USAID Strengthening Media Systems Project
Political-Economy Analysis (PEA)
Executive summary

Key trends

- TV channels will remain dominant players in the market, and the power of terrestrial TV channels comes from their viewership, penetration among audience and insufficiently fast growth of using cable TV.

- Digital will grow, although this process is slowing, and print circulations will fall, albeit at a less rapid pace.

- Tabloids will retain their influence and vitality; notwithstanding declining circulations, they will continue to significantly dictate the news agenda because they have the lowest price on the market, 'exclusive' sources from state institutions, stable financing and a light approach to media content.

- The large concentration of audiences and advertising revenues is hurting smaller independent and regional players, considering that there are more than 1000 regional and local media outlets in the country and most of them do not have more than a 1% share of the total audience.

Key problems

Main groups of problems relate to:

- a fair, transparent and functional market,
- state aid regulation and state ownership in media,
- commercial revenues and advertising, and
- media business in the digital environment.

The most important issues and opportunities related to the outlined groups of problems which shape the media sector and illustrate possible recommendations are:

- lack of verified information on the value of the market and market participants and lack of a single measurement system, based on common standards that would take into account small and local players, and

- obstacles to e-payments, which would make audiences a key factor in ensuring media sustainability.

Foundational / contextual factors affecting the scene: Key findings

Negative demographic trends, such as an aging population and emigration, combined with a proliferation of media reduce the prospects for successful media businesses and the new business models being tested.

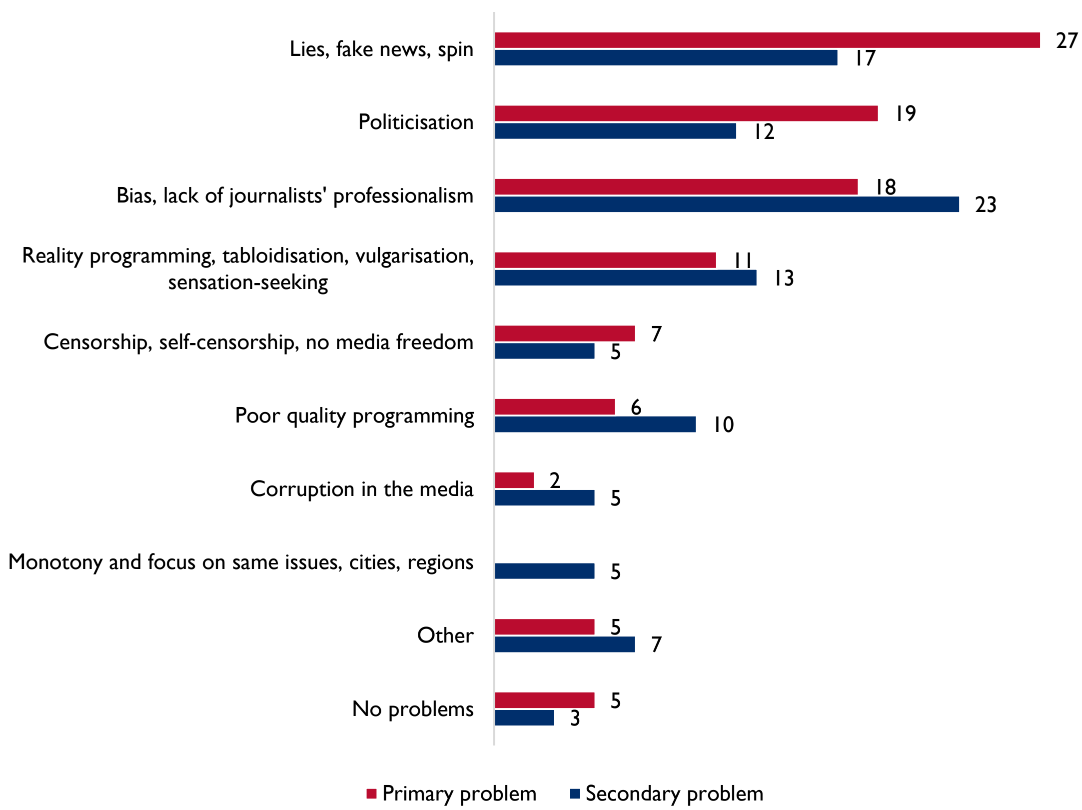
The political context shapes the media sector in several different ways: (1) further politicization of the sector and production of politically motivated content, (2) continuation of problems in co-financing of media content, (3) control of state advertising and procurements related to PR and media services and (4) narrowing the space for advocacy actions because many processes within media sector depend on the political will of the ruling party.

A poor economy means poor purchasing power of citizens and consequently stagnation on the media market and limited commercial revenues for media outlets. This also means narrow space for significant investments in media businesses and continuation of strong influence of state aid.

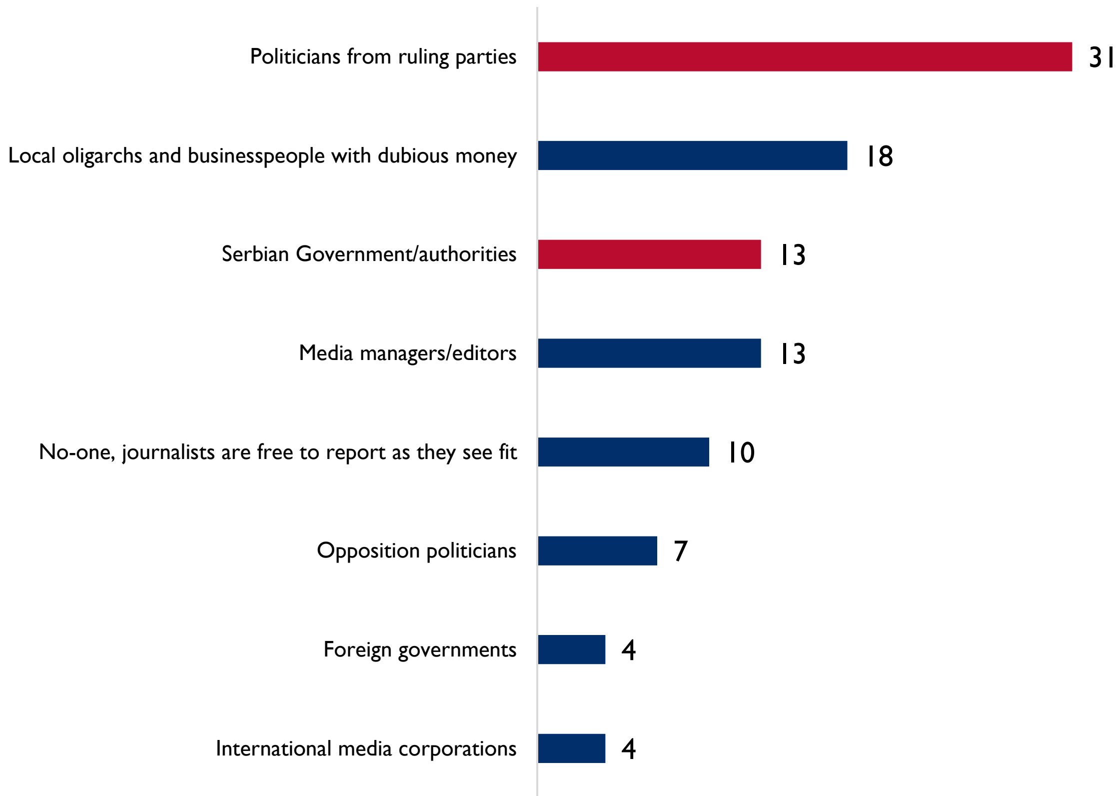
Influence of the EU as a foundational factor on the media sector can be significant in the field of reform of regulatory framework and through pressure on the ruling party in order to improve media sector, media marker and freedom of expression.

Citizen's perception: Issues, trust, willing to pay for the content

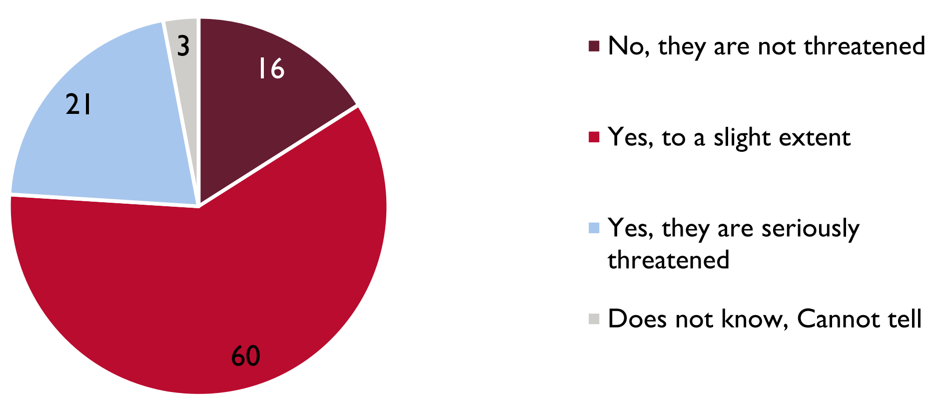
Key issues affecting Serbian media outlets



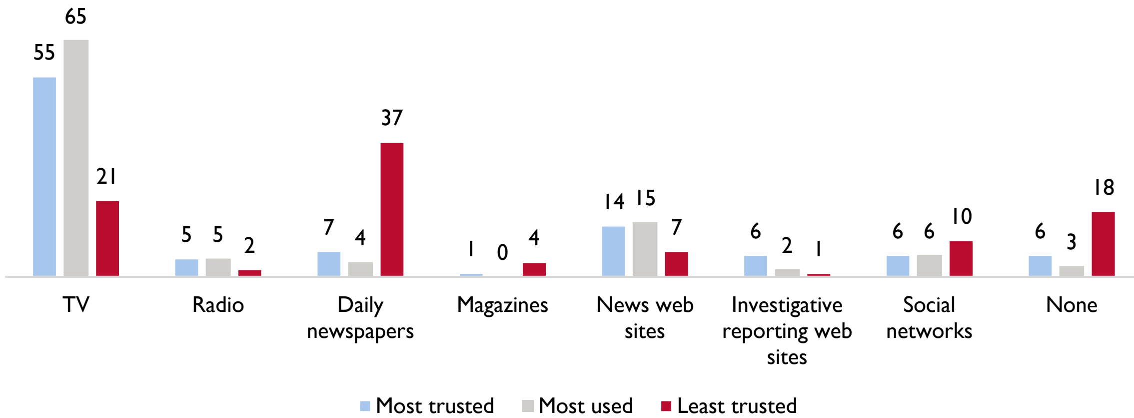
Who exerts the greatest influence on media outlets' editorial policies?



Do you believe that the security of Serbian journalists is threatened due to their work?



(Mis)trust and use of media outlets by type



- No more than 13% of all respondents expressed readiness to support local media by making a one-off payment of RSD 480 on average.

- The public prefer traditional support models, primarily subscriptions (37%), followed by membership fees (30%) and donations (26%). This lack of more appropriate and accessible support models is a major obstacle to public support for local media.

- An additional 3 percentage points of those polled reported willingness to pay for an investigative reporting website (such as KRIK, BIRN, or Insajder). A convincing majority–more than 60% of those prepared to pay–cited an amount of up to RSD 500.