

LSE MEDIA POLICY PROJECT

Replacing Media Policies with (Media) Entrepreneurship Policies

Dr Indrek Ibrus

Tallinn University (Tallinn, Estonia) and
Advisor of Audiovisual Affairs to the Estonian Ministry of Culture

Estonia is often praised for its eGovernance and optimism with regard to Information Communication Technologies (ICTs). The country is recognised for its groundbreaking public online services, and the number of start-ups per inhabitant is among the highest in the world. In this general context also the online activities of Estonia's Public Broadcaster (ERR) are comparatively advanced. There is a portfolio of thematic portals and award-winning mobile apps, all the radio and TV channels are available for live viewing online, with unprecedentedly rich options for catch-up viewing, and almost all of ERR's digitised archive content is available for viewing too.

Similarly to several other European countries, in Estonia it is the public broadcaster that drives innovation and experimentation with cross-media strategies or trans-media story-telling. Because of the very small size of the market there has been little such investment into more experimental and innovative content from private media. Without ERR there would be no commissioning of such "convergent content" from independent content providers. So how can a small European country like Estonia achieve diversity in the media, and encourage new forms and new actors in the industry?

Constraints of a Small Market

Despite the general ICT-optimism, the small size of Estonia's internal market for audiovisual services limits the degrees of freedom for many of its institutional actors.

- The advertising market and commercial broadcasters suffered greatly from the recession,

they are also losing ground to online advertising. Therefore their ability to drive the market has not recovered.

- The budget of ERR is among the smallest in Europe, which limits its ability to further drive the market and convergence processes as an experimenter and innovator.
- The role of PSBs for innovation coordination that is crucial in such small market is currently not recognised in European or Estonian policy frameworks, which has resulted also in relative confusion for ERR with regard to its functions and strategic goals¹.
- There is no evidence that independent (audiovisual) content providers have attempted to reach audiences without the intermediation of broadcasters or telecommunications companies – the internal market is too small.
- Export of content or formats is very rare, mainly due to lack of co-operation with international distributors, because those in the industry do not have yet the skills and contacts needed to participate in international markets effectively, as well as the fact that the relatively limited production budgets translate into limited quality and small export value.

Is There Hope in Start-Ups?

Despite the constraints and the lack of general policy frameworks that would support broader innovation and plurality in the existing media system, one can observe the emergence of a mindset and activities that are aimed at supporting innovation by directly targeting the small independent providers and media sector start-ups. Several new support measures have

been set up to fund such enterprises. The emphasis tends to be on supporting cooperation between the audiovisual industry's SMEs and the ICT-sector on cross-innovation, cross-media production, etc. In addition to direct funding for companies, new higher education curricula with a focus on entrepreneurship and digital skills have been developed, or clusters/incubators have been funded. Such initiatives typically hope for national economic growth, rather than generating plurality or public value in media.

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-DR INDREK IBRUS

Yet, these initiatives suffer from the structural constraints that limit the growth of media SME's in small peripheral countries. Such funding schemes can stimulate the generally underfunded film sector and are therefore eagerly used, but they can also become a source of new frustrations and tensions, since most audiovisual industry professionals do not have the skills for, or even an understanding of, the new opportunities of digital distribution, cross-innovation, and cross-media production. Often the established artists have rejected these measures openly, seeing no artistic value in obligations to develop cross-media campaigns next to, for instance, documentary films.

Furthermore, even if AV-industry SMEs undertake experimentation and try to innovate with digital forms and online distribution it is difficult for them to gain traction in the saturated Internet marketplace that makes them eventually retreat back under the helms of large brands and broadcasters. Bigger players, including PSBs like ERR, have learned lessons about the cost-effectiveness of digital multiplatform productions (high costs are not necessarily reflected in

audience numbers), and they take care to produce only small numbers of blockbuster products—heavily marketed content brands.

Therefore, despite the promises associated with digital distribution and the online start-up culture, the dynamics in Europe's small peripheral media markets continue drifting toward oligopolistic structures. Encouraging innovation and diversity will require more comprehensive policy changes than just a loose set of measures aimed at strengthening the entrepreneurial spirit of independent studios and designing the media production institutional landscape by taking example of start-up scenes in other sectors and bigger countries.

Recommendations

Any regulatory activity on the European and national levels should take the vulnerabilities of independent content providers of smaller countries into account. What is needed is not only to continue the work on new kinds of educational programmes for media professionals, but also to facilitating better access to markets for AV-industry SMEs. Any revisions to the AVMS Directive should aim to facilitate equal visibility of productions from smaller countries, for instance, on international VOD services.

The roles of PSBs as drivers of innovation needs to be recognised in the EU's approach to PSB and at the national level, while at the same the remits of PSBs need to be redesigned requiring them to take direct responsibility for the plurality and innovation within their respective national media production ecosystems. ¹

¹ Ibrus I and Merivee A. (2014) Strategic Management of Crossmedia Production at Estonian Public Broadcasting. Baltic Screen Media Review 2: 96-120. URL: <http://publications.tlu.ee/index.php/bsmr/article/view/222/pdf>