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SERBIA

In 2010, some aspects of Serbia's media environment improved, and some worsened, but on the average it was a lost year for media in Serbia—hence the score remained nearly identical compared with last year.

Several major events shaped the year. Most significantly, the economic crisis deeply affected the entire media sector. Advertising budgets shrank sharply, and led to a drop in revenue for practically all media—generating a number of effects that endangered professionalism and freedom of speech. The economic crisis in Serbia hit state financing strongly too, and even non-privatized media had difficulty securing their budgets. In perhaps the most important development in the long run, the economic crisis—especially diminishing advertising revenue, coupled with inflation—spelled disaster for the local media. The economic crisis further aggravated the well-known belief that the Radio Broadcasting Agency issued too many licenses, unleashing enormous competition on weak local markets. According to one panelist, around 70 percent of local media in Vojvodina are on the edge of bankruptcy procedures.

In another important development, the Ministry of Culture announced plans for a new media strategy. Following release of an EU-supported study and a public debate period, the Ministry promised quick realization of the strategy as a base for better media laws. Anticipating an improved environment as result, many media activities were postponed—but pointlessly. By the end of the year, the Ministry had delayed realization of the strategy several times, and ultimately pushed deadlines into 2011.

Following last year's turbulent reaction to controversial amendments of media laws, which sparked intense resistance by journalists and the media community, lethargy set in as Serbia's media waited for the Constitutional Court decision to weigh in on the amendments and essentially determine whether Serbia's media would progress down a path of democratic development or not. In the end, the Constitutional Court abolished six out of eight amendments—a positive signal to the media. Yet, again this year, the government launched a fresh attack on press freedom with the new Law on Electronic Communications, which contains provisions that violate journalists' right to protect their sources. However, before the media community could even react, the Ombudsman immediately appealed to the Constitutional Court.

Several democratic steps marked Serbia's political scene in 2010. Although the International Court of Justice's ruling that Kosovo's independence is in line with international law was a shock to some Serbians, the Serbian Assembly issued a declaration apologizing for the massacre of Bosnian Muslims in Srebrenica in 1995, and relations with neighboring countries improved substantially. In addition, the government abolished compulsory military service, the police took several successful steps against organized crime and drugs, and for the first time a Gay Pride Parade was carried out in Belgrade in October. The year finished with the arrival of 2,483 questions from the European Union aimed at determining Serbia's readiness to begin the formal process of approaching to European Union membership.

SERBIA AT A GLANCE

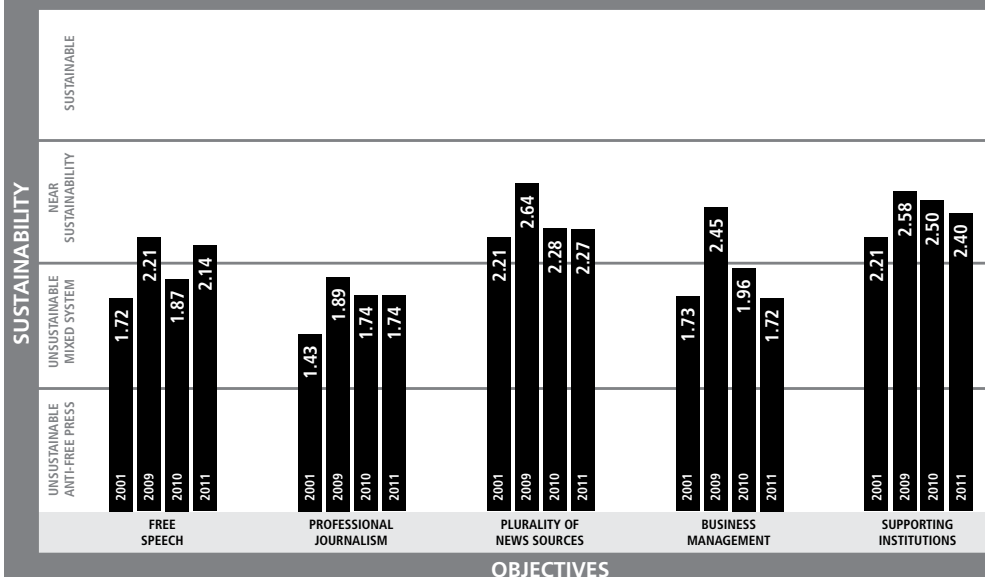
GENERAL

- > **Population:** 7,344,847 (July 2010 est., *CIA World Factbook*)
- > **Capital city:** Belgrade
- > **Ethnic groups (% of population):** Serb 82.9%, Hungarian 3.9%, Romany 1.4%, Yugoslavs 1.1%, Bosniaks 1.8%, Montenegrin 0.9%, other 8% (2002 census, *CIA World Factbook*)
- > **Religions (% of population):** Serbian Orthodox 85%, Catholic 5.5%, Protestant 1.1%, Muslim 3.2%, unspecified 2.6%, other, unknown or atheist 2.6% (2002 census, *CIA World Factbook*)
- > **Languages (% of population):** Serbian 88.3% (official), Hungarian 3.8%, Bosniak 1.8%, Romany 1.1%, other 4.1%, unknown 0.9% (2002 census, *CIA World Factbook*)
- > **Literacy rate:** 96.4% (male 98.9%, female 94.1%) (2002 census, *CIA World Factbook*)
- > **President or top authority:** Boris Tadic (since July 11, 2004)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** 496 print outlets including 20 dailies, 83 weeklies, 6 bi-weeklies, and 72 monthlies; approximately 186 radio stations; and 96 television stations
- > **Newspaper circulation statistics:** The three newspapers with largest circulation are *Blic* (private), *Vecernje Novosti* (state-owned) and *Kurir* (private)
- > **Broadcast ratings:** The top three ranked television stations are RTS1 (public), TV Pink (private) and TV B92 (private). The three radio stations with top listenership are Radio S (private), B92 (private), and Radio Beograd (state-owned) (SMMRI radio research, November 2009)
- > **News agencies:** BETA (private), FONET (private), TANJUG (state-owned)
- > **Annual advertising revenue in the media sector:** Approximately \$215 million (2009 est., AGB Nielsen)
- > **Internet Usage:** 4.107 million internet users (2009, *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: SERBIA



Scores for all years may be found online at http://www.irex.org/system/files/EE_msiscorers.xls

Unsustainable, Anti-Free Press (0-1):

Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2):

Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3):

Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4):

Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

OBJECTIVE 1: FREEDOM OF SPEECH

Serbia Objective Score: 2.14

Scores for Objective 1 (freedom of speech) improved for several reasons. Most significantly, in 2010 there were no major attacks on the freedom of speech, as in 2009 when amendments to the Law on Public Information drastically endangered free speech. Aside from an important 2010 Constitutional Court decision to abolish six of eight amendments, improved police response to attacks on journalists, the long awaited start of court trials against attackers on journalists, the improvement in information availability, unrestricted access of international news sources and free enter into profession, produced higher scores for most indicators in Objective 1. In keeping with tradition, the best-performing indicators were 8 (access to news sources) and 9 (entry into the profession), while indicator 5 (law guarantees editorial independence of the public media) again drew low scores. Indicator 2 (media licensing) and indicator 4 (attacks on journalists) also lagged behind the objective score by half a point. In spite of the higher overall Objective 1 score, panelists remain very critical of the authority's posture regarding the media.

The rules and laws that determine freedom of speech are generally strong and adequately applied. Most significantly,

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and social protections of free speech exist and are enforced.
- > Licensing or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state or public media.
- > Libel is a civil law issue, public officials are held to higher standards, offended party must prove falsity and malice.
- > Public information is easily available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

Seven national television stations threaten the existence of regional and local television stations in a country with less than 7.5 million people.

the Constitutional Court examined the August 2009 legislative changes (Amendments to the Law on Public Information) that violated basic principles of journalistic profession and basic principles of valid media laws and regulations. In the end, the Constitutional Court abolished six of eight amendments on July 22, 2010 (the two amendments that held are the right to pass information from the media register to ministries and tax authorities, and regulations against establishing new media with the same name as media that have ceased to exist for a period of one year). Unfortunately, the amendments stood in power for four months after the Court's ruling, until November 29, 2010 when the Court finally published its decision. Ljiljana Smajlovic, president of the Journalist Association of Serbia, thinks that the fact that the Court decision was not published on time shows the cynicism of authorities; she said the move added insult to injury. Not a single ministry reacted to last year's amendments, not even after the Constitutional Court's decision, despite the fact that they were obviously anti-democratic and contrary to media freedom. The panelists think that the amendments produced strong self-censorship, for fear of the heavy fines introduced in the amendments. The panelists also saw negative impacts of the amendments in a flood of private complaints against the media, with requests for compensation in much higher amounts than commonly seen before.

During 2010, passage of the Law on Electronic Communications released a fresh threat to the freedom of speech. It contains provisions that increase the authority's ability to monitor citizens' electronic communications, and media professionals fear it could infringe upon the right of journalists to protect their sources. Although the Ombudsman swiftly dispatched an appeal to the Constitutional Court, a decision has not yet been reached. Both the Ombudsman and the Commissioner for Information of Public Importance repeatedly pointed out that the Serbian Constitution guarantees the confidentiality of information sources.

The Ministry exercised strict control over preparations of the new media strategy, although it was billed as a move that will bring new and better media laws and improve Serbia's media systems. Unfortunately, the panelists interpret the poor transparency throughout the process, and the delays in preparation of the strategy, as another reason to worry for freedom of speech. Initially, the Ministry set a date of

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October 2010; after several more delays, at the time of the MSI panel they announced March 2011 for the strategy's release—claiming they are having problems determining the costs for new solutions proposed in the strategy. It has been pointed out the government is likely motivated to prolong the status quo until the next election.

In an unprecedented show of strength, however, five media associations formed a united front to defend free speech from further attacks by the authorities—and especially, to prevent misuse of the future media strategy. They published a joint proclamation in which they underscored the minimum conditions that the strategy must contain to preserve media freedom. Some of their main conditions include: Transparency of media ownership should be accessible to public; the regulation that forbids majority ownership by foreigners should be abolished; all media should be private except public service—in contrast to the state's present position as majority owner of many media in Serbia in spite of the law that prohibits state ownership; public interest in media laws should be explicitly determined; equal treatment of all media players on the market should be secured; and; state financing of the media must be transparent and non-discriminatory.

The same problems remain regarding broadcast licensing practice. The panelists believe that from the beginning, the licensing process initiated chaos, manifested in too many electronic media outlets yet with inadequate geographic coverage, and without efficient monitoring of program principles—especially on the local level. Seven national television stations threaten the existence of regional and local television stations in a country with less than 7.5 million people.

Some regions expected to receive a license, but did not—for example, Niš was sure that its TV5 would secure a national license, but only Belgrade television stations received such licenses in the end. Some stations clearly promoting hate speech secured licenses. Furthermore, Serbia continues to struggle to find a way to deal with pirate stations; pirate

stations are still on the air and there are cases of cable operators broadcasting their illegal programs. According to the Republic Agency for Electronic Communications (RATEL), in the last two years, 161 pirate stations were shut down—but 46 are still broadcasting. One radio station—Radio Stil Balkan—airs an illegal program that reaches across the whole territory of Serbia. In spite of a number of police reports, it still broadcasts from 11 locations. Radio Tamis has two pirate stations broadcasting on its legal frequency, but around 60 appeals to the state by Radio Tamis have been in vain.

“The election of experts in the Republic Broadcasting Agency [RBA] is highly politicized, and RBA is losing its independent function, said Vesna Sladojevic, deputy editor-in-chief of RTS public service, who added that the decisions RBA has made up to now support this conclusion, and hint at corruption. A number of panelists emphasized the fact that eight and a half years after the law was passed, not a single license for cable broadcast has been issued.

In principle, market entry is free, but the panelists believe the media is treated unfairly regarding tax practices, compared to other businesses. For several years in a row now, RBA has been collecting enormous amounts of money from electronic media—from what the panelists consider unfairly high taxes for licensing and other RBA services. RBA has big surplus at the end of each year, which they concede to the state budget (to be spend on non-media related purposes). The surpluses amounted to \$5.4 million in 2007; \$3.8 million in 2008; \$2.1 million in 2009, and in 2010, \$0.8 million. RBA expects to reach a surplus of \$1.1 million and direct it to Serbia's state budget as well.

Unfortunately, crimes against journalist were not rare during 2010. The panelists pointed to numerous examples of physical attacks on journalists: A *Blic* correspondent from the town of Aleksandovac—attacked by the mayor's driver; a *Kurir* journalist attacked in Smederevo; a B92 correspondent assaulted in Kursumlija, and a photojournalist from *Alo* attacked in Belgrade. In addition, the car of a *PrvaTV* correspondent was trashed, and hooligans attacked the Serbian public service RTS headquarters—along with many more incidents. The brutal attack on *Vreme* journalist Teofil Pancic, one of the most famous journalists in Serbia, on July 24, 2010 attracted the most attention. He was beaten on a town bus in a targeted attack (two boys entered the bus with baseball bats and attacked only the journalist). For this crime, the minimum judicial punishment proscribed by the law is six months, but the assailants only received three months in prison.

Tamara Skrozza, a journalist with *Vreme*, thinks that judicial punishment is so mild that it encourages criminals to proceed with their activities against the media and journalists.

Vukasin Obradovic, president of the Independent Journalist Association of Serbia (NUNS), pointed out that journalists in local media are by far the more endangered and subject to worse attacks than journalists and media in Belgrade. Obradovic argued that when journalists are attacked in Belgrade, the national media covers the case extensively and kicks up a big fuss. By contrast, in local areas, targeted journalists are often in conflict with local politicians, police, tycoons or Mafia members, and the public and law enforcement alike often marginalize or ignore their cases.

The panelists also underlined the rise of threats against journalists on websites, blogs, and Facebook.

The financing system of state-owned media is non-transparent and is directly linked with the ambitions of politicians to maintain control over the media, according to the panelists. Obradovic pointed out that the state practice of financing local media is so voluntary and politically biased that in some cases, the state budget even financed pirate stations. Local media in 2010 experienced financial catastrophe, and the financing system for local media financing is now dominated by blackmail and manipulation. Sladojevic commented that typical language at the local level is "Support the authorities in your programs or no money will be given to your station." Minority language media owned by national councils face similar political control. Last year, the Hungarian National Council established a unique Council to control the editorial policy of the newspaper *Családi Kör* in the Hungarian minority language. "Such voluntary practice is a clear control of media through state subventions," said Obradovic. The public service, RTS, is also in financial distress. Due to the economic collapse, subscription collection dropped sharply in 2010. Obradovic said there is no comprehensive system of financing RTS activities, and added that a "serious country should solve the problem of financing its public service."

A drastic case of a politician's treatment of public media involved the public announcement of the Vojvodina prime minister, who conditioned financial help to *Dnevnik* with the Vojvodina government's right to elect its editor-in-chief. Commenting on this, Smajlovic said that media institutions should insist on legally proscribed procedures in electing editors—even if it is clear that politics will win. Sladojevic explained that such a practice is traditional in Serbia. Ljubica Markovic, director of Beta news agency, responded, "Political control over media includes election of journalists and editors, non-transparent budget financing etc. Transparent procedures should be pursued in electing managers and editors in state-owned media, and independent commissions, rather than politicians, should distributed funds for the media. Such moves will diminish the present role of the state in media."

Despite all the concerns about financing and appointments of leadership in the state-owned media, the panelists noticed that in the last year the news on public service RTS improved in objectivity and professionalism.

Libel still falls under criminal law, but prison time was abolished as a punishment for libel several years ago. In 2010, journalists faced much more serious problems with civil litigation for libel than with criminal litigation. In civil cases, the private prosecutors ask for enormous compensation awards. The punishment of *Čačanske Novine*, with a fine of RSD 180,000 (\$2,250) for publishing a spoof, drew the most comment in 2010. The court's statement matter-of-factly explained that it decided to punish the magazine because ex-Minister Velimir Ilic recognized himself in a published spoof.

Regarding access to information, this year the panelists again praised the Commissioner for Information of Public Importance and Personal Data Protection—whose role in obtaining public information for journalists that authorities are unwilling to publish remains indispensable. Almost all media editors use that channel to get hidden information. However, the panelists did note that local media, for technical and financial reasons, have more problems than media from Belgrade acquiring information from state institutions and organizations.

Again this year, the panelists agreed that access to international news and news sources is unrestricted. Only a few problems were registered, such as sporadic cases of unfair treatment of Beta and RTS journalists by individual ministries. For example, ministries barred journalists from entering news conferences, based upon previous material they published that criticized the ministries.

Similarly, entry to the journalism profession is not subject to limitations.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Serbia Objective Score: 1.74

According to the panelists, this year's scores for professional journalism reflect the stagnation of the sector. Most panelists see poor salaries for journalists, as a strong reason behind the continuing failures to lift standards. Average salaries as low as \$300 per month do not give journalists the motivation to devote themselves completely to their job. On the contrary, salaries are the impetus for many of them to leave the profession and move on to better paying positions—often in public relations departments of ministries or businesses. The panelists described the especially ruinous influence of

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low salaries on fair reporting, ethical standards, avoiding self-censorship and in-depth coverage of key events and issues. All indicators in this objective scored the same or very similar to last year's scores. Further, the two indicators whose scores differed by more than half a point remained in the same relative position: indicator 5 (pay levels for journalists) about three-quarters of a point behind the objective score and indicator 4 (journalists cover key events) about three-quarters of a point ahead.

Fairness, objectivity, and sourcing in reporting have never been worse, the panelists said. Sladojevic stated, "In all media, superficiality reigns, and initiative—even among young journalists—has disappeared. We have a 'Dead Sea,' with minimal investigative journalism. For professionalism in Serbian media, 2010 was the worst year." Although, as mentioned above, RTS news has improved in respect to airing more viewpoints, there is still not enough investigative journalism, and journalists neglect a number of important themes.

JOURNALISM MEETS PROFESSIONAL STANDARDS OF QUALITY.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well-sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption and retain qualified personnel within the media profession.
- > Entertainment programming does not eclipse news and information programming.
- > Facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exist (investigative, economics/business, local, political).

Fortunately, there have been some excellent exceptions, with solid investigative stories despite the very difficult circumstances. Some examples include B92 TV program *Insider*, the B92 radio program *Pascanik*, and number of serious analytical texts in *Republika*.

The panelists described more violations of ethical standards this year. For example, in a number of cases, bloggers lifted complete articles from other media and posted them on their blogs, without compensating the source. Media representatives claim there is no chance of gaining any compensation or punishing bloggers who steal material, due to the inefficiency of the legal state and the lack of laws and regulations on the matter.

The panelists see a serious problem regarding the failure to regulate copyrights for news. In the most important case in 2010, TV Pink took over complete frames from RTS and published them in their news without permission. RTS sued TV Pink in November; a decision was pending at the time of the MSI panel. Also, a large number of daily newspapers complained that other websites copied and published texts from their Internet editions without quoting the sources. The deterioration of ethical standards appears to be spreading with Internet journalism.

Skrozza also brought up the growth of sensationalist journalism in the context of ethics. She said, "In spite of the Ethical Code adopted by journalists' associations, it is often violated; tabloidization is spreading without adequate public reaction. *Alo*, on the day of Pride Parade in Belgrade, displayed a number of scandalous texts and headings that could be included in any journalist's textbook in the world as violations of ethical codes. Several associations protested against the most vulgar and unacceptable breaches during the year, but tabloids are unfazed by their pressure.

The panelists agreed that self-censorship is spreading even more this year than before, due to political pressures and, above all, the economic pressures that brought most media to their knees. Many (local) media feel forced to accept blackmail as the only way to survive. Furthermore, editors increasingly turn to self-censorship, fearing the €20,000 fines introduced in last year's amendments.

All media in Serbia cover key events, almost without exception. Voja Zanetic, CEO and owner of Mosaik Marketing Agency, thinks that key events are registered, but not analyzed thoroughly. Most news occupies the public space for one day, then evaporates. "There is no ability in the media to deal with news and events more deeply. The best example is this year's earthquake in Serbian town of Kraljevo. All media published information on the earthquake promptly, but never analyzed why so many houses were destroyed in

an earthquake of such magnitude. Instead, a few days after earthquake, all media focused extensively on which politicians came to visit the town," Zanetic said. He added, "Key events are intensively treated only if and when they fall within a politician's public relations strategy."

The media did neglect some more complex and serious problems, such as Serbia's long-term economic stagnation, budget processes, the real conditions of approaching European Union membership, and corruption. Although some media reportedly maintain lists of forbidden topics, in most cases there simply are no journalists qualified to address specialized issues. Coverage of these more challenging themes requires specialized journalist and uncompromising editors, who are difficult to find in today's media. The lack of journalists specialized to cover economic development, culture, foreign policy, etc. is hurting the quality of coverage.

Traditionally the indicator with lowest score, this year the panelists were especially critical of salaries for journalists. In most media, the situation is getting worse. Salaries are too low, very often paid late by months; the dinar exchange rate is weakening; and inflation in Serbia is the highest in Europe. In this environment, journalists have lost social protection, and they are afraid for their own existence. Smajlovic said, "As a profession, journalism in Serbia is on the eve of destruction. Low salaries are the most efficient remedy against free journalism. This is an alarming situation. Nobody will choose journalism as a profession any more. Compared with other activities, journalism was never so low." Obradovic added that the outflow of good journalists into ministries and public relations is a direct consequence of low salaries. This outflow is "compensated" with the inflow of low-quality newcomers who agree to work for low salaries, but in a professional sense cannot substitute for good journalists. Other journalists devote much time to moonlighting activities, to secure a livable income.

According to AGB People Meter results, the balance between television news and entertainment programs is about the same. The example of TV B92, whose program was monitored by RBA agency for the period of January-August of 2010, showed a high share of news in the total program (19 percent, plus an additional 29 percent of other types of informative programming— mostly political talk shows). The other national television stations, however, are diminishing the length of their news. Most participants see a mild trend of spreading entertainment compared to news programming. Skrozza commented, "Infotainment is growing."

The economic crisis has hurt the media's access to modern technical equipment in two ways: Not only is it harder to obtain new technology; existing equipment cannot be maintained. Local media are particularly affected; focused

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on mere survival, they cannot even think of buying new equipment. The panelists recognize the adverse effects this has on the quality of journalism, and commented that if the situation persists Serbia will lag behind media in neighboring countries. Panelists complained about the quality of distribution channels, especially Internet connections, as well. Predrag Blagojevic, CEO and owner of *Juzne vesti* (*South News*), said, "In the short run, I do not see the quality of equipment as a significant problem for quality news reporting—it is a bigger problem in the production of entertainment or educational program."

The lack of quality niche reporting, in-depth and investigative reporting continues to plague Serbia. "Asking for extraordinary commitment in a given circumstances, journalist specialization is extremely rare", said Sladojevic. Obradovic stated, "The deepening of the economic crisis is responsible for the reduction in the number of journalists specialized for certain categories; only a few media have enough money to pay the serious investigative journalists. They have been substituted with generalists, and as a consequence, investigative journalism is practically dying out." Sladojevic added that a number of editors are restricting investigative journalism due to the lack of funds. Zanetic underlined the stagnation of economic journalism as an especially critical problem, especially given the nature of the problems facing Serbia in that sphere.

OBJECTIVE 3: PLURALITY OF NEWS

Serbia Objective Score: 2.27

The panelists did not see serious deterioration in the plurality of news sources, and the marks changed little from last year's MSI score. Access to media by Serbian citizens is free, the only limitation being economic means. Transparency of media ownership had the biggest drop compared to last year, reflecting the panelists' views on the government's

Blagojevic noticed that all local media produce just a small percentage of news content locally and half is about those who fund the programs. "The target audience is funding clients, not viewers," he said.

halting privatization and postponement, once more, of the adoption of the new law on media concentration (announced every year by Ministry for Culture and Media for several years running). Plurality of news sources, citizen access to international and domestic media, and independent news agency practices rated the highest. The biggest improvement was seen in activities of news agencies, and biggest drop registered in private media news production—where the quality dropped compared to last year due to funding shortages.

The situation concerning a plurality of affordable public and private news sources (e.g., print, broadcast, community, Internet) and citizens' access to domestic or international media did not deteriorate, and actually improved somewhat with the speed of Internet development in Serbia. Blogs are becoming more and more important as sources of information, as are social networks. As in previous years, news sources are affordable, and media access is satisfactory.

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, internet, mobile) exists and offer multiple viewpoints.
- > Citizens' access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are non-partisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.
- > The media provide news coverage and information about local, national, and international issues.

The state and public media do not reflect the broader views of the entire political spectrum. As a consequence, politicians are almost without exception choosing the in the leaders of state media including editor in chief and editors of news or political programs. In particular, the public interest is poorly represented.

Zsuzsana Serences, correspondent for Radio Free Europe commented that the shortage of cultural, scientific, and children's programs is obvious, and the law is violated regarding minority languages on public service television. The public service of Vojvodina is weak, for example. Svetlana Kojanovic, director of TV CACAK, thinks that years after RTS was supposed to be transformed into public service, it is still a public service in name only. She believes it should feature much more information on South Serbia and local events to satisfy the citizens of Serbia outside Belgrade, as well.

Obradovic stressed, "Public service news programs are seen as the government daily bulletin, it includes programs that are not appropriate for public service, and there is a shortage funding for real public service programs." Smajlovic thinks that other stations are ingratiating to the government, as well, not just RTS: "There is no pluralism on television, and less and less variety of politically different opinions." Sladojevic agreed that there is pressure but feels that representation of the government is similar on all national television news programs. Sladojevic agreed that the RTS news program has improved, and agreed that there is a need to display more alternative opinions on all media.

The panelists consider independent news agencies, Fonet and Beta, professional. Last year, the panelists raised concerns about Infobiro, a new agency that rose up in 2009 with funding from political parties. In particular, the panelists expressed concern that it blurred the lines between public relations and news, and undermined the market of Fonet and Beta by providing free and technically appealing (but lacking in a journalistic sense) material—mostly coverage of political events contracted by the state. Yet this year, Infobiro's activity has diminished, and it is now less focused on covering the president. In a survey last year, out of twelve free programs for downloading on the Infobiro website, six were on President Tadic. This year showed not a single program on the president.

Still, Fonet and Beta, the private agencies, were hard hit by the economic crisis, and the state-owned Tanjug—which improved its service in the past year—is proving competitive. The independent agencies claim that partial funding from the state gives Tanjug a leg up, while their subscriptions continue to fall. The decline has been dramatic. Years ago, media subscriptions provided 90 percent of revenues at Beta—a

figure that fell to 70 percent in 2010, as a result of local media canceling their subscriptions.

Continuing a trend observed last year, local media are increasingly sharing news programming. As Obradovic noticed, "Local media have very limited self-produced informative programming and what they do have is low quality. Funding is scarce and instead of producing their own programs local media are using recorded programs that are free of charge. There are several free sources of information such local media are turning to, including websites of television and radio stations, free content on news agency sites, reading newspapers on radio and television, and using recorded materials (features) financed by donors and delivered free of charge. Accordingly, information programs across the board are increasingly similar."

Blagojevic noticed that all local media produce just a small percentage of news content locally and half is about those who fund the programs. "The target audience is funding clients, not viewers," he said. The decline of in-house news production is yet another serious consequence of the financial crisis on the media. Despite the setback in local media to produce their own news, original news production remains a strength for major independent broadcast media outlets—especially at the local level.

The formal ownership of all Serbian companies, including media, is published on the website of the Serbian Business Registers Agency (RBA). Nevertheless, while the formal owners are well known, many media specialists and journalists believe that behind the scenes other, more powerful owners lurk to skirt the regulations against media concentration. RBA is charged with monitoring media ownership concentration and any change in media ownership is subject to RBA approval.

In the last four years, four television stations with nationally licensed frequencies changed ownership. The panelists noted that now, instead of four different television stations with varying programming lineups, we have four television stations with nearly identical programs. The last two ownership changes at two national television stations happened in 2010, awakening suspicions of unhealthy media concentration. Rumors are that out of five national television stations, two are in Greek hands, two are owned by Pink, and a business tycoon owns the fifth. The data, however, are not transparent and the process is not yet complete, as two television stations sold recently appear to be on the market again. Zanetic described the situation ironically: "The transparency of media ownership in our country exists, but it can't be seen."

As Blagojevic emphasized, "The new development is blogging. For example, blog 016 Leskovac informs the public of town events. Another is Aleksinacnews.net, which publishes news that cannot be found anywhere else."

Another worrying sign is the growing concentration of radio stations held by TDI Radio that has two stations in Belgrade, two in Niš, and two in town of Cacak.

A key problem is that the minority voices are only seen in the media in response to official actions or incidents. For instance: In February, two young Hungarians were attacked in the town of Temerin, and in July a Belgrade shop owned by an Albanian was demolished. Blagojevic noted that on many blogs minority problems are sometimes covered well, but other blogs are full of fascist rants against minorities.

Some panelists think that lack of funds produces weak coverage on minorities. Sladojevic agreed, but said that the lack of money is not entirely to blame. "Society needs more goodwill to understand the problems of minorities," she said.

A variety of social issues in the media, such as those concerning gender, ethnicity, social convention, religion, and sexual orientation, are well represented in media, and there is no resistance to their inclusion, said one panelist. The extensive, multi-day coverage of the Gay Pride Parade is a good example (though of course some media took controversial approaches). Blogs, however, are often full of hate speech and even fascist comments, but still a number of them offer thoughtful and serious commentary on such issues.

In media with national reach, especially television, too little time is devoted to local issues, and there is a lack of correspondents from small local communities. As Blagojevic emphasized, "The new development is blogging. For example, blog 016 Leskovac informs the public of town events. Another is Aleksinacnews.net, which publishes news that cannot be found anywhere else. The site Southern News attracts 30 percent of its readers from Facebook, and is improving coverage of Central Serbia—compensating for a lack of news on national television. Sladojevic remarked that the public service has a special program on local events called *This is Serbia* that covers events south of Belgrade, including contributions from RTS correspondents. Unfortunately, the show does not yet have a permanent timeslot. Kojanovic reiterated that local news in-house production is too

“Advertising agencies, therefore, have undue influence on editorial policy. If data were transparent it would be apparent whether media are financed by one marketing agency or several, and editorial policies could be understood and assessed in that light,” said Obradovic.

expensive, so a number of local electronic media broadcast free-of-charge programs from the agencies and other television stations such as RTS or B92. Local news is obviously losing ground. Traditionally, Serbian media cover and analyze international events and news extensively.

OBJECTIVE 4: BUSINESS MANAGEMENT

Serbia Objective Score: 1.72

Heavily hit by the economic crisis, management of media enterprises deteriorated in 2010. The highly competitive, overcrowded media market had to contend with diminishing advertising revenue—a countrywide phenomenon, but especially hard hit were local areas—and the monopolization of the advertising market by a few media. With the further withdrawal of foreign donors, and the state’s traditional disinterest in the media’s economic problems, managers

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and internet statistics are reliably and independently produced.

had little opportunity to improve the business side of their operations. Most media managers aspired only to survive, let alone make a profit or pursue further development.

The panelists demonstrated the severity of the crisis with a score moderately lower than last year. In particular, scores for indicator 3 (the advertising market), indicator 5 (government distortion of the market), and indicator 7 (reliability of broadcast figures and circulation data) suffered the greatest drops in score. However, despite that drop in score, indicator 7 still scored more than three-quarters of a point ahead of the objective. All other indicators scored close to the objective score.

Although some media in Serbia are fairly well organized from a business perspective, most are not managed effectively. There are two major factors currently holding media back from operating as profit-generating, professionally managed businesses. First, with too many registered media in a market of just 7.5 million people, competition is intense. Second, the financial crisis had a devastating impact on the Serbian economy, and was an enormous setback for the media—local media especially. With shrinking advertising revenue and the disappearance of other possible sources of income, the panelists went so far as to conclude that Serbia’s media are on the verge of bankruptcy.

Although many media prepare business plans, and accounting practices are close to international standards, the economic situation in Serbia is so unstable that it is not possible to follow a business plan. In 2010, Serbia’s media had to contend with the biggest inflation in Europe, high-interest bank loans, and delayed payments for goods and services rendered—yet media outlets must often pay taxes on the services before they receive their payment.

Formally, media are permitted to earn money from multiple sources, but with shrinking municipal budgets and the disappearance of donations, advertising is essentially the only income source remaining. “Advertising agencies, therefore, have undue influence on editorial policy. If data were transparent it would be apparent whether media are financed by one marketing agency or several, and editorial policies could be understood and assessed in that light,” said Obradovic.

In this environment, local media are forced to accept any conditions the biggest advertising agencies offer. The two biggest agencies are consistently late to pay; they are arrogant and in general blackmail outlets. Their approach to local media is a classic, “take it or leave it” attitude. Blagojevic commented, “Marketing agencies have little interest in doing business with small media. The contacts with local media are weak; all power is centered in Belgrade.”

Darko Brocic, Director, AGB Nielsen, noted that the crisis hit print media and local media the hardest. The first budget cuts for advertising were at the local level. The lack of good quality data on local audiences contributes to declining local advertising income.

Though data on advertising for 2010 are not available yet, it is certain that the year will see a decline in overall advertising spending in Serbia. One reason for the likely drop is the practice of giving lower prices and discounts to advertisers on electronic media. Skrozza pointed at opaqueness in the ownership of big advertising agencies, which are managed by people active in top state political bodies. However, Brocic said, "Ownership of agencies is well known; the three biggest are under control of close associates of the president. That is creating an abnormal atmosphere among the media."

As a percent of overall income, advertising revenue is in line with standards, but prices are low. According to Obradovic, income from agencies in local media declined by 60 percent in the last period, and local advertising has had a detrimental impact on editorial policy (i.e., news content suffers due to reduced funding). All local media have big problems with commercial business. Kovacevic agreed that damping was the dominant trend in advertising prices, especially with local media—where advertising income dropped nearly 50 percent.

According to the Advertising Law, television and radio are limited to advertise only 15 percent of every 24 hours of broadcasting time, and no more than 12 minutes per hour. A new Advertising Law is being written and is expected to regulate these activities more extensively.

Directly or indirectly, the state is the biggest single advertiser, but distribution of subsidies is not fair, the panelists said. "The state budget is an inexhaustible source for financing of media obedience," said Blagojevic. State subsidies for independent media are minimal, while state-owned media receive 66 to 100 percent of their financing from the state. Recent budget problems, however, have prevented a number of municipalities from paying their media obligations, leading to several strikes against state-owned media.

At the local level, aside from municipality budgets, the biggest advertisers are local public companies closely connected with municipal authorities—opening yet another channel to influence editorial policy.

Government ministries advertise selectively, but never in local media. Kojanovic pointed out, "Certain ministries advertise heavily in individual media, raising concerns of corruption."

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Market research has been an industry standard for years. Radio and television conduct audience research at least once, if not twice, a year. AGB Nielsen collects daily People Meter measurement of television viewership in certain areas. The least satisfactory is research in print nationwide and local electronic media. Obradovic pointed out: "Local media do not have funds for research; explorations of the media sector in Serbia, which are common, are almost always at the national level." Skrozza added that research results are used marginally in print media and few journalists are aware of the findings when they do exist. Some do not even know their target audience. Management fails to share what knowledge is gathered to journalists and staff."

Brocic said that research on the national level is satisfactory enough to provide daily data on television viewership. Local viewership is examined twice a year (financed by USAID), and radio listenership is surveyed in only 10 Serbian towns. In print, research on readership lags far behind. RTS public service conducts research, but according to the panelists, it does not use the results properly, nor are they disseminated adequately to journalists.

The panelists agreed that circulation numbers are extremely useful for program planning, and quite reliable. Kovacevic said that ABC measures print media circulation—a welcome development, as only several years ago no reliable data whatsoever was available on circulation. ABC measures around 80 percent of magazine circulation and around 95 percent of daily circulation in Serbia. But, here again national media are better off. ABC Serbia has only one local media under audit (the Hungarian minority *Családi Kör*).

On the other hand, Internet usage statistics are very detailed, and have a positive and extensive impact on editing web pages. Statistics on the number of visitors is a very useful aid and should be used more extensively, the panelists agreed. According to web analysis, the most popular websites are Krstarica.com, Blic, B92, and Infostud.

Until recently, the Belgrade Political Science faculty had a reputation for doing the worst job of preparing journalists. However, in the last two years, the situation changed dramatically for the better. Several panelists commented and credit the reversal with the fact that the program adopted a more hands-on, practical approach.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Serbia Objective Score: 2.40

Although scores for Objective 5 fell slightly from last year, none of the indicators fell below a 2—the threshold between an unsustainable, mixed system and near-sustainability. All indicators scored near the objective score.

Serbia has a media publishers' association, ASMEDI, which includes representatives of three dailies and three weeklies, one television station, one news agency and several media owners. The association is believed to be close to the authorities. In addition, there are also several journalists' unions in the country, but the panelists said they are disjointed and inefficient in protecting and promoting

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists' rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (e.g., kiosks, transmitters, cable, internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

journalists' interests. In Serbia, journalists' associations have taken over a large part of activities in protecting journalist's interests and rights that would normally be handled by a union.

In the most noteworthy development in 2010 regarding supporting institutions, five media institutions—NUNS, the Journalist Association of Serbia, the Independent Journalist's Associations of Vojvodina - NDVD, Lokal Press, and the Association of Independent Electronic Media—succeeded in formulating a united front toward ensuring the media's interests are upheld in the new media strategy. The panelists praised this effort as the crowning achievement for media associations in 2010, as they found agreement on important questions raised in discussions surrounding the strategy. Marking the first time that different associations formed a common approach to important media problems, the panelists hope it sets a precedent for more successful efforts to pressure state institutions in the future.

However, the panelists noted that ASMEDI opposed the move, and insisted that only media entities, and not journalists' associations, should be involved in discussions on the new strategy.

The relationship between NGOs and media is basically ad hoc. The panelists feel that NGOs are less active in defending media freedoms. Communication is diminishing, in part because a number of NGOs have grown closer to the government and no longer criticize even the most obvious undemocratic moves of the authorities.

In the universities, there are 13 faculties offering journalism studies in Serbia, and they receive generally low marks for preparing journalists adequately. Until recently, the Belgrade Political Science faculty had a reputation for doing the worst job of preparing journalists. However, in the last two years, the situation changed dramatically for the better. Several panelists commented and credit the reversal with the fact that the program adopted a more hands-on, practical approach. Students started to learn and work in the field (e.g., visiting media and working directly with journalists and editors).

Short-term training programs fill certain gaps, providing a boost in specialist areas such as economy and energy. The training is financed mostly with ever-dwindling donations. The panelists underlined a noticeable shift in interest in such training, from technical aspects of media production to social and economic specialties such as management, finance, marketing, EU accession, EU project bidding techniques, etc.—and especially toward new media. Unfortunately, as average media cannot finance their employees' attendance,

commercial courses are very rare and everything leans upon the support of foreign donors.

The panelists confirmed newsprint sources and printing facilities remain private, apolitical, and unrestricted.

In terms of media distribution, the biggest print media distributor, Futura plus, fell into a bankruptcy crisis. In May, the Commercial Court adopted a plan to restructure the company, narrowly avoiding liquidation of a company with 1,200 outlets across Serbia and 2,500 employees. Despite this, by the end of the year most dailies could not be found in Futura kiosks as most publishers boycotted Futura for lack of payment.

ASMEDI announced that mounting outstanding balances (RSD 250 million, or \$3.45 million) from Futura endangered the viability of many newspapers. On the other hand, Futura accused ASMEDI of attempting to shut it down, despite its status as the only national distributor of print media in Serbia. At the time of the MSI panel, the conflict remained unresolved. NUNS supported ASMEDI in the conflict, and the Ministry became involved as well, saying that the boycott of Futura endangered citizens' rights to information.

Regarding broadcast media, Kojanovic believes that there are monopolies in media distribution. There are several providers that cover certain areas in which competition is not possible. Confident in their monopolies, some cable operators behave so arrogantly that they have started their own television programs on cable. As mentioned last year, the problem stems from the state's inability to regulate the cable business.

Overall, the panelists are not happy with the communications infrastructure in Serbia, though it improves modestly every year. Skrozza cited her frustration with poor telephone connections, even near Belgrade. For big media houses, Internet quality is not adequate. Beta news agency, for instance, has difficulties delivering some of its services to its customers. Poor Internet service is considered a consequence of monopoly control of Internet Service Providers in Serbia.

List of Panel Participants

Ljiljana Smajlovic, president, Journalist Association of Serbia, Belgrade

Vukasin Obradovic, president, Independent Journalist Association of Serbia, Belgrade

Predrag Blagojevic, owner and CEO, *Juzne Vesti*, Nis

Svetlana Kojanovic, director, TV CACAK, Cacak

Darko Brocic, director, AGB Nielsen, Belgrade

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Vesna Sladojevic, deputy editor-in-chief, Radio-Television Serbia, Belgrade

Zsuzsana Serences, correspondent, Radio Free Europe, Novi Sad

Tamara Skrozza, journalist, *Vreme*, Belgrade

Voja Zanetic, owner and CEO, Mosaik Marketing Agency, Belgrade

Ljubica Markovic, director, Beta News Agency, Belgrade

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The panel discussion was convened on December 14, 2010.