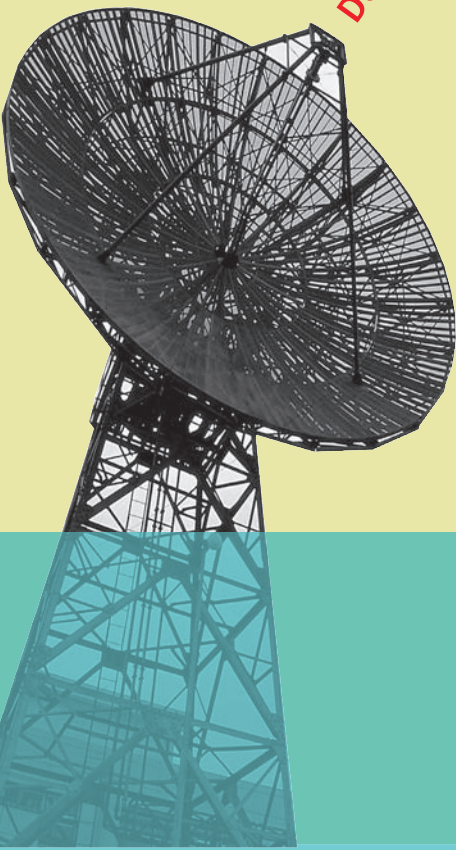


MEDIA SUSTAINABILITY INDEX

2003

Development of Sustainable Independent Media in Europe and Eurasia





"All who stood in favor of these laws during their adoption were exposed to strong pressure—the politicians remained the decision-makers in the domain of media."





Introduction

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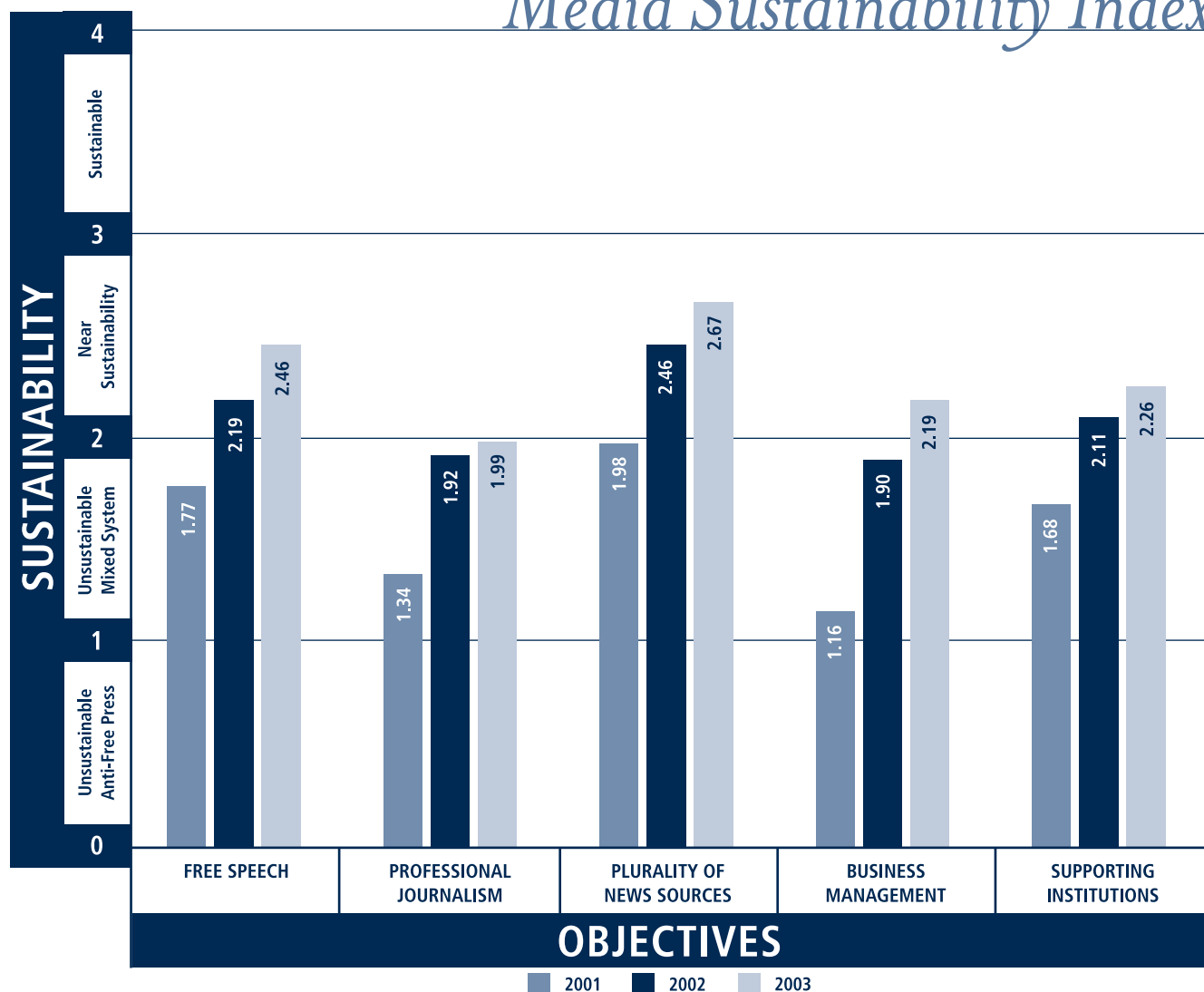
espite the opposition's withdrawal from government participation in May, 2003 brought relative stability to the Montenegrin government. The defeat of the opposition in the parliamentary elections in late 2002 and the presidential elections in early 2003 made it possible for the ruling coalition to work within a democratic mandate. Politics were the Montenegrin media's center of attention during 2003, with reports focused on the development of the constitution, questions of legitimacy raised relative to the work of the parliament, political scandals and state policy on domestic reforms, foreign policy toward the European Union (EU) and Serbia, and other key issues. The increasingly active civil society—the number of nongovernmental organizations (NGOs) grew to 2,400—also contributed to a more democratic climate in the country.

There were mixed economic indicators, however: The gross domestic product grew by 2 percent, foreign trade increased, the inflation rate fell to 7 percent, the job market grew to 30,000 legally employed workers, and bank interest rates declined to approximately 15 percent. On the downside, the average monthly salary stagnated at €190 per worker, with 12 percent of the population below the poverty level and 30 percent potentially vulnerable. Meanwhile, foreign investment fell to around €30 million as the gray economy flourished.

For the media industry, there were few positive steps during 2003. Although Montenegro won admission to the Council of Europe through adoption of liberal media laws in 2002, the implementation of these laws continues to be slow and difficult. With more media outlets opening, competition has stiffened. Media professionalism remains inadequate, and ethical standards are low. There have been disputes related to the public broadcasting service and difficulties in establishing an institutional framework. Progress in 2003 included greater pluralism in terms of available information, gradual development of the legal framework (including a criminal law that restricts penalties for libel to fines rather than prison sentences), and better institutional support for the media community.

Montenegro

Media Sustainability Index



Objective Scoring

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

- 3 and above:** Sustainable and free independent media
- 2–3:** Independent media approaching sustainability
- 1–2:** Significant progress remains to be made; society or government is not fully supportive
- 0–1:** Country meets few indicators; government and society actively oppose change

Indicator Scoring

Each indicator is scored using the following system:

- 0 =** Country does not meet indicator; government or social forces may actively oppose its implementation
- 1 =** Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change
- 2 =** Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces
- 3 =** Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability
- 4 =** Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

Objective 1: Free Speech

Montenegro Objective Score: 2.46/4.00

All Media Sustainability Index (MSI) panel participants considered the new media legislation (the Media Law, the Broadcasting Law, and the Law on Public Broadcasting Services “Radio Crna Gore” and “TV Crna Gora”) as marking tremendous progress toward creation of a modern legal framework for development of the media in Montenegro. Although the new legislation still has some deficiencies, it is generally seen as a body of law contributing to modernization of the sector. One important example is the redefinition of defamation in the new criminal code, which now limits penalties to fines. “Are these laws a step forward; are they better? Of course, they are. Are they good enough? I don’t think so,” said one panelist. “All who stood in favor of these laws during their adoption were exposed to strong pressure—the

politicians remained the decision-makers in the domain of media.”

Panelists noted the lack of laws on free access to information, saying it reduces the obligation of the authorities to ensure the media can inform the

public. One participant noted that the proposed law in draft form did not set any time limits for state officials to supply requested information. Another statutory issue the panelists noted concerned the potential concentration of media outlet ownership. Panelists said the absence of antimonopoly laws encourages the ownership of many outlets by a small number of owners. MSI participants also said the current copyright law is inadequate, and the failure to implement existing legislation is even more problematic.

Although the existing media legislation was passed in 2002, progress in implementation has been slow due to resistance and manipulation by the media community itself. The delay in establishing a public broadcasting service at the national and municipal levels is of particular concern. The transformation of the Radio I Televizija Crna Gore (RTCG) into a viable organization has been a challenging process. The organization has experienced management difficulties, including unclear provisions for selecting members of the RTCG Council. Finding skilled program managers and other staff, making the necessary changes in organizational structure, improving equipment, and planning a strategy for financial sustainability have been major problems for Montenegro’s largest media house.

Also, the transformation of local media into public-service outlets has been inefficient, panelists said. The municipal authorities in Montenegro appear unable and unwilling politically to speed up the process. “We have tried to make perhaps the most liberal media laws in Europe,” said one panel member. “After the adoption of the laws, a number of us have been involved in their implementation throughout the past year. We have been all around Montenegro several times and met with almost everybody who has been connected to media in any way. It is generally considered that implementation would be better if the laws were more coercive. The big-

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Legal and social norms protect and promote free speech and access to public information	
FREE SPEECH INDICATORS	■ Legal/social protections of free speech exist and are enforced.
	■ Licensing of broadcast media is fair, competitive, and apolitical.
	■ Market entry and tax structure for media are fair and comparable to other industries.
	■ Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
	■ State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
	■ Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
	■ Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
	■ Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
	■ Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

“There were 5,000 people from all over Montenegro who responded to the advertisement published in a daily paper under the title ‘Do You Want to Become a TV Star.’ At the same time, only one person applied for a journalism course entitled ‘How a Journalist Should Behave in Front of TV Cameras.’”

egy that will allow a fair tender of broadcast licenses. While work on a frequency plan only started in October 2003, the BA has been dragging its feet on the strategy. Critics of the BA suspect that political motives have slowed the process. Such critics argue that the BA had problems in adopting an open-skies policy toward Serbia and has not yet decided on licenses for Montenegrin applicants.

No significant legislative barriers appear to discourage creation of independent media. There are a growing number of such outlets in Montenegro. In practice, however, editorial policies are under the influence of political forces, either the ruling authorities or those supporting the opposition. The maturing of the independent media is hampered by political influence, as well as by financial and technical limitations. Fairly strict corporate and tax regulations also affect media, but not more so than other industries and businesses.

Objective 2: Professional Journalism
Montenegro Objective Score: 1.99/4.00

Montenegrin journalism can be characterized by a low level of professionalism and a lack of necessary respect

gest problem is the lack of political will, primarily at the local level, because there was much manipulation of the process in some municipalities.”

Participants also said the Broadcasting Agency (BA) must work efficiently to develop a strategy that will stimulate media development and regulate the industry by monitoring the number of outlets and controlling distribution and pricing of broadcast frequencies. Along these lines, the BA is tasked with creating a frequency plan and a broadcasting strategy

for generally accepted standards. Last year’s Code of Ethics, although supported by trade associations and media outlets, has not become a binding document for journalists. It was the general impression of the panel that journalists in Montenegro are torn between respecting professional standards and rejecting them. “Professional standards are low due to the changing nature of society and basic financial limitations,” said one participant, who noted: “There were 5,000 people from all over Montenegro who responded to the advertisement published in a daily paper under the title ‘Do You Want to Become a TV Star.’ At the same time, only one person applied for a journalism course entitled ‘How a Journalist Should Behave in front of TV Cameras.’”

Subjective and biased reporting is evident. Many outlets ignore a wider spectrum of relevant sources of information. Although there is no official censorship, editors create forbidden topics, or journalists exercise self-censorship to avoid covering difficult or controversial issues. Problems such as selective reporting, politicizing events, avoiding difficult niche topics like economics, and emphasizing superficial details are commonplace.

There is an increasing trend toward marginalizing news and information in favor of entertainment and commercial programming. Media commercialization has become more and more evident in Montenegro. “In

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.
	■ Entertainment programming does not eclipse news and information programming.
	■ Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
	■ Quality niche reporting and programming exists (investigative, economics/business, local, political).

all private television stations in Montenegro, news has become less and less interesting,” said one participant. “It seems that either news is not profitable enough, or it is easier to make other types of programs. I am not against entertainment programs, but I would like to see news segments developed because that would press (outlets) to make the news more professional.”

The lack of professionalism is particularly noticeable in the sensationalist reporting carried in the daily papers and broadcasts. Competition for higher circulation among print media and the electronic media’s ratings battles often result in sacrificing quality reporting for commercial gain. In this way, the development of an independent media culture is seriously threatened.

Media professionals—whether reporters or technical staff—receive low salaries, which undermines morale and the desire to produce quality work as well as makes them susceptible to corruption. Most media employees cannot support themselves based on their meager salaries. However, the prevailing opinion is that corruption among journalists is not a serious concern, and lack of professional expertise poses the more serious barrier to quality journalism.

Although the School of Law recently established a journalism department, the lack of university-educated journalists in Montenegro is a serious problem. One panelist explained, “Our agency employs 15 journalists, of whom only one completed journalism school. The others are lawyers, economists, or high school graduates. I need to employ journalists, but I cannot find them.” During its two years of work, the Montenegro Media Institute (MMI) has addressed this problem by offering educational programs and its internationally accepted Diploma Courses.

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Objective 3: Plurality of News Sources

Montenegro Objective Score: 2.67/4.00

Montenegro’s media market is generally considered to be oversaturated. Numerous print and broadcast media operate at national and local levels, including three national television stations, four national dailies, several regional television stations, more than 30 local media outlets, and one national news agency. Additionally, foreign press from Serbia is widely available. Citizens use these multiple sources to obtain adequate information. Market evolution will eventually decrease the number of media outlets, panelists said. “Two daily papers have already ceased to exist, and the possible consolidation of small radio and TV stations in the north and south of Montenegro has been announced,” said one panel member. However, this participant noted that although some outlets, primarily local ones, are likely to close, new television stations from Serbia have entered the market and pose a significant competitive blow for domestic stations.

Although access to domestic and international media is unrestricted, with no censorship or restrictions imposed by authorities, their cost creates some limitations. Many citizens cannot afford to buy more than one

Multiple news sources provide citizens with reliable and objective news

PLURALITY OF NEWS SOURCES INDICATORS

- A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- Citizens’ access to domestic or international media is not restricted.
- State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- Independent news agencies gather and distribute news for print and broadcast media.
- Independent broadcast media produce their own news programs.
- Transparency of media ownership allows consumers to judge 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.

“Two daily papers have already ceased to exist, and the possible consolidation of small radio and TV stations in the north and south of Montenegro has been announced,” said one panel member.

daily newspaper. Internet access is relatively expensive, and the number of Internet users is less than 10 percent of the population.

Despite the plethora of media outlets, sources of information are limited, and this often leads the broadcast and print media to report

on identical news topics. A striking example concerns the sole national news agency, MINA. MINA is in direct competition with agencies from Serbia, the main providers of agency news to local Montenegrin outlets. The independent MINA is widely regarded as a credible source of impartial, balanced, and accurate news. Nonetheless, some outlets do not make much use of MINA and are therefore heavily dependent on the same agency sources. It is not uncommon for agency information to be interpreted—or perhaps distorted—in different ways by different media.

MSI panelists felt there is more focus on political coverage and sensationalism than on in-depth reporting about social issues, economics, culture, and judicial reform. However, there has been progress with economic and financial coverage, as all dailies now offer dedicated business pages. Three years ago this reporting did not exist. Balanced business reporting is a big market for MINA, and the challenge now, panelists said, is to add quality coverage of other specialized topics.

Panel participants emphasized the lack of transparency of media ownership. As one panelist explained, “There are figurehead and actual media owners. The problem is how to highlight this issue. We all know that some media have powerful sponsors. We all agree that the media cannot subsist simply on profits, as the market is too small and oversaturated. So, I am sure that they [media] try to gain capital of suspicious origin. I see this as a barrier to obtaining legitimate capital. Suspicious funding sources give birth to suspicious strategies and unfair competition.” In particular, panelists noted the “mysterious” entry of Serbian media into the market and said questions about media ownership tend to damage the overall reputation of media outlets and bring charges of political and commercial manipulation. Another

problem is the absence of foreign investment in Montenegrin media during 2003, unlike the 2002 investment in the daily *Vijesti*.

Objective 4: Business Management

Montenegro Objective Score: 2.19/4.00

Panel participants agreed that Montenegrin independent media derive income from several sources, including circulation (e.g., *Vijesti* and *Dan*), foreign donations, and advertising. The presence of NGOs and foreign government agencies that provide both financial and technical support to the Montenegrin private media sector remains extremely important. However, most Montenegrin media are still in a difficult financial position, a reality reflected directly in the professionalism of the media sector and the quality of its work.

Relative to 2002, it is difficult to note any significant improvement regarding the sustainability of media. However, an increase in the circulation of the daily newspaper *Vijesti*, a generally good-quality publication, was considered promising. For the electronic media, there was concern about being subject to the future pricing of broadcasting services as established by Broadcasting Center (BC) authorities. The new public BC maintains

Independent media are well-managed businesses, allowing editorial independence

BUSINESS MANAGEMENT INDICATORS

- Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- 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 at commercial outlets.
- Independent media do not receive government subsidies.
- Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- Broadcast ratings and circulation figures are reliably and independently produced.

“Regardless of the principles of equal competition and equal legal status for all media, the nonchalant behavior of the public authorities in determining media policy is unacceptable, especially since it may lead to unfair competition, financial hardship for domestic media, or the airing of controversial content.”

from Serbia, such as TV Pink, could lead to significant consolidation in the industry. The prospects of many stations are uncertain and, in certain cases, are linked to the success of future mergers or the failure of their competitors. “I would underline the responsibility of public authorities in dealing with non-Montenegrin—especially broadcast—media which intend to work in the Montenegrin market,” one panelist said. “Regardless of the principles of equal competition and equal legal status for all media, the nonchalant behavior of the public authorities in determining media policy is unacceptable, especially since it may lead to unfair competition, financial hardship for domestic media, or the airing of controversial content.”

Given the nascent state of the Montenegrin media sector, some panelists suggested that donor support still is very important for a number of media, particularly those trying to produce their own news and cultural programs. “When foreign donors leave us at some point in the future, we will inevitably become dependent on advertisements and domestic donors,” a participant said. “When the new elite, which were created in the shadow of the wars, transform their economic power into social power, they will invest part of their capital in the media. There lies the responsibility of the political elite to create an environment in which this society can have free media.”

and manages Montenegro’s broadcasting infrastructure. It sets relatively reasonable fees for the use of its infrastructure and operates under the supervision of the BA.

Overall, the media sector employs about 3,500 people. RTCG employs more than 1,200, and about the same number work for private media. Private media continue to grow in size. However, increasing competition and the presence of powerful media companies

The distribution and printing of media is fairly well established in Montenegro. While printing plants and media import newsprint from other countries, the daily newspapers *Vijesti*, *Dan*, and *Pobjeda* own three large printing houses. These three facilities, along with several smaller printing houses, are all market-oriented and generally operate without bias. Distribution channels are apolitical and mostly well managed. Of several distribution firms, Bega Press stands out as a successful privately owned company.

A professional advertising market is still the stepchild of media activity in Montenegro and is estimated to have a total volume of between €7 and €15 million. No major advertising agency such as BBDO or Saatchi & Saatchi has opened an office in Podgorica. These firms are still based in Belgrade and are mainly building relations with Serbian rather than Montenegrin media outlets. As a result, experts fear that any additional expansion of Serbian television stations into Montenegro would reduce potential advertising for local competitors.

Market research is beginning to affect Montenegrin broadcasting. Local agency Damar measures trust ratings, while Strategic Marketing in Belgrade provides share ratings. Strategic Marketing has been cooperating with the MMI on its research. However, sophisticated instruments such as people meters are not used in Montenegro because of the small market size.

There is no accepted mechanism to measure circulation numbers. *Vijesti* is believed to have the highest print run, with close to 30,000 copies daily. *Dan* is the likely runner-up, with around 25,000 copies daily, while circulation figures for the former government daily *Pobjeda* (which is now privatizing) are probably below 20,000.

Objective 5: Supporting Institutions

Montenegro Objective Score: 2.26/4.00

The development of institutions supporting media is uneven. Associations do exist to promote the interests of certain print or electronic media outlets. For example, Montenegro Press was founded in 1999 to support its membership of several major independent publications. Meanwhile, the Union of Independent Electronic Media of Montenegro (UNEM), also created in 1999, has successfully driven media legislation reform and advocated for the rights of its 13 independent radio and 12 television stations. Nevertheless, there is no effective network of organizations to promote independent media or protect the professional interests of their members.

“It seems to me that we are slowly making steps forward. I disagree that our job is a Sisyphean task. I am sure that young journalists are bringing changes, as much as they can. Young journalists do not practice self-censorship, and that is good.”

“With but a couple of exceptions, media associations act without grounds,” said one panelist. “They are often individual projects with some kind of a central committee, functioning in virtual reality. They do not have proper representation in the media and among journalists. Those which have a clear vision of what their mission is function well. Others have

problems defining their own role. They do not have communication with those whom they represent.”

A significant exception is the two-year-old MMI, run by managing director Vojislav Raonic and a diverse board of media professionals. MMI has contributed to the professional training of young reporters and the development of professional journalism standards. Additionally, the foundation of the Department of Journal-

ism at the School of Law represents an encouraging step toward improving the professional quality of journalism in Montenegro. One panel participant expressed optimism: “It seems to me that we are slowly making steps forward. I disagree that our job is a Sisyphean task. I am sure that young journalists are bringing changes, as much as they can. Young journalists do not practice self-censorship, and that is good.” However, the panelist said the inability of media outlets to provide sufficient salaries diverts young reporters with good education and training to better-paid work in other sectors. The shifts are visible, but what affects journalists the most is the poor financial situation.

Panelists agreed that steady cooperation between media and civil society involving media coverage of activities of the NGOs is a positive step. For example, 20 local and national media and more than 40 NGOs formed the network Action to support activities on issues including the promotion of free press and professional development of journalism.

Printing presses operate without demonstrating any political affiliation or bias when working with private media. However, the distribution system for print media is still poor despite efforts to improve the service. Media companies have problems being paid by distribution services for copies sold, but with more competition in the distribution market there is opportunity for improvement. The significant role of the Internet should be emphasized. Indeed, almost all relevant Montenegrin media are presented on the Internet, allowing Internet users mostly free access to daily news.

Supporting institutions function in the professional interests of independent media	
SUPPORTING INSTITUTIONS INDICATORS	■ Trade associations represent the interests of private media owners and provide member services.
	■ Professional associations work to protect journalists’ rights.
	■ NGOs support free speech and independent media.
	■ Quality journalism degree programs that provide substantial practical experience exist.
	■ Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
	■ Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
	■ Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Panel Participants

Sasa Brajovic, PDA information assistant,
U.S. Consulate

Dusko Jovanovic, director and editor-in-chief,
daily *Dan*

Jasa Jovicevic, director, MINA news agency

Esad Kocan, editor-in-chief, weekly *Monitor*

Duska Micunovic, news editor, TV Crne Gore

Vladan Micunovic, deputy editor-in-chief, daily *Vijesti*

Snezana Nikcevic, board member, Open Society
Institute (OSI)

Dora Plavetic, democracy and governance advisor,
USAID

Bojana Radulovic, editor, TV MBC

Vojislav Raonic, director, Montenegro Media Institute
(MMI)

Samir Rastoder, news editor, TV IN

Darko Sukovic, editor-in-chief, Radio Antenna M

Djuro Vucinic, founder and director, NTV Montena

Ranko Vujovic, coordinator, Union of Independent
Electronic Media of Montenegro (UNEM)

Moderator

Rade Bojovic, Media doo