.50	**1.94**	1.75	3.75	**2.75**	2.50	3.00	2.75	**2.75**

Continued ...

CONTINUATION. Table 2. ***Nations in Transit*** **2001 ratings for democratisation, rule of law and economic liberalisation in post-Communist countries**

CIS	PP	CS	IM	CPA	Democra-tisation	CLIF	CO	Rule of law	PR	MA	MI	Economic liberalisation
Armenia	5.50	3.50	4.75	4.50	**4.56**	5.00	5.75	**5.38**	3.25	3.50	4.00	**3.58**
Azerbaijan	5.75	4.50	5.75	6.25	**5.56**	5.25	6.25	**5.75**	4.75	5.00	5.00	**4.92**
Belarus	6.75	6.50	6.75	6.25	**6.56**	6.75	5.25	**6.00**	6.00	6.25	6.50	**6.25**
Georgia	4.50	4.00	3.50	4.75	**4.19**	4.00	5.25	**4.63**	3.25	4.00	4.00	**3.75**
Kazakhstan	6.25	5.00	6.00	5.00	**5.56**	5.75	6.25	**6.00**	4.25	4.50	4.75	**4.50**
Kyrgyzstan	5.75	4.50	5.00	5.25	**5.13**	5.25	6.00	**5.63**	4.50	3.75	3.75	**4.00**
Moldova	3.25	3.75	4.25	4.50	**3.94**	4.00	6.00	**5.00**	3.50	4.25	4.25	**4.00**
Russia	4.25	4.00	5.25	5.00	**4.63**	4.50	6.25	**5.38**	3.75	4.25	4.50	**4.17**
Tajikistan	5.25	5.00	5.50	6.00	**5.44**	5.75	6.00	**5.88**	5.75	5.50	5.25	**5.50**
Turkmenistan	7.00	7.00	7.00	6.75	**6.94**	7.00	6.25	**6.63**	6.75	6.25	6.50	**6.50**
Ukraine	4.00	3.75	5.25	4.75	**4.44**	4.50	6.00	**5.25**	4.25	4.25	4.50	**4.33**
Uzbekistan	6.75	6.50	6.75	6.00	**6.50**	6.50	6.00	**6.25**	6.00	6.25	6.25	**6.17**

Democratisation score – average of political process (PP), civil society (CS), independent media (IM), and governance and public administration (GPA) ratings.
Rule of law score – average of constitutional, legislative, and judicial framework (CLIF) and corruption (CO) ratings.
Economic liberalisation score – average of privatisation (PR), macroeconomic policy (MA), and microeconomic policy (MI) ratings.

Source: Karatnycky, Motyl & Schnetser 2001

Table 3. Cumulative scores of democratisation and market-orientation, 1997–2001

Nations in Transit classification and ratings

Most advanced (democratic market-oriented states)	1997	1998	2000	2001
Poland	13	13	12	12
Hungary	13	13	14	16
Czech Republic	13	14	15	16
Estonia	17	16	16	16
Slovenia	17	16	16	16
Latvia	18	18	18	17
Lithuania	19	18	19	18
Mean	**16**	**15**	**16**	**16**
Middle: moving upwards				
Slovakia	29	29	22	21
Bulgaria	36	30	28	26
Croatia	33	33	33	28
Romania	34	33	30	30
Mean	**33**	**31**	**28**	**26**
Middle (parasitic authoritarian states)				
Georgia	36	35	31	32
Moldova	32	33	32	32
Macedonia	34	34	32	33
Armenia	36	36	34	34
Albania	35	37	36	34
Mean	**35**	**35**	**33**	33
Middle: moving downwards				
Ukraine	33	36	36	35
Russia	30	32	34	36
Kyrgyzstan	32	34	35	38
Mean	**32**	**34**	**35**	36
Least advanced (despotic states)				
Yugoslavia	–	39	44	40
Kazakhstan	40	40	41	42
Azerbaijan	43	43	43	42
Tajikistan	49	48	47	44
Uzbekistan	51	51	51	51
Belarus	48	50	51	52
Turkmenistan	53	54	54	54
Mean	**47**	**46**	**47**	**46**

Source: Motyl 2001

Table 4. EBRD transition indicators, 1999

	Privatisation and restructuring			Market liberalisation and competition			Financial markets reform		Aggregate transition indicator
	Large-scale privati-sation	Small-scale privati-sation	Governance and enterprise restructuring	Price liberali-sation	Trade & foreign exchange system	Competition policy	Banking reform & interest rate liberalisation	Securities markets & nonbank financial institutions	
EU candidates in Central Europe and Balkans									
Bulgaria	3.0	3.3	2.3	3.0	4.3	2.0	2.7	2.0	2.9
Czech Republic	4.0	4.3	3.0	3.0	4.3	3.0	3.3	3.0	3.4
Hungary	4.0	4.3	3.3	3.3	4.3	3.0	4.0	3.3	3.7
Poland	3.3	4.3	3.0	4.3	4.3	3.0	3.3	3.3	3.5
Romania	2.7	3.7	2.0	4.0	4.0	2.0	2.7	2.0	2.8
Slovak Republic	4.0	4.3	3.0	4.3	4.3	3.0	2.7	2.3	3.3
Slovenia	3.3	4.3	2.7	4.3	4.3	2.0	3.3	3.0	3.3
Baltic countries									
Estonia	4.0	4.3	3.0	3.0	4.0	2.7	3.7	3.0	3.5
Latvia	3.0	4.0	2.7	3.0	4.3	2.7	3.0	2.3	3.1
Lithuania	3.0	4.3	2.7	3.0	4.0	2.3	3.0	2.7	3.1
Other south-eastern European countries									
Albania	2.0	4.0	2.0	3.0	4.0	2.0	2.0	1.7	2.5
Croatia	3.0	4.3	2.7	3.0	4.0	2.0	3.0	2.3	3.0
Macedonia	3.0	4.0	2.0	3.0	4.0	1.0	3.0	1.7	2.8
Bosnia & Herzegovina	2.0	2.0	1.7	3.0	2.7	1.0	2.3	1.0	1.8

Continued ...

CONTINUATION. Table 4. EBRD transition indicators, 1999

	Privatisation and restructuring			Market liberalisation and competition			Financial markets reform		
	Large-scale privatisation	Small-scale privatisation	Governance and enterprise restructuring	Price liberalisation	Trade & foreign exchange system	Competition policy	Banking reform & interest rate liberalisation	Securities markets & nonbank financial institutions	Aggregate transition indicator
CIS									
Armenia	3.0	3.3	2.0	3.0	4.0	2.0	2.3	2.0	2.7
Azerbaijan	1.7	3.0	2.0	3.0	3.3	1.0	2.0	1.7	2.2
Belarus	1.0	2.0	1.0	1.7	1.0	2.0	1.0	2.0	1.5
Georgia	3.3	4.0	2.0	3.0	4.0	2.0	2.3	1.0	2.5
Kazakhstan	3.0	4.0	2.0	3.0	3.0	2.0	2.3	2.0	2.7
Kyrgyzstan	3.0	4.0	2.0	3.0	4.0	2.0	2.3	2.0	2.8
Moldova	3.0	3.3	2.0	3.0	4.0	2.0	2.3	2.0	2.8
Russia	3.3	4.0	1.7	2.7	2.3	2.3	1.7	1.7	2.5
Tajikistan	2.3	3.0	1.7	3.0	2.7	1.0	1.0	1.0	2.0
Turkmenistan	1.7	2.0	1.7	2.0	1.0	1.0	1.0	1.0	1.4
Ukraine	2.3	3.3	2.0	3.0	3.0	2.0	2.0	2.0	2.4
Uzbekistan	2.7	3.0	2.0	2.0	1.0	2.0	1.7	2.0	2.1

Source: EBRD Transition Report 1999

Table 5. Macroeconomic indicators of selected post-Communist countries, 2000

	Population (mil)	GDP growth (%)	Industrial production growth (%)	GDP per capita PPP (USD)	Average monthly wage (USD)	Inflation (%)	Unemploy-ment (%)	FDI stock (bil USD)	FDI stock per capita (USD)
Central Europe									
Czech Republic	10.3	3.1	5.7	13,750	366 [1]	3.9	8.8	17.5 [1]	1,699 [1]
Hungary	10.0	5.3	18.2	12,230	327 [1]	9.8	8.7	20.2	2,020
Poland	38.6	4.1	4.3	9,440	430 [1]	10.1	15.0	28.0 [1]	725 [1]
Slovakia	5.4	2.2	9.1	11,260	261 [1]	12.1	17.9	3.6	666
Slovenia	2.0	4.7	6.2	16,790	953 [1]	8.9	11.9	2.7	1,350
Balkans									
Bulgaria	8.2	5.8	2.3	5,610	107 [1]	9.9	17.9	3.9	476
Croatia	4.5	-0.4 [1]	1.7	7,600	640 [1]	6.2	22.5	3.6 [1]	800
Romania	22.4	1.6	8.7	6,240	128 [1]	45.7	10.5	5.4 [1]	223
Baltics									
Estonia	1.4	6.9	9.1	5,456 [2]	324 [1]	4.0	13.7	2.4 [1]	1,714 [1]
Latvia	2.4	6.6	3.2	4,136 [2]	246 [1]	2.4 [1]	14.5	3.9 [1]	1,625 [1]
Lithuania	3.7	3.3	-9.9 [1]	4,425 [2]	285	2.5 [1]	15.4	2.1 [1]	568 [1]
CIS									
Russia	144.9	7.6	9.0	7,620	64 [1]	20.2	10.2	18.6 [1]	127
Ukraine	49.3	6.0	12.9	3,350 [1]	44 [1]	28.2	4.2	3.2 [1]	64

1 Data from 1999. 2 Data from 1998.

Sources: *Business Central Europe* (EBRD, Economist Intelligence Service), Statistical Yearbook of Lithuania 2001

Table 6. GDP growth in EU-candidate countries, 1993–2001 (%)

	Annual								Quarterly						
	1993	1994	1995	1996	1997	1998	1999	2000	1999	2000				2001	
									Q4	Q1	Q2	Q3	Q4	Q1	Q2
Bulgaria	-1.5	1.8	2.9	-10.1	-7.0	3.5	2.4	5.8	1.0	4.5	5.7	6.1	6.5	4.5	5.1
Cyprus	0.7	5.9	6.1	1.9	2.5	5.0	4.5	4.8	na	na	na	na	na	na	na
Czech Republic	0.1	2.2	5.9	4.3	-0.8	-1.2	-0.4	2.9	1.1	3.2	2.4	2.4	3.8	4.1	3.9
Estonia	-9.0	-2.0	4.3	4.0	10.4	5.0	-0.7	6.9	2.5	6.5	7.8	7.3	6.0	5.8	5.0
Hungary	-0.6	2.9	1.5	1.3	4.6	4.9	4.2	5.2	5.9	6.5	5.6	4.5	4.2	4.4	4.0
Latvia	-14.9	0.6	-0.8	3.3	8.6	3.9	1.1	6.6	3.9	6.1	5.0	6.6	8.7	8.3	9.2
Lithuania	-16.2	-9.8	3.3	4.7	7.3	5.1	-3.9	3.3	-4.8	4.6	0.9	6.1	3.9	4.4	5.7
Malta	4.5	5.7	6.2	4.0	4.9	3.4	4.1	5.0	6.2	7.1	2.0	4.4	7.2	2.1	-0.6
Poland	3.8	5.8	7.0	6.0	6.8	4.8	4.1	4.0	6.2	5.9	5.0	3.1	2.4	2.3	0.9
Romania	1.5	3.9	7.1	3.9	-6.1	-4.8	-2.3	1.6	-1.5	1.2	2.0	2.2	1.3	4.8	5.1
Slovakia	-3.7	11.0	6.7	6.2	6.2	4.1	1.9	2.2	2.3	1.5	1.9	2.5	2.9	3.0	2.8
Slovenia	2.8	5.3	4.1	3.5	4.6	3.8	5.2	4.6	5.5	6.2	3.4	5.5	3.5	3.2	2.7
Turkey	8.4	-5.5	7.2	7.0	7.5	3.1	-4.7	7.2	-2.1	5.6	6.4	7.8	8.3	-2.2	-9.3
Aggregate of EU-candidate countries [1]	**3.2**	**0.8**	**6.1**	**5.0**	4.7	2.9	0.0	**5.2**	1.8	**5.1**	4.9	**5.0**	4.9	**1.5**	**-1.5**
Aggregate of EU-candidate countries [2]	na	na	na	3.9	3.3	2.9	2.5	3.9	na	4.8	4.1	3.4	3.1	3.4	2.7
EU countries	**-0.5**	2.8	2.3	**1.6**	**2.5**	2.9	**2.5**	3.3	3.4	3.4	**2.5**	**2.5**	2.9	2.5	2.5

1 All 13 EU candidate countries. 2 Without Turkey and Malta.

Source: Eurostat (Pasanen, 2001a; 2001b)

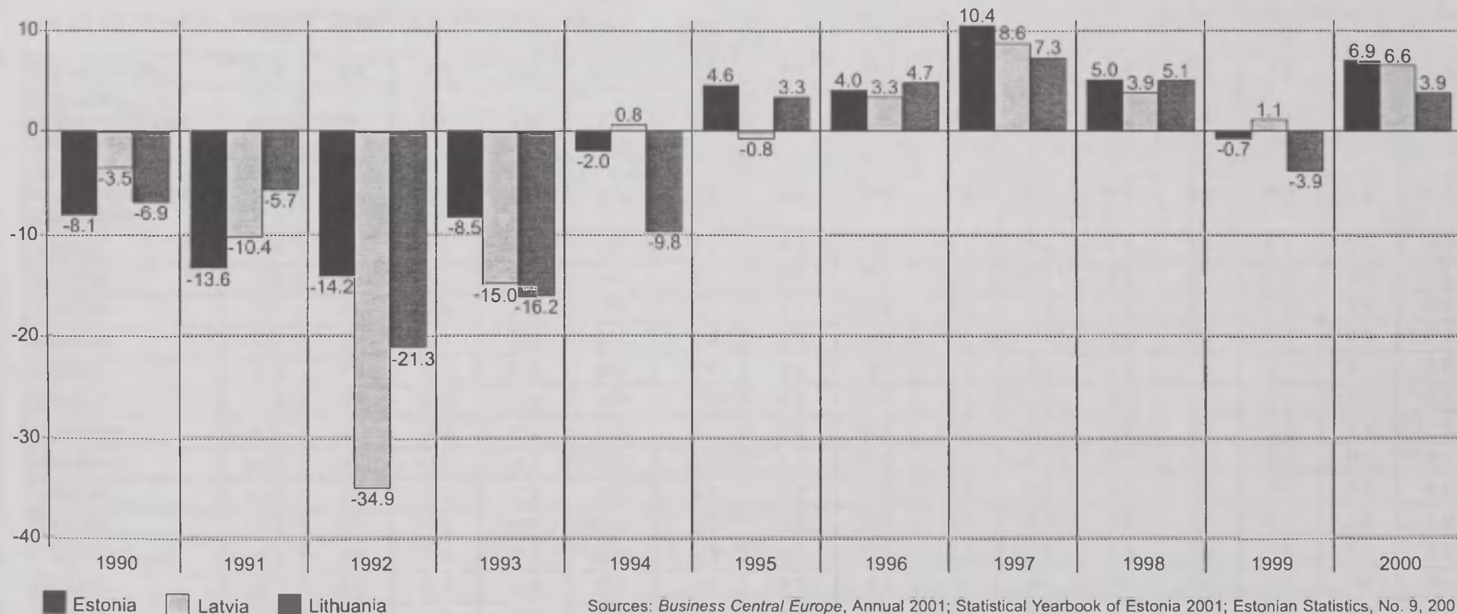


Figure 1. Trends in GDP of the Baltics, 1990–2000

Annual percentage change at constant prices

Sources: *Business Central Europe*, Annual 2001; Statistical Yearbook of Estonia 2001; Estonian Statistics, No. 9, 2001

Table 7. GDP per capita in EU-candidate countries, 1996–2000

	In euros, in PPS					EU average = 100				
	1996	1997	1998	1999	2000	1996	1997	1998	1999	2000
Bulgaria	5,400	5,100	5,500	5,700	6,300	29	26	27	27	28
Cyprus	15,400	16,000	17,000	18,100	19,400	83	83	84	85	86
Czech Republic	11,900	12,100	12,200	12,400	13,200	64	62	60	59	59
Estonia	6,200	7,100	7,700	7,800	8,600	34	37	38	37	38
Hungary	8,500	9,200	9,800	10,600	11,500	46	47	48	50	51
Latvia	4,800	5,400	5,700	6,100	6,700	26	28	28	29	30
Lithuania	6,000	6,600	7,100	7,000	7,500	32	34	35	33	33
Malta	9,900	10,600	11,000	11,700	12,600	54	54	55	55	56
Poland	6,600	7,300	7,800	8,300	8,900	36	37	38	39	39
Romania	5,300	5,100	5,000	5,000	5,200	29	26	25	24	23
Slovakia	8,500	9,300	9,800	10,200	10,800	46	48	48	48	48
Slovenia	11,800	12,800	13,500	14,500	15,600	64	66	67	68	69
Turkey	5,100	5,600	5,800	5,600	5,900	27	29	29	26	26
Aggregate of EU-candidate countries	**6,400**	**6,800**	**7,100**	**7,200**	**7,600**	**34**	**35**	**35**	**34**	**34**
EU countries	**18,500**	**19,400**	**20,300**	**21,200**	**22,500**	**100**				

Source: Eurostat (Pasanen, 2001b)

Table 8. Diffusion of modern technology and technological innovations in post-Communist countries, 1999

	Electricity consumption [1] (kwh per capita)	Medium-technology exports (as % of all exports)	High-technology exports (as % of all exports)	Telephone mainlines (per 1,000 people)	Cellular mobile subscribers (per 1,000 people)	Internet hosts [2] (per 1,000 people)
OECD average	na	**38**	**21**	**509**	**322**	**75.0**
Average of post-Communist countries	na	**26**	**8**	**205**	**35**	**4.7**
Central Europe						
Czech Republic	4,748	40	12	371	189	25.0
Hungary	2,888	40	24	371	162	21.6
Poland	2,458	28	8	263	102	11.4
Slovakia	3,899	42	7	308	171	10.2
Slovenia	5,096	38	12	378	309	20.3
Balkans						
Albania	678	2	2	36	3	0.1
Bulgaria	3,166	24	6	354	42	3.7
Croatia	2,463	33	8	365	66	6.7
Macedonia	na	21	3	234	24	1.9
Romania	1,626	21	4	167	61	2.7
Baltics						
Estonia	3,531	15	17	357	268	43.1
Latvia	1,879	6	6	300	112	13.4
Lithuania	1,909	22	7	311	90	7.5

Continued ...

CONTINUATION. Table 8. Diffusion of modern technology and technological innovations in post-Communist countries, 1999

	Electricity consumption[1] (kwh per capita)	Medium-technology exports (as % of all exports)	High-technology exports (as % of all exports)	Telephone mainlines (per 1,000 people)	Cellular mobile subscribers (per 1,000 people)	Internet hosts[2] (per 1,000 people)
CIS						
Armenia	930	8	4	155	2	0.9
Azerbaijan	1,584	5	1	95	23	0.1
Belarus	2,762	42	5	257	2	0.3
Georgia	1,257	na	na	123	19	0.4
Kazakhstan	2,399	12	3	108	3	0.6
Kyrgyzstan	1,431	7	4	76	1	0.0
Moldova	689	4	2	127	4	0.7
Russia	3,937	13	3	210	9	3.5
Tajikistan	2,046	na	na	35	na	0.1
Turkmenistan	859	na	na	82	1	0.3
Ukraine	2,350	na	na	199	4	1.2
Uzbekistan	1,618	na	na	67	2	na

1 Data from 1998. **2** Data from 2000.

Source: Human Development Report 2001

Table 9. Index of Economic Freedom rankings, selected countries

2002 rank		Scores								1	2	3	4	5	6	7	8	9	10
		2002	2001	2000	1999	1998	1997	1996	1995										
Free economies																			
1	Hong Kong	1.35	1.30	1.30	1.30	1.30	1.40	1.30	1.30	1	2.0	2.0	1	1	1	2	1	1	1.5
2	Singapore	1.55	1.55	1.45	1.40	1.40	1.50	1.50	1.50	1	2.5	3.0	1	1	2	2	1	1	1.0
3	N. Zealand	1.70	1.70	1.70	1.70	1.85	1.80	1.80	na	2	4.0	4.0	1	1	1	2	1	2	1.0
4	**Estonia**	1.80	2.05	2.20	2.35	2.30	2.50	2.50	2.40	1	3.5	2.0	2	1	1	1	2	2	2.5
4	Ireland	1.80	1.65	1.85	1.90	1.90	2.10	2.10	2.10	2	3.5	2.0	2	1	1	2	1	2	1.5
4	Luxembourg	1.80	1.75	1.80	1.95	1.85	2.00	2.00	na	2	4.0	3.0	1	1	1	2	1	2	1.0
4	Netherlands	1.80	1.85	2.05	2.05	2.10	1.95	1.90	na	2	4.0	2.0	1	1	1	2	1	3	1.0
4	USA	1.80	1.75	1.80	1.80	1.85	1.80	1.85	1.90	2	3.5	2.0	1	2	1	2	1	2	1.5
14	Finland	1.95	2.15	2.20	2.20	2.20	2.15	2.20	2.30	2	4.5	2.0	1	2	2	2	1	2	1.0
Mostly free economies																			
17	Sweden	2.05	2.25	2.35	2.35	2.45	2.45	2.65	2.65	2	4.5	4.0	1	1	1	2	1	3	1.0
20	Germany	2.10	2.10	2.20	2.20	2.30	2.20	2.20	2.10	2	4.5	2.0	1	1	3	2	1	3	1.5
29	**Lithuania**	2.35	2.55	2.90	3.00	3.00	3.10	3.45	na	2	5.0	2.0	1	2	3	2	3	3	3.0
32	Czech Republic	2.40	2.20	2.20	2.20	2.35	2.20	2.20	2.20	2	4.5	2.0	2	2	1	2	2	3	3.5
32	Hungary	2.40	2.55	2.55	2.95	3.00	3.00	3.00	3.00	2	4.5	1.0	3	2	2	2	2	3	2.5
38	**Latvia**	2.50	2.65	2.65	2.75	2.85	2.95	3.05	na	2	3.5	2.0	2	2	2	2	3	3	3.5
45	Poland	2.70	2.75	2.80	2.80	2.90	3.10	3.10	3.30	2	4.5	2.0	3	2	2	3	2	3	3.5
Mostly unfree economies																			
131	Russia	3.70	3.70	3.70	3.50	3.35	3.55	3.50	3.40	4	3.5	2.5	5	3	4	3	4	4	4.0

1 – Trade. 2 – Fiscal burden of government. 3 – Government intervention. 4 – Monetary policy. 5 – Foreign investments. 6 – Banking and finance. 7 – Wage / prices. 8 – Property rights. 9 – Regulation. 10 – Black market.

Source: 2002 Index of Economic Freedom (Heritage Foundation & *The Wall Street Journal*)

Table 10. Corruption Perception Indices, 1998–2001

Grouped by 2001 ranking

	1998		2000		2001	
	Index	Rank	Index	Rank	Index	Rank
Finland	9.6	2	10.0	1	9.9	1
Denmark	10.0	1	9.8	2	9.5	2
New Zealand	9.4	4	9.4	3	9.4	3
Iceland	9.3	5	9.1	6	9.2	4
Singapore	9.1	7	9.1	6	9.2	4
Sweden	9.5	3	9.4	3	9.0	6
Canada	9.2	6	9.2	5	8.9	7
Netherlands	9.0	8	8.9	9	8.8	8
Luxembourg	8.7	11	8.6	11	8.7	9
Norway	9.0	8	9.1	6	8.6	10
Estonia	5.7	26	5.7	27	5.6	28
Hungary	5.0	33	5.2	32	5.3	31
Slovenia	na	na	5.5	28	5.2	34
Lithuania	na	na	4.1	43	4.8	38
Poland	4.6	39	4.1	43	4.1	44
Czech Republic	4.8	37	4.3	42	3.9	47
Bulgaria	2.9	66	3.5	52	3.9	47
Slovakia	3.9	47	3.5	52	3.7	51
Latvia	2.7	71	3.4	57	3.4	59
Romania	3.0	61	2.9	68	2.8	69
Russia	2.4	76	2.1	82	2.3	79
Ukraine	2.8	69	1.5	87	2.1	83
Nigeria	1.9	81	1.2	90	1.0	90

Source: Transparency International (www.transparency.org)

Table 11. Main trading partners of the Baltic countries, 1991, 1996 and 2000 (%)

Estonia

Exports	1991	1996	2000
Finland	2	22	32
Sweden	1	14	21
Germany	0.2	8	9
Latvia	8	9	7
United Kingdom	0.1	4	4
Denmark	0.1	4	3
Lithuania	4	5	3
Netherlands	0.3	4	2
Russia	57	15	2
Norway	0.1	2	2
Others	27	13	15
Total (mil USD)	na	2,077	3,829
Imports			
Finland	2	31	27
Sweden	1	9	10
Germany	1	11	9
Russia	46	11	8
Japan	0.2	2	6
China	0.1	1	4
Italy	0.2	3	3
Latvia	5	2	3
Denmark	0.1	3	2
United Kingdom	0.1	3	2
Others	44	24	26
Total (mil USD)	na	3,224	4,786

Latvia

Exports	1991	1996	2000
United Kingdom	0.1	3	17
Germany	1	14	17
Sweden	1	7	11
Lithuania	5	7	8
Denmark	0.1	4	6
Estonia	3	4	5
Russia	54	23	4
Netherlands	0.1	2	4
USA	0.1	1	3
Ukraine	12	6	2
Others	24	29	23
Total (mil USD)	na	2,515	3,449

Continued ...

CONTINUATION. Table 11. Main trading partners of the Baltic countries, 1991, 1996 and 2000 (%)

Latvia

Imports	1991	1996	2000
Germany	1	14	16
Russia	45	20	12
Finland	1	9	9
Lithuania	10	6	8
Sweden	0.4	8	7
Estonia	5	6	6
Poland	0.1	3	5
Italy	0.1	2	4
Denmark	0.1	4	4
Netherlands	0.1	4	3
Others	38	23	26
Total (mil USD)	na	**3,495**	**5,834**

Lithuania

Exports	1991	1996	2000
Latvia	7	9	15
Germany	1	14	14
United Kingdom	0.4	4	8
Russia	57	24	7
Poland	1	3	6
Denmark	0.3	3	5
USA	0.1	3	5
Netherlands	0.1	3	5
Ukraine	11	8	4
France	0.1	2	4
Others	22	27	27
Total (mil USD)	na	**3,356**	**3,809**
Imports			
Russia	50	29	27
Germany	1	16	15
Poland	1	4	5
United Kingdom	0.1	3	5
France	0.1	2	4
Italy	0.1	4	4
Sweden	0.1	3	3
Denmark	0.1	4	3
Finland	0.1	3	3
USA	0.1	3	2
Others	29	29	29
Total (mil USD)	na	**4,559**	5,457

Sources: Statistical Yearbooks of Estonia, Latvia and Lithuania 1992, 1997, 2001

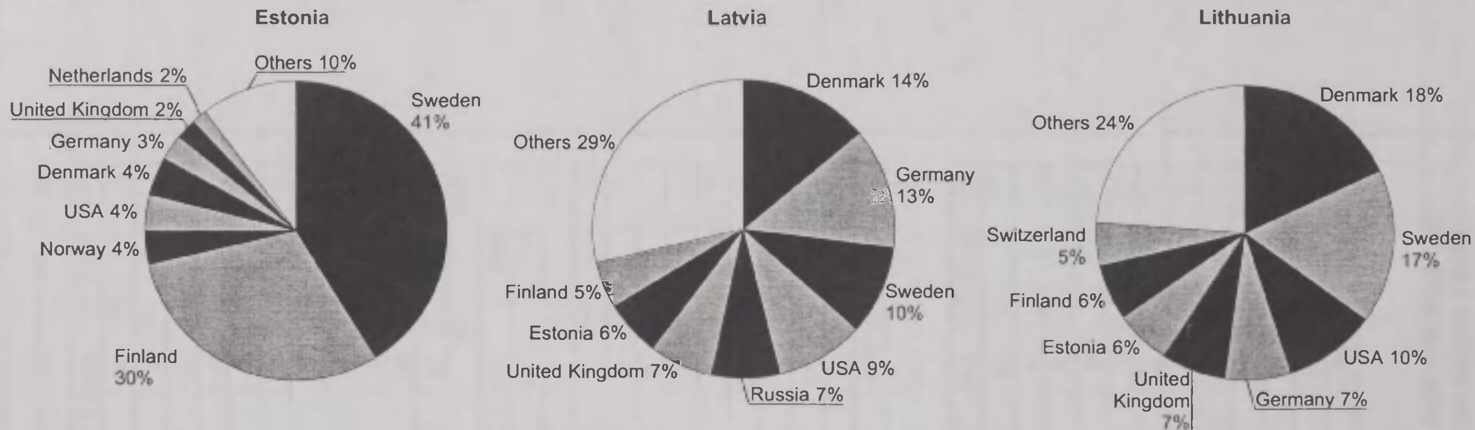


Figure 2. Foreign direct investments stock in Estonia, Latvia and Lithuania

Percentage of cumulative investments, as of 31 December 2000

Sources: Statistical Yearbooks of Latvia and Lithuania 2001; Estonian Bank Newsletter, No. 2, 2001

Table 12. Human development indicators of post-Communist countries, 1999

	Human development index 1999		GDP per capita (PPP USD)	Life expectancy at birth (years)		Enrolment ratio	Population below 4 USD per day, % (1993–1995)	Gini index (latest available data)	Public education expenditure (as % of GDP, 1995–1997)
	Value	Rank		Female	Male				
OECD average	**0.900**	–	22,020	**79.6** [1]	**73.2** [1]	87	na	na	na
Average of post-Communist countries	**0.777**	–	**6,290**	**73.8** [1]	**64.1** [1]	77	na	na	na
Central Europe									
Czech Republic	0.844	33	13,018	78.0	71.2	70	below 1.0	25.4	5.4
Hungary	0.829	36	11,430	75.4	66.8	77	4.0	24.4	4.6
Poland	0.828	38	8,450	77.3	69.0	84	20.0	31.6	7.5
Slovakia	0.831	35	10,591	77.0	69.1	76	below 1.0	19.5	4.7
Slovenia	0.874	29	15,997	78.9	71.5	83	below 1.0	28.4	5.7
Balkans									
Albania	0.725	85	3,189	76.1	70.2	71	na	na	na
Bulgaria	0.772	57	5,071	74.8	67.1	72	15.0	26.4	3.2
Croatia	0.803	46	7,387	77.6	69.6	68	na	29.0	5.3
Macedonia	0.766	60	4,651	75.1	70.9	70	na	na	5.1
Romania	0.772	58	6,041	73.3	66.5	69	59.0	28.2	3.6
Baltics									
Estonia	0.812	44	8,355	75.8	64.8	86	37.0	37.6	7.2
Latvia	0.791	50	6,264	75.6	64.3	82	22.0	32.4	6.5
Lithuania	0.803	47	6,656	77.0	66.5	80	30.0	32.4	5.9

1 Data from 1998.

Continued ...

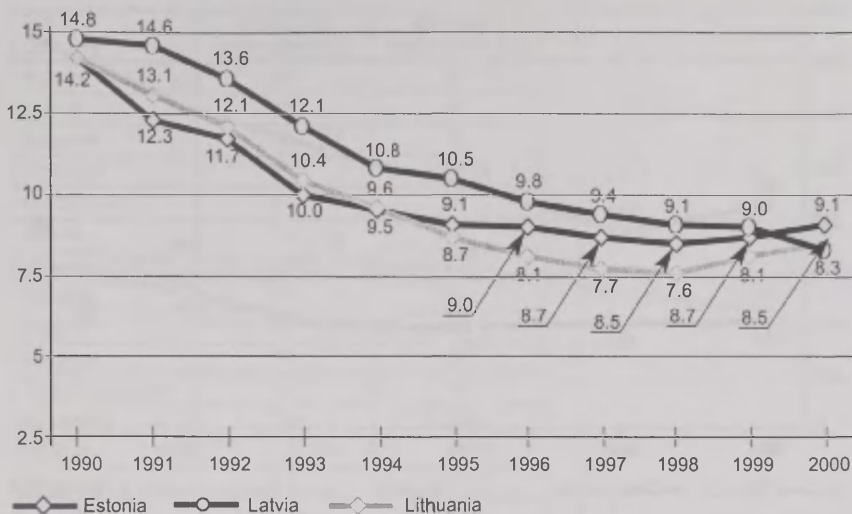
CONTINUATION. Table 12. Human development indicators of post-Communist countries, 1999

	Human development index 1999		GDP per capita (PPP USD)	Life expectancy at birth (years)		Enrolment ratio	Population below 4 USD per day, % (1993–1995)	Gini index (latest available data)	Public education expenditure (as % of GDP, 1995–1997)
	Value	Rank		Female	Male				
CIS									
Armenia	0.745	72	2,215	75.6	69.6	80	na	44.4	2.0
Azerbaijan	0.738	79	2,850	74.8	67.7	71	na	36.0	3.0
Belarus	0.782	53	6,876	74.4	62.8	77	22.0	21.7	5.9
Georgia	0.742	76	2,431	77.0	68.8	70	na	37.1	5.2
Kazakhstan	0.742	75	4,951	70.2	58.9	77	65.0	35.4	4.4
Kyrgyzstan	0.707	92	2,573	71.4	63.4	68	88.0	40.5	5.3
Moldova	0.699	98	2,037	70.3	62.8	72	66.0	40.6	10.6
Russia	0.775	55	7,473	72.5	60.1	78	50.0	48.7	3.5
Tajikistan	0.660	103	1,031	70.4	64.5	67	na	na	2.2
Turkmenistan	0.730	83	3,347	69.3	62.5	81	61.0	40.8	na
Ukraine	0.742	74	3,458	73.5	62.7	77	63.0	29.0	5.6
Uzbekistan	0.698	99	2,251	71.7	65.8	76	63.0	33.3	7.7

Source: Human Development Report 2001

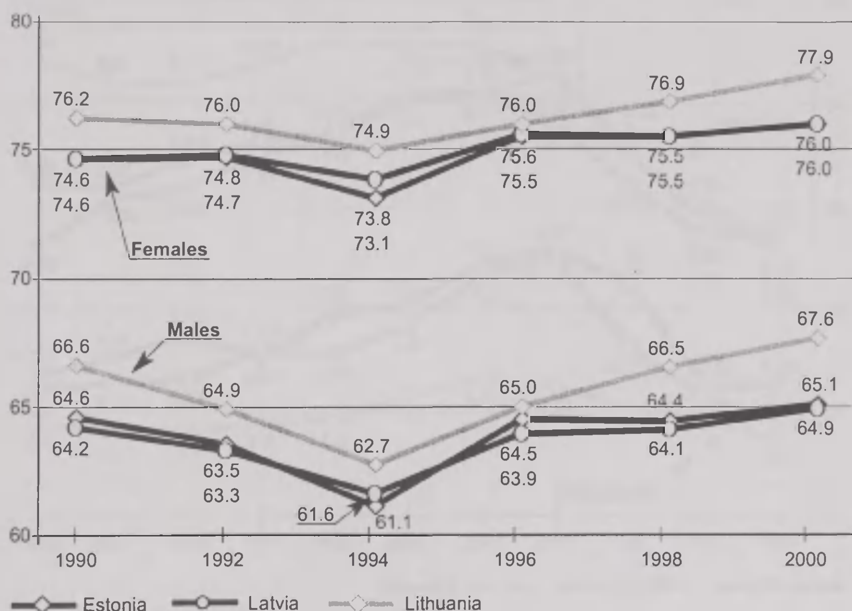
Figure 3. Birth rate in the Baltics, 1990–2000

Crude birth rate per 1,000 inhabitants



Sources: Statistical Yearbooks of Estonia, Latvia and Lithuania 2001

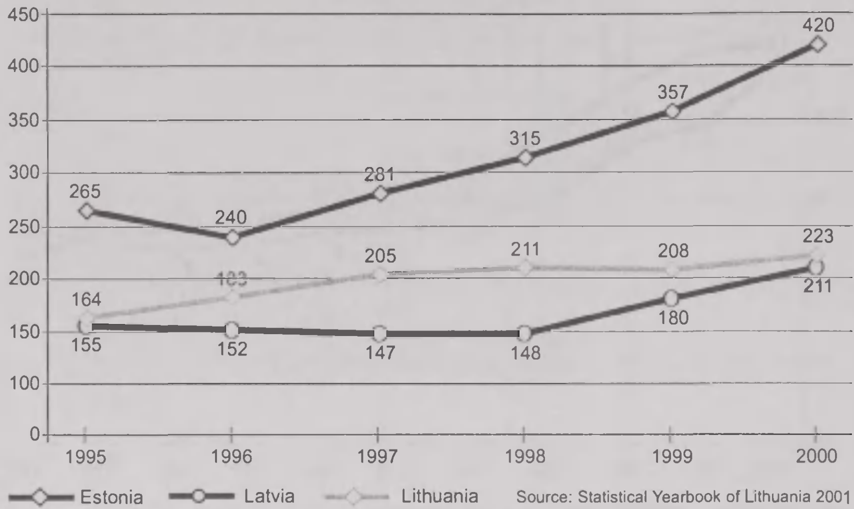
Figure 4. Life expectancy at birth by sex in the Baltics, 1990–2000 (years)



Sources: Statistical Yearbooks of Estonia, Latvia and Lithuania 2001

Figure 5. Registered crimes in the Baltics, 1995–2000

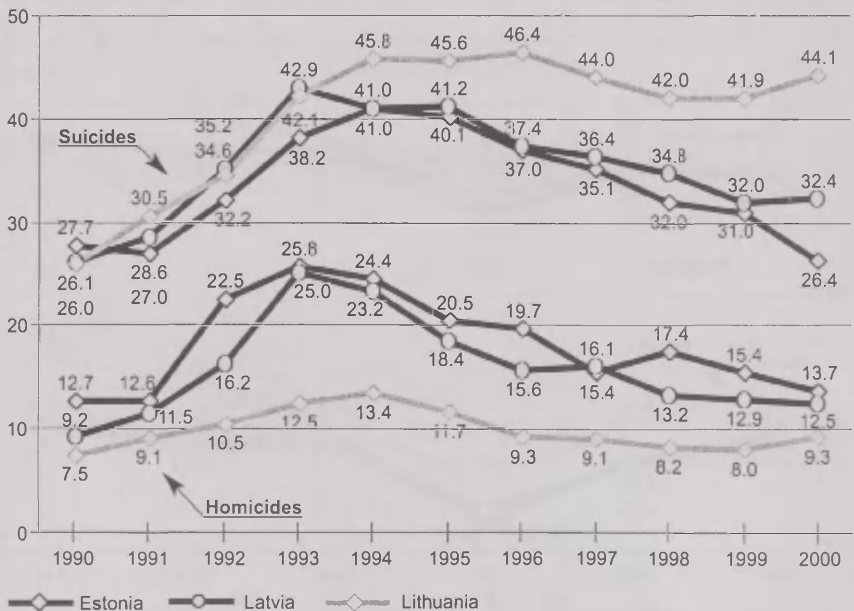
Offences rate per 10,000 inhabitants



Source: Statistical Yearbook of Lithuania 2001

Figure 6. Suicides and homicides in the Baltics, 1990–2000

Rates per 100,000 inhabitants



Sources: Statistical Yearbooks of Estonia, Latvia and Lithuania 2001; Rahvastik 2000 Population; The Baltic and the Nordic Countries 1996, 2000

Table 13. Ethnic minorities in Eastern and Central Europe, the middle 1990s

Country	Minimum estimation (%)	Maximum estimation (%)
Bosnia	49	55
Latvia	43	47
Estonia	32	38
Moldova	32	35
Macedonia	30	34
Serbia	26	31
Montenegro	25	30
Ukraine	25	27
Cyprus	23	24
Belarus	18	21
Czech Republic	18	18
Lithuania	18	20
Bulgaria	17	26
Slovakia	14	22
Croatia	14	16
Romania	11	17
Slovenia	6	8
Greece	5	14
Hungary	3	13
Albania	2	6
Poland	2	3

Source: Dogan 1997

Table 14. Population of the Baltics by nationality

ESTONIA 2000[1]	Population		LATVIA 2001[2]	Population		LITHUANIA 1999[3]	Population	
	N (thous)	Share		N (thous)	Share		N (thous)	Share
Estonians	930	67.9	**Latvians**	1,370	57.9	**Lithuanians**	3,027	81.8
Russians	351	25.6	Russians	696	29.4	Russians	301	8.1
Ukrainians	29	2.1	Belarussians	96	4.0	Poles	255	6.9
Belarussians	17	1.3	Ukrainians	63	2.7	Belarussians	53	1.4
Finns	12	0.9	Poles	59	2.5	Ukrainians	37	1.0
Tatars	3	0.2	**Lithuanians**	33	1.4	Jews	5	0.1
Latvians	2	0.2	Jews	10	0.4			
Poles	2	0.2	Gypsies	8	0.3			
Jews	2	0.1	Germans	4	0.1			
Lithuanians	2	0.1	**Estonians**	3	0.1			
Germans	2	0.1						
Others	17	1.3	Others	25	1.1	Others	24	0.7
Total	**1,370**	**100.0**	**Total**	**2,366**	**100.0**	**Total**	**3,701**	**100.0**

1 Data of population census on 31 March 2000. **2** Estimation, based on population census on 31 March 2000. **3** Estimation.

Sources: 2000 Population and Housing Census II; Statistical Yearbook of Latvia 2001; Statistical Yearbook of Lithuania 2000

Table 15. Changes in inequality during transition

	Gini coefficient (income per capita)	
	1987–1988	1993–1995
Kyrgyzstan	26	55
Russia	24	48
Ukraine	23	47
Lithuania	23	37
Moldova	24	36
Turkmenistan	26	36
Estonia	23	35
Bulgaria	23	34
Kazakhstan	26	33
Uzbekistan	28	33
Latvia	23	31
Romania	23	29
Poland	26	28
Belarus	23	28
Czech Republic	19	27
Slovenia	22	25
Hungary	21	23
Slovakia	20	19

Source: Kolodko, 2000

Table 16. Evaluation of changes by Estonians, Latvians and Lithuanians, 1993–2000 (%)

	Estonians			Latvians			Lithuanians		
	1993	1996	2000	1993	1996	2000	1993	1996	2000
Positive evaluation of the socialist economy before independence	53	48	44	59	74	76	75	76	83
Positive evaluation of the present economic system	43	69	79	21	22	37	22	25	25
Negative evaluation of the present economic system	40	20	13	62	64	51	66	64	70
Positive evaluation of the economic system in the next five years	83	86	92	72	54	60	67	60	47
Positive evaluation of the former Communist regime [1]	32	22	48	36	41	52	46	43	56
Positive evaluation of the present system of governing	58	69	70	46	37	49	46	37	45
Negative evaluation of the present system of governing	26	21	22	38	45	37	40	53	49
Positive evaluation of the system of governing in next five years	88	89	87	81	69	74	81	70	61
Agree with the statement "We should return to the Communist rule" [2]	na	1	4	na	3	1	na	8	9
Disagree with the statement "We should return to the Communist rule" [2]	na	89	92	na	87	98	na	78	91
Rating of the economic situation of one's own family: very or fairly satisfactory	29	45	39	22	26	35	28	34	40
Economic situation of the family is better now than five years ago [3]	29	39	28	17	19	18	20	20	20
Economic situation of the family is worse now than five years ago [3]	53	38	49	64	64	65	63	62	66
Believe that economic situation of the family will be better in five years	52	53	40	46	43	43	42	57	40

1 In the questionnaire of 2000 – Soviet regime. **2** In the questionnaire of 2000 – Socialist rule.
3 In the questionnaire of 2000 the comparison was made with the time before independence.

Sources: Rose & Maley, 1994; Rose, 1997; Rose, 2000

Table 17. Evaluation of changes in Estonia, 1993–2000 (%)

	Estonians				Non-Estonians			
	1993	1995	1996	2000	1993	1995	1996	2000
Positive evaluation of the socialist economy before independence	53	61	48	44	76	80	79	87
Positive evaluation of the present economic system	43	61	69	79	41	49	55	63
Positive evaluation of the economic system in the next five years	83	88	86	92	77	81	71	77
Positive evaluation of the former Communist regime [1]	32	28	22	48	65	57	67	76
Positive evaluation of the present system of governing	58	75	69	70	50	57	49	62
Positive evaluation of the system of governing in next five years	88	92	89	87	79	83	72	71
Agree with the statement "We should return to the Communist rule" [2]	na	1	1	4	na	9	14	25
Strongly disagree with the statement "We should return to the Communist rule" [2]	na	87	89	74	na	52	55	27
Rating of the economic situation in one's own family: very or fairly satisfactory	29	41	45	39	25	31	36	37
Economic situation in the family is better now than five years ago [3]	29	34	39	28	20	20	25	28
Economic situation in the family is worse now than five years ago [3]	53	44	38	49	60	61	51	51
Believe that the economic situation of the family will be better in five years	52	74	53	40	33	43	41	30

1 In the questionnaire of 2000 – Soviet regime. **2** In the questionnaire of 2000 – Socialist rule.
3 In the questionnaire of 2000 the comparison was made with the time before independence.

Sources: Rose & Maley, 1994; Rose, 1995; Rose, 1997; Rose, 2000

Appendix 3.
Statistical Data of Development of the Media in the Baltics

Table 18. Media use in the Baltics, 2000

	Estonia			Latvia			Lithuania		
	All	EST	Non-EST	All	LAT	Non-LAT	All	LIT	Non-LIT
Reading any national daily (% aged 15–74) [1]	58	70	34	71	77	63	65	66	59
Reading any national weekly (% aged 15–74) [1]	48	49	49	57	50	66	54	51	67
Reading any regional or local paper (% aged 15–74) [1]	62	73	43	56	67	42	34	36	24
Reading any weekly magazines (% aged 15–74) [2]	63	64	62	43	56	28	33	36	20
Reading any monthly magazines (% aged 15–74) [2]	57	72	29	51	64	36	52	56	34
Reading any foreign publications (% aged 15–74) [2]	24	17	37	16	10	2	12 [3]	7 [3]	33 [3]
Average television viewing time per day (hours and minutes, population at age 12–74)	4:10	3:55	4:38	4:18	4:22	4:13	3:49	3:45	4:04
Weekly share of national public TV channel(s)	17	25	3	18	26	5	10	12	5
Average radio listening time per day (hours and minutes, population at age 12-74)	3:32	3:54	2:52	4:01	4:15	3:33	1:41	1:45	1:25
Weekly share of national public radio channels	33	33	32	32	44	10	32	35	14
Have used computer during last 6 months (% aged 15–74) [4]	39	na	na	29	na	na	21	na	na
Have used computer during last 7 days (% aged 15–74) [4]	31	na	na	23	na	na	16	na	na
Have used Internet during last 6 months (% aged 15–74) [4]	30	na	na	13	na	na	10	na	na
Have used Internet during last 7 days (% aged 15–74) [4]	22	na	na	9	na	na	7	na	na

1 Reach of last six numbers read. **2** Has read during last six months. **3** Data from 1999. **4** Data from autumn 2000.

Source: Baltic Media Book 2001

Table 19. Printed matter in the Baltics, 1990–2000

Number of newspapers (titles)	1990	1995	1996	1997	1998	1999	2000
Estonia	165	146	119	102	109	105	109
Latvia	172	286	252	229	226	235	227
Lithuania	324	477	443	439	415	377	361
Newspapers in language of the titular nation (% of titles)							
In Estonian	67	76	72	73	72	70	80
In Latvian	60	67	70	70	69	69	69
In Lithuanian	84	86	88	89	88	88	89
Number of magazines and other periodicals (titles)							
Estonia	434	501	517	572	578	930 [1]	956
Latvia	243	235	229	273	266	262	325
Lithuania	159	321	351	378	412	418	465
Annual number of copies of periodicals per inhabitant							
Estonia	16.6	13.6	13.5	13.1	15.4	13.5	13.8
Latvia	25.8	6.1	5.8	6.1	13.3	8.7	10.4
Lithuania	9.6	2.7	3.8	5.8	9.2	11.7	11.9
Books and brochures (titles)							
Estonia	1,628	2,635	2,628	3,317	3,090	3,265	3,466
Latvia	1,564	1,968	1,965	2,320	2,596	2,952	2,546
Lithuania	2,499	3,164	3,645	3,827	4,109	4,097	3,709
Annual number of copies of books per inhabitant							
Estonia	11.9	5.3	4.5	5.0	4.1	4.9	4.1
Latvia	7.8	3.8	3.1	3.0	3.3	3.0	3.0
Lithuania	8.2	3.8	4.0	3.9	3.6	3.5	na

1 Change in statistical methodology – scientific and other serials also counted as periodicals.

Sources: Statistical Yearbooks of Estonia, Latvia and Lithuania 2001

Table 20. Top 10 newspapers in the Baltics, autumn 2000

By average issue readership

Title	Type	Readership (thous)	Circulation (thous)
Estonia			
Postimees	National daily	283	66
SL Õhtuleht	Daily tabloid	268	66
Linnaleht	Free weekly in cities	221	60
Eesti Päevaleht	National daily	202	48
Eesti Ekspress	National weekly	162	46
Maaleht	National weekly	146	41
Kuldne Börs	Advertising paper, twice a week	146	15
Den za dnjom [1]	National weekly	103	16
Vesti Nedelja Pljus [1]	National weekly	88	23
Äripäev	National daily, business paper	80	17
Latvia			
Diena	National daily	383	66
Rigas Santims	Free advertising weekly (in Latvian and Russian)	294	250
Lauku Avize	National semi-weekly (3 times a week)	246	70
Subbota [1]	National weekly	170	52
TeleProgramma [1]	Weekly TV guide	145	126
Vesti Segodnja [1]	National daily	143	16
Rigas Vilni Programma	Weekly TV guide	138	50
Vesti [1]	National weekly	130	43
Chas [1]	National daily	129	17
Neatkariga Rita Avize	National daily	125	33
Lithuania			
Lietuvos rytas	National daily	710	80
Akistata	National weekly, tabloid (criminal news)	300	54
Lietuvos žinios	National daily	202	20
Respublika	National daily	201	45
Kauno diena	Regional daily	188	42
Valstieciu laikraštis	National semi-weekly (3 times a week)	144	27
TV per savaite	Weekly TV guide	113	62
Obzor [1]	National weekly	107	34
Šeimininke	National weekly, housekeeping	98	21
Alio reklama	Free advertising weekly	75	15

1 In Russian.

Source: Baltic Media Book 2001

Table 21. Leading Estonian newspapers, November 2001

	Circulation (thous)	Readership (thous) [1]	Volume (pages without supplements)	Page size	Ownership
National dailies					
SL Õhtuleht (tabloid)	68	247	24	A3	Eesti Meedia AS [2] (50%), Ekspress Grupp AS [3] (50%)
Postimees	62	260	24	A3	Eesti Meedia AS [2]
Eesti Päevaleht	42	193	24	A3	Ekspress Grupp AS [3] (50%), Jaan Manitski (50%)
Äripäev (business paper)	19	86	32	A3	Bonnier Group
Estonija (in Russian)	7	62	12	A2	Rukon-Info AS
Molodjozh Estonii (in Russian)	7	71	24	A3	Moles AS
Regional dailies					
Pärnu Postimees	15	52	16	A3	Eesti Meedia AS [2]
Sakala	11	40	8	A3	Eesti Meedia AS [2]
Põhjarannik	9	52	8	A3	Eesti Meedia AS [2]
Weeklies					
Eesti Ekspress	48	165	56	A3	Ekspress Grupp AS [3]
Maaleht	40	149	32	A3	Maaleht AS
Vesti Nedelja Pljus (in Russian)	21	93	44	A3	Rukon-Info AS
Den za dnjom (in Russian)	14	103	56	A3	DD-Kirjastus OÜ

1 BMF Gallup Media data from January–March 2001. **2** Owned by Schibsted Print Media (92.5%). **3** Owned by Hans H. Luik (100%).

Sources: Estonian Newspapers' Association; BMF Gallup Media

Table 22. Circulation of selected leading Estonian newspapers and magazines, 1985–2001

In January of indicated year, thousands

Dailies	**1985**	**1990**	**1991**	**1992**	**1993**	**1995**	**1997**	**1999**	**2001**
Rahva Hääl (People's Voice), until 1990 Communist Party newspaper, 1990–1992 official newspaper, published until 2 June 1995	151	205	175	158	64	49	–	–	–
Eesti Päevaleht (Estonian Daily), until 1990 newspaper of the Communist Youth *Noorte Hääl* (Voice of the Youth), 1990–1995 *Päevaleht* (Daily)	159	187	92	49	32	23	35	49	38
Postimees (Postman), 1948–1990 regional paper *Edasi* (Forward)	99	154	130	103	74	50	58	58	64
Äripäev (Business Day), established in 1989, weekly until 1996	–	50	15	17	17	14	15	16	18
Estonija, until 22 August 1991 *Sovetskaja Estonija* (Soviet Estonia), until 1990 Communist Party newspaper, 1990–1992 official newspaper	46	76	35	29	17	16	8	8	8
Molodjozh Estonii (Youth of Estonia), until 1991 the newspaper of the Communist Youth	52	90	66	47	22	20	11	6	8
Weeklies									
Maaleht (Countryside Paper), established in 1987	95 [1]	219	169	116	62	50	41	42	44
Political and cultural weekly *Eesti Ekspress* (Estonian Express), established in 1989	–	50	60	42	40	49	52	47	49
Cultural weekly *Sirp* (Sickle), until 1989 *Sirp ja Vasar* (Sickle and Hammer)	71	88	31	15	9	4	3	3	4
Magazines									
Eesti Naine (Estonian Woman), until 1989 *Nõukogude Naine* (Soviet Woman)	175	223	196	97	38	15	17	19	23
Environmentalist magazine *Eesti Loodus* (Estonian Nature)	56	35	17	10	6	5	4	5	4
Popular science magazine *Horisont* (Horizon)	40	39	17	11	5	4	4	4	4
Literary magazine *Looming* (Creation)	22	35	13	6	6	2	2	2	2
Family and home magazine *Kodukiri* (Home Magazine), established in 1992	–	–	–	25	32	67	50	35	25
Entertainment magazine *Kroonika* (Chronicle /of Fashionable Society/), established in 1996	–	–	–	–	–	–	45	45	35

1 Data from 1987.

Sources: Estonian Newspaper Association; National Library

Table 23. Penetration of television equipment in Estonia, 1994–2000

Adults aged 15–74

% of households	1994	1995	1996	1997	1998	1999	2000
TV set	96	98	98	97	97	97	97
2 or more TV sets	36	35	32	28	31	33	30
Color TV set	78	85	87	89	92	94	96
TV set with remote control	22	31	44	56	65	77	83
Text-TV	13	16	24	29	34	41	48
VCR	16	20	23	26	30	32	35
Video camera	1	1	1	2	2	4	na
Any satellite TV / cable TV channel	na	na	na	41	42	50	na
Cable TV	13	22	32	32	35	39	37
SMATV	na	1	na	na	1	1	na
Private dish	3	4	3	na	4	4	4

Sources: BMF; EBU; EAO; IP Peaktime

Table 24. Penetration of television equipment in the Baltics, 1999

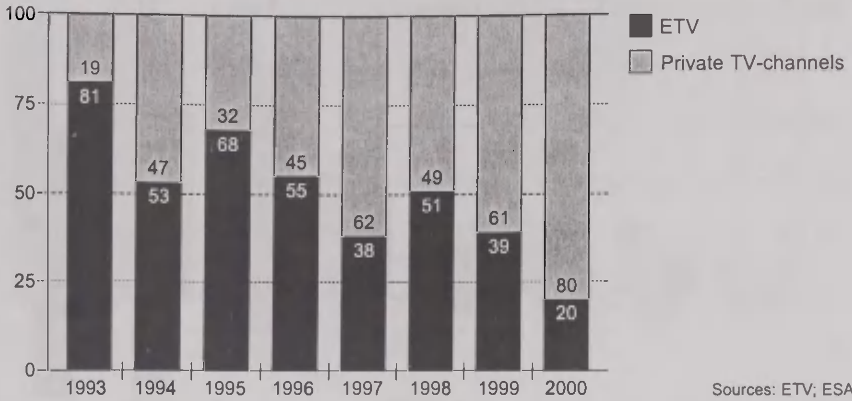
Adults aged 15–74

	Estonia	Latvia	Lithuania
TV set	97	97	98
2 or more TV sets	33	25	34
Color TV set	94	84	89
TV set with remote control	77	57	47
Text-TV	41	11	10
VCR	32	36	23
Video camera	4	3	2
Any satellite TV / cable TV channel	50	66	na
Cable TV	39	41	25
SMATV	1	1	3
Private dish	4	2	2
PC	14	6	6
Mobile phone	33	15	12

Sources: BMF; EBU; EAO; IP Peaktime

Figure 7. Domestic TV-production in Estonia, 1993–2000

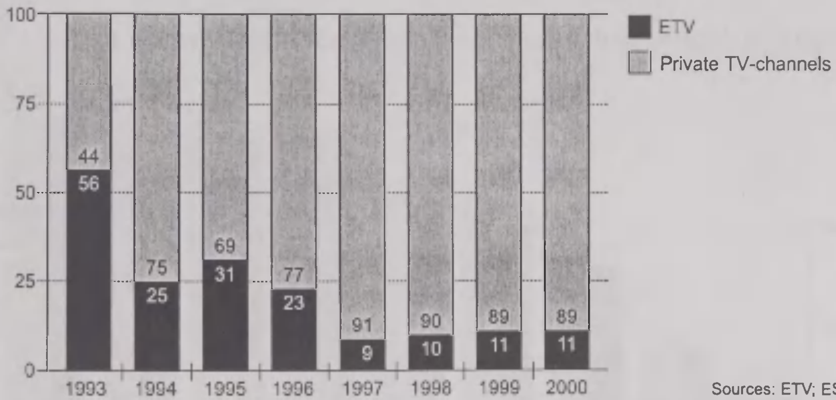
Ratio of ETV and private TV-channels production



Sources: ETV; ESA

Figure 8. Purchased TV programming in Estonia, 1993–2000

Ratio of ETV and private TV-channels purchased programming



Sources: ETV; ESA

Figure 9. Income and expenditures of private TV-channels, 1993–2000 (million EEK)

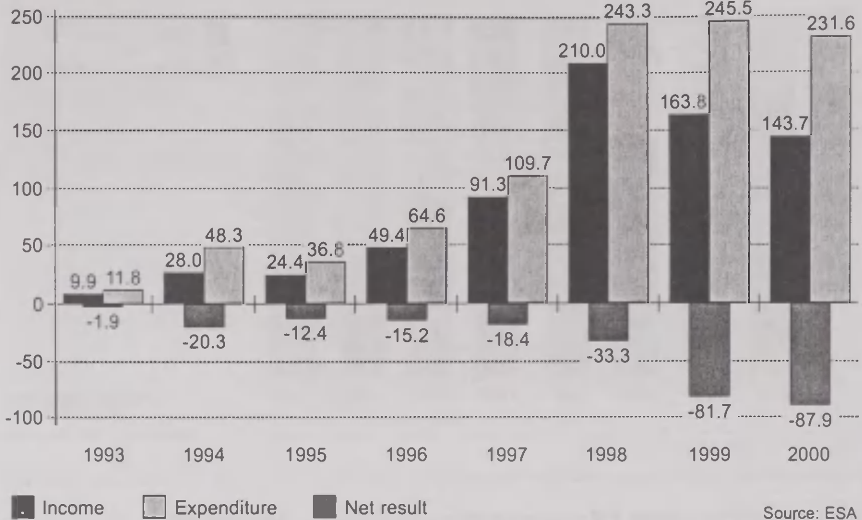


Figure 10. Income and expenditures of ETV, 1992–2000 (million EEK)

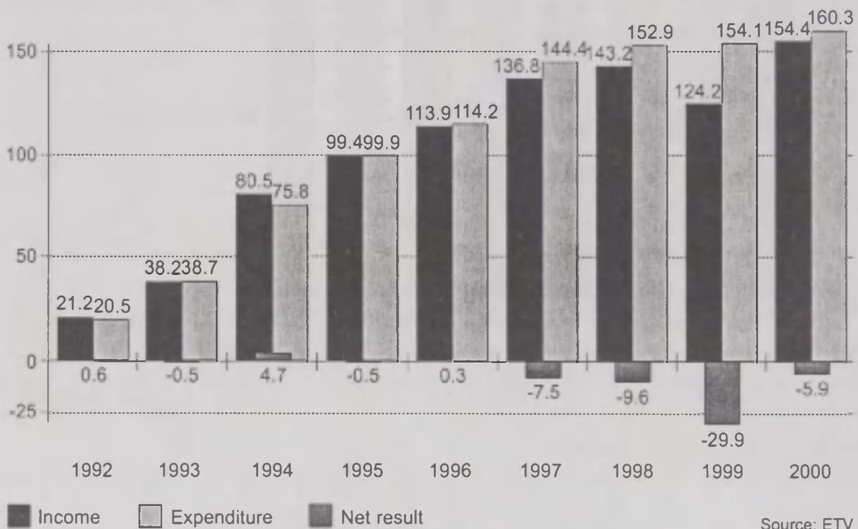


Figure 11. Average TV viewing time per week in Estonia, 1995–2001 (hours)

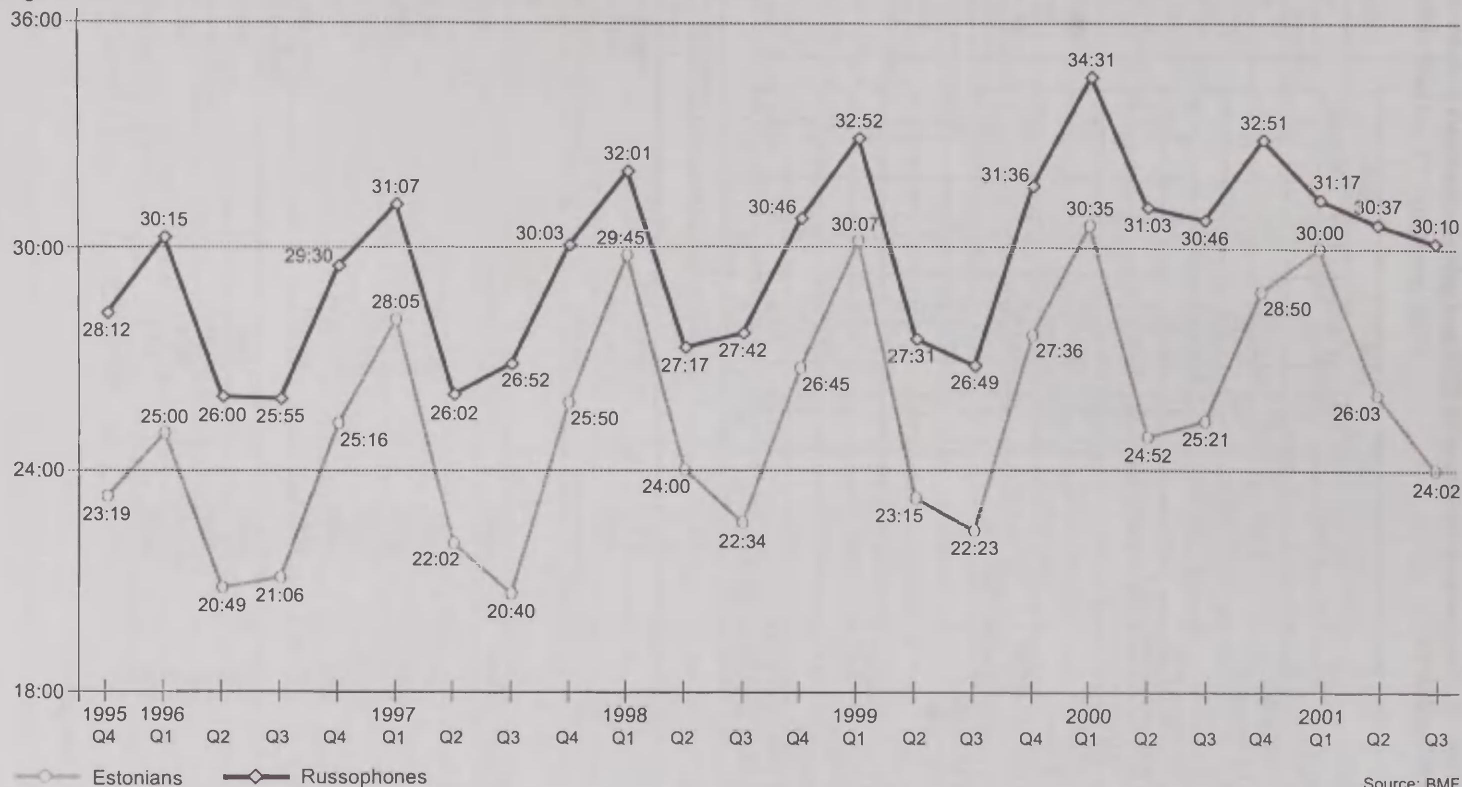


Table 25. Programme structure of ETV and private channels, 1999–2000 (%)

	1999		2000	
	ETV	Private	ETV	Private
News	8.7	10.1	7.6	8.8
Information	16.0	4.3	9.2	2.8
Infotainment	9.0	0	3.9	0
Sport	8.2	1.4	9.4	1.1
Serious drama	2.2	0.1	2.4	0
Arts and humanities	3.3	0.7	2.6	0.3
Religion	0.7	0.1	0.9	0
Education	0.9	0.4	2.6	0.2
Science	0.4	0	1.0	0
Human interest	7.4	3.1	7.4	3.5
TV games and competitions	3.4	1.8	4.0	1.0
Advertising	4.3	6.8	3.8	3.1
TV-shop	2.7	4.2	5.2	2.7
Animation	1.0	4.5	1.3	3.8
Entertainment	1.6	4.9	2.7	8.9
Music	2.2	6.1	4.1	3.5
Movies	2.9	11.3	3.7	8.6
Series and serials	14.4	37.6	17.5	25.0
Other, programme promotion	10.0	2.6	10.7	27.2

Sources: ETV; Statistical Office of Estonia

Table 26. Top 5 recurrent programmes in Baltic leading TV channels, 2000

Estonia

Title	Country of origin	Genre	Rating (%)
ETV (public)			
Õnne 13	Estonia	Serial	27.0
Pealtnägija	Estonia	Infotainment	25.4
Reisile sinuga	Estonia	TV game	24.3
Aktuaalne kaamera	Estonia	News	23.1
Tähed muusikas	Estonia	Entertainment	22.3
TV 3			
Politseinädal	Estonia	Publicism	17.8
Kahvel	Estonia	Infotainment	13.3
Kuldvillak	Estonia	TV game	12.2
The Bold and the Beautiful	USA	Serial	11.4
Seitsmesed uudised	Estonia	News	10.9
Kanal 2			
Politseikroonika	Estonia	Publicism	18.1
Reisile sinuga	Estonia	TV game	17.2
Nunca Te Olividare	Latin America	Serial	12.2
Dinosaurs	UK	Serial	11.3
La Muier de mi Vida	Latin America	Serial	10.1
TV 1			
Home and Away	Australia	Serial	12.5
Princess	International	Serial	12.0
Naise aroom	International	Serial	9.0
Black Pearl	Argentina	Serial	8.7
Kriminaalne Venemaa	Russia	Documentary	7.9

Latvia

Title	Country of origin	Genre	Rating (%)
LNT			
Kamenska	Russia	Serial	19.3
Rosalinda	Mexico	Serial	18.0
Gipsy love	Mexico	Serial	16.7
Miledy	Argentina	Serial	15.7
Ubojnaja siia	Russia	Serial	15.1
LTV 1 (public)			
Panorama.	Latvia	News	15.2
Kommissar Rex	Austria	Serial	12.1
Mini mani	Latvia	TV game	12.1
The Bold and the Beautiful	USA	Serial	10.2
And the Sea will Tell	International	Movie	9.7

Continued ...

CONTINUATION. Table 26. Top 5 recurrent programmes in Baltic leading TV channels, 2000

Latvia

LTV 2 (public)	Country of origin	Genre	Rating (%)
Ice hockey world championship	International	Sports	7.0
Bobsled world championship	International	Sports	6.1
Biathlon world championship	International	Sports	5.7
Summer Olympic Games 2000	International	Sports	5.6
Ice hockey, Check-Game	International	Sports	5.1
TV 3			
Agent Nacionalnoi Bezopasnosti	Russia	Serial	6.4
Maroseika 12	Russia	Serial	5.9
Mr. Bean	UK	Serial	5.7
Ulica razbityh fonarei	Russia	Serial	5.6
Kriminalnyi Peterburg	Russia	Serial	5.4

Lithuania

Title	Country of origin	Genre	Rating (%)
LNK			
Dviracio žynios	Lithuania	Entertainment	24.5
Ižiebk Kaledu žvaigžde	Lithuania	TV game	22.4
Atleisk	Lithuania	Entertainment	22.3
Pavojinga zona	Lithuania	Documentary	20.9
Svores	Lithuania	Publicism	20.7
TV 3			
Be tabu	Lithuania	Entertainment	23.7
TV 3 krepšinis	Lithuania	Sports	21.0
TV 3 žinios	Lithuania	News	20.8
Lietuvos ryto televizija	Lithuania	Publicism	18.1
X sektorius	Lithuania	Documentary	17.3
Baltijos TV			
Dviracio šou	Lithuania	Entertainment	15.1
Matulevocius laida	Lithuania	Publicism	11.1
Perlas	Lithuania	TV game	10.2
Kruvinoji banga	Lithuania	Documentary	9.7
Martial Law	USA	Serial	9.3
LRT (public)			
Panorama	Lithuania	News	16.1
Paskutine kryžkele	Lithuania	Publicism	9.5
Spaudos klubas	Lithuania	Publicism	9.1
Akiraciai	Lithuania	Cultural magazin	8.4
Autodafe	Lithuania	Publicism	8.1

Source: Baltic Media Book 2001

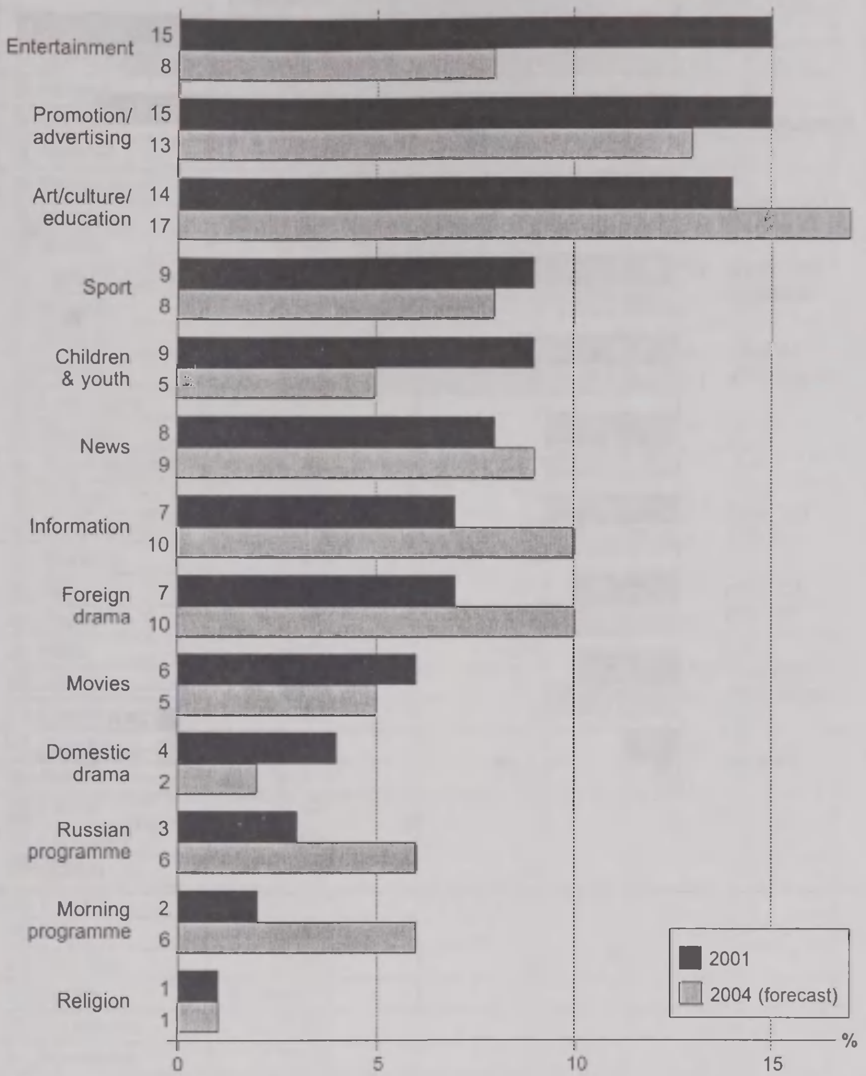


Figure 12. Comparison of ETV programme structures, 2001 and forecast for 2004 (%)

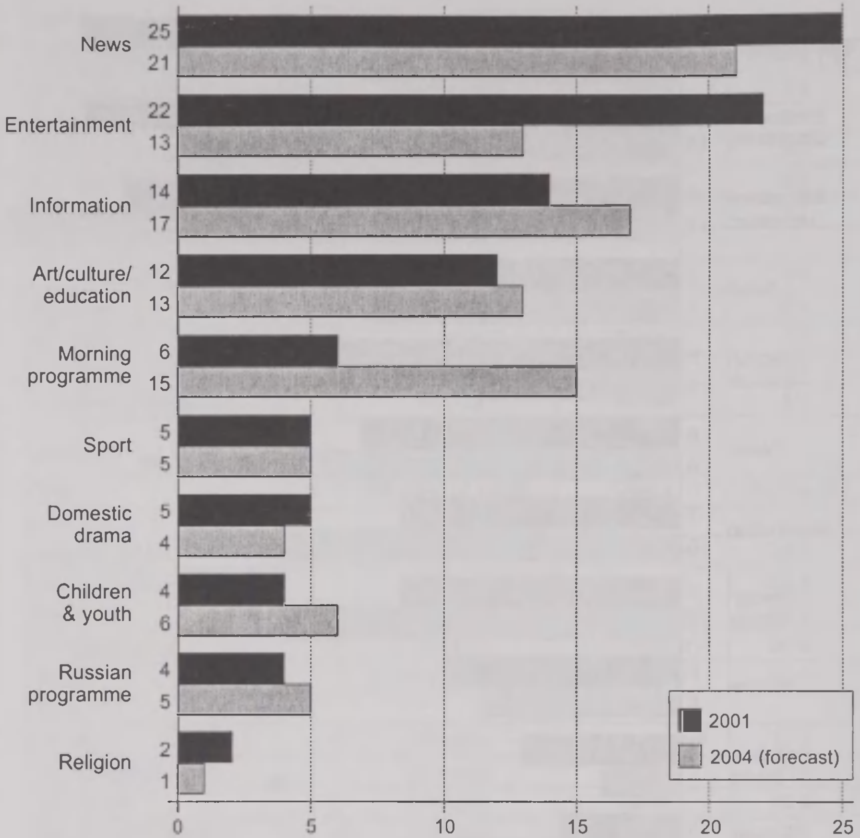


Figure 13. Comparison of the structure of ETV produced programmes, 2001 and forecast for 2004 (%)

Source: ETV

Table 27. Internet-connected hosts in Europe, November 2001

	Population (thous)	Real hosts (thous)	People per host
1. Iceland	276	51	5
2. Netherlands	15, 678	2,633	6
3. Finland	5,154	851	6
4. Denmark	5,270	525	10
5. Sweden	8,875	737	12
6. Switzerland	7,299	525	14
7. Norway	4,419	305	14
8. Austria	8,140	507	16
9. United Kingdom	58,649	2,177	27
10. Estonia	1,429	51	28
11. Belgium	10,141	352	29
12. Ireland	3,681	121	30
13. Luxemburg	422	14	31
14. Germany	82,133	2,411	34
15. Czech Republic	10,282	210	49
16. Portugal	9,869	179	55
17. Hungary	10,116	160	63
18. Slovenia	1,993	29	68
19. Italy	57,369	837	69
20. France	58,683	814	72
21. Spain	39,628	537	74
22. Greece	10,600	143	74
23. Cyprus	771	10	75
24. Slovakia	5,377	71	76
25. Poland	38,718	505	77
26. Latvia	2,424	25	98
27. Lithuania	3,694	33	110
28. Croatia	4,481	29	153
29. Russia	147,434	761	194
30. Bulgaria	8,336	25	328
31. Romania	22,474	50	452
32. Turkey	64,479	105	614
33. Yugoslavia	10,635	15	687
34. Macedonia	1,999	2	896
35. Ukraine	50,861	57	897
36. Belarus	10,315	3	3,181

Source: RIPE Network Coordination Centre

Table 28. Internet-development in EU-candidate countries, 1998–2001

	Internet hosts (thous)					Internet hosts per 100 inhabitants				Number of Internet users per 100 inhabitants [1]		
	1998 [2]	1999 [2]	2000 [2]	2001 [2]	Growth (%) 2001/2000	1998	1999	2000	2001	1998	1999	2000
Bulgaria	9.1	15.2	18.4	24.1	31.0	0.1	0.2	0.2	0.3	1.8	2.9	5.2
Czech Republic	70.1	102.2	143.7	185.4	29.0	0.7	1.0	1.4	1.8	3.9	6.8	9.7
Hungary	89.3	105.5	119.1	138.0	15.9	0.9	1.1	1.2	1.4	3.9	5.9	7.1
Poland	109.6	142.1	228.7	535.0	133.9	0.3	0.4	0.6	1.4	4.1	5.4	7.2
Romania	18.5	28.5	36.3	47.6	31.1	0.1	0.1	0.2	0.2	2.2	2.7	3.6
Slovakia	18.3	26.1	29.1	63.0	116.5	0.3	0.5	0.5	1.2	9.3	11.1	12.0
Slovenia	20.3	22.8	21.5	28.7	33.5	1.0	1.2	1.1	1.4	10.1	12.6	15.1
Estonia	20.6	27.2	33.3	44.9	34.8	1.4	1.9	2.3	3.1	10.3	13.8	25.4
Latvia	9.6	16.0	19.7	22.9	16.2	0.4	0.7	0.8	0.9	3.3	4.3	6.2
Lithuania	7.4	11.9	16.3	29.1	78.5	0.2	0.3	0.4	0.8	1.9	2.8	4.1
Aggregate of EU-candidate countries	429	589	770	1,233	60.2	0.2	0.3	0.4	0.7	2.6	4.1	5.5
EU countries	5,497	6,778	9,322	12,364	32.5	1.5	1.8	2.5	3.3	9.2	14.9	24.2

1 At least once during last three months, children included. **2** July of the indicated year.

Source: Eurostat (Deiss, 2001)

Table 29. Internet-development in the Baltics and CIS countries, 1991–1999

Number of hosts per 10,000 adults, in January of indicated year

	1991	1992	1993	1994	1995	1996	1997	1998	1999
Estonia	0.0	0.2 [1]	0.6	3.3	11.8	34.2	76.4	141.2	202.1
Latvia	0.0	0.0	0.0	0.4	3.0	9.8	28.9	31.4	69.6
Lithuania	0.0	0.0	0.0	0.0	0.6	2.2	6.5	15.0	35.1
Russia	0.0	0.0	0.0	0.0	0.2	1.1	4.0	9.9	14.1
Kyrgyzstan	na	na	na	na	na	na	na	na	5.9 [2]
Turkmenistan	na	na	na	na	na	na	na	na	5.8 [2]
Ukraine	0.0	0.0	0.0	0.0	0.2	0.6	1.7	3.9	5.0
Armenia	0.0	0.0	0.0	0.0	0.0	0.8	0.8	2.1	4.2
Kazakhstan	na	na	na	na	na	na	na	na	2.1 [2]
Moldova	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.8	2.0
Georgia	0.0	0.0	0.0	0.0	0.0	0.2	0.6	1.0	1.9
Belarus	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.9	1.4
Azerbaijan	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.9	0.9
Tajikistan	na	na	na	na	na	na	na	na	0.5 [2]
Uzbekistan	na	na	na	na	na	na	na	na	0.4 [2]

1 This figure is from June 1992, the first date when Estonia had a recorded host count.
2 The Central Asia states first appeared in the RIPE database in 1999.

Source: Herron, 1999

Table 30. Internet user's profile in the Baltics, autumn 2000

Share of different social groups among those who have used Internet during last 6 months

	Estonia		Latvia	Lithuania
	All population aged 15-74	Internet users	Internet users [1]	Internet users
Males	47	53	53	56
Females	53	47	47	44
Estonians / Latvians / Lithuanians	65	81	67	84
Non-Estonians / Non-Latvians / Non-Lithuanians	35	19	33	16
Age 15–19	9	27	23	21
Age 20–29	19	30	38	34
Age 30–49	37	34	35	39
Age 50–74	35	9	4	6
Basic education	24	24	18	12
Secondary education	58	50	47	32
Higher education	18	26	35	56
Live in capital	29	35	52	47
Live in other town	41	37	35	44
Live in the countryside	30	28	13	9
Working	58	60	69	68
Non-working	42	40	31	32

1 Weekly users.

Sources: Emor; Baltic Media Book 2001

Table 31. Mobile phone subscribers in EU-candidate countries, 1995–2000

	Number of mobile phone subscriptions at the end of the year (thousands)				Growth 2000/1999 (%)	Number of mobile phone subscriptions per 100 inhabitants			
	1995	1998	1999	2000		1995	1998	1999	2000
Bulgaria	20	127	350	738	110.9	0.2	1.5	4.3	9.0
Cyprus	44	116	161	218	44.6	6.0	15.5	20.1	32.7
Czech Republic	49	965	1,944	4,346	123.6	0.5	9.4	18.9	42.3
Estonia	30	247	387	557	43.9	2.0	17.0	26.8	38.7
Hungary	265	1,070	1,628	3,000	84.3	2.6	10.6	16.1	29.9
Latvia	15	168	274	401	46.5	0.6	6.8	11.2	16.6
Lithuania	14	268	332	524	57.8	0.4	7.2	9.0	14.2
Malta	11	23	37	114	209.2	3.0	6.1	9.6	29.5
Poland	75	1,928	3,956	6,747	70.6	0.2	5.0	10.2	17.5
Romania	9	643	1,400	2,499	78.5	0.0	2.9	6.2	11.1
Slovakia	12	465	918	1,294	40.9	0.2	8.6	17.0	24.0
Slovenia	27	196	614	1,086	76.9	1.4	9.9	31.0	54.6
Turkey	437	3,506	8,122	16,133	98.6	0.7	5.3	12.2	24.2
Aggregate of EU-candidate countries	**1,008**	**9,722**	**20,113**	**37,658**	**87.2**	**0.6**	**5.6**	**11.7**	**21.8**
EU countries	**21,160**	**90,145**	**146,579**	**235,745**	**60.8**	5.7	**24.1**	**39.1**	**62.6**

Source: Eurostat (Deiss 2001)

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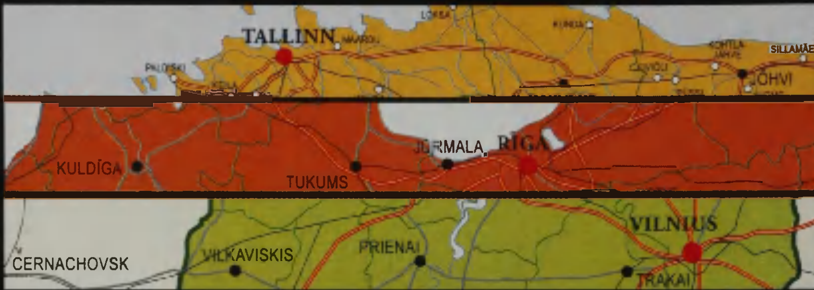
Statistical Office of Estonia – www.stat.ee
Statistics Finland – www.stat.fi
Statistics Lithuania – www.std.lt
Transparency International – www.transparency.org
UNDP – www.undp.org

Abbreviations and Symbols

(–) – absence of the phenomenon (indicator)
BMF – Baltic Media Facts Ltd.
BNS – Baltic News Service
CIS – Commonwealth of Independent States
CP – Communist Party
CPE – Communist Party of Estonia
CPSU – Communist Party of Soviet Union
EBRD – European Bank for Reconstruction and Development
EBU – European Broadcasting Union
EEK – Estonian *kroon*
EMOR – Estonian Market and Opinion Research Centre Ltd.
ER – Estonian Radio
Estonian SSR – Estonian Soviet Socialist Republic
ETV – Estonian Television
EU – European Union
FDI – Foreign direct investments
GDP – Gross domestic product
KGB – State Security Department of the USSR
LNT – Latvian Independent Television (commercial)
LRT – Lithuanian Radio and Television
Ls – Latvian *lat*
LTV – Latvian Television (public)
na – Data not available
NGO – Nongovernmental organisation
OECD – Organisation for Economic Co-operation and Development
PFE – Popular Front of Estonia
PPP – Purchasing power parity
PPS – Purchasing power standard
Q – Quarter
TPÜ – Tallinn Pedagogical University
TV – Television
UNDP – United Nations Development Programme
USD – United States dollar
USSR – Union of the Soviet Socialist Republics



Baltic Media in Transition

In the summer of 1993, the first comprehensive book about the development of the Baltic media was published in Tartu: *Towards a Civic Society: The Baltic Media's Long Road to Freedom* (edited by Svennik Hoyer, Epp Lauk and Peeter Vihalemm).
The book traced the manifold and complex history of the Baltic media from the 1760s, when the first Estonian and Latvian periodicals were published, to the early 1990s, the new beginning of democratic development in an environment of restored national independence.

In the **present volume,** media scholars from four Baltic universities continue the comparative analysis of media developments in Estonia, Latvia and Lithuania.
This examination explores the **general trends** of society and media development in the 1990s and the beginning of the new millennium.
A more detailed insight is focused on the **peaks and crises** of public broadcasting in Estonia.
Specific chapters deal with the role of the **Russian-language media**, as well as media regulation in Estonia.
The appendices provide comprehensive **statistical data** about society and media development in the Baltics in the context of the post-Communist transition in Central and Eastern Europe.

Tartu University Press
78 Tiigi Str., Tartu 50410, Estonia