

MEDIA SUSTAINABILITY INDEX

2008

**The Development
of Sustainable
Independent Media
in Europe and Eurasia**



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The Development of Sustainable Independent Media in Europe and Eurasia

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The trend in media sector from last year continued. The MSI shows general stagnation: there is a slight drop to 2.39 from 2.48. While the objectives for free speech, professionalism, and plurality of news sources remained relatively unchanged, business management and supporting institutions declined. Serbia has reached a point where media development becomes more difficult, a period far removed from the relatively quick improvement after the toppling of Milosevic in 2000.



SERBIA

The issue of Kosovo's status dominated Serbian politics for most of 2007. Almost all political forces invested their efforts in trying to keep Kosovo from achieving its independence from Serbia. This focus on Kosovo had negative effects on political, economic, and social developments in Serbia as those issues were driven to the sidelines. The Kosovo issue led to the strengthening of the nondemocratic conservative forces in Serbian society, with the media not being immune from this trend. The year began with parliamentary elections, although it took until May 15th for a government to be formed. The Democratic Party of Serbia (DSS) (a party with a democratic orientation but strong nationalistic and religious profile) made a deal with the ultranationalist Serbian Radical Party (SRS). The deal brought Tomislav Nikolic, the SRS acting leader (Vojislav Seselj, the leader of the SRS is in the Hague facing trial on war crimes) to the post of Serbian parliament speaker. Nikolic immediately signified a possible state of emergency and his opposition to Serbia's integration in the EU. "From a 'Euro-skeptic,' I have become an 'EU opponent,'" he said. After strong reactions from democratic centers in Serbian politics, Nikolic lost the support of the DSS and a new government was formed consisting of the Democratic Party (DS), a coalition of the DSS and New Serbia (NS), and the G17. Vojislav Kostunica (DSS) was elected as prime minister.

During the year, a series of negotiations to resolve the status of Kosovo was held between Serbian and Albanian leaders, without any success. Meanwhile, problems continued for Serbian society: slow progress in transition, deregulation, democratization, and especially privatization; the spread of poverty; uneven and slow economic growth; slow development of entrepreneurship and exports; and continuing strong state control of the economy. These problems produced strong political pressure on political leaders from an unsatisfied public and workers. The government faced strikes of public workers and employees of state institutions.

The trend in media sector development as outlined last year continued. The MSI shows general stagnation in the media sector: there is a slight drop to 2.39 from 2.48. While the objectives for free speech, professionalism, and plurality of news sources remained relatively unchanged, business management and supporting institutions declined. Serbia has reached a point where development of the sector becomes more difficult, a period far removed from the relatively quick improvement of the media sector just after the toppling of Milosevic in 2000. The MSI panel viewed the strong influence of conservative political forces as slowing improvements in the media environment, primarily by stopping implementation of laws, slowing the processes of media privatization, and ongoing pressures against media independence. Substantial pressure was placed on journalists and media outlets from state or ruling coalitions. These pressures were significantly greater in areas outside of Belgrade.

SERBIA AT A GLANCE

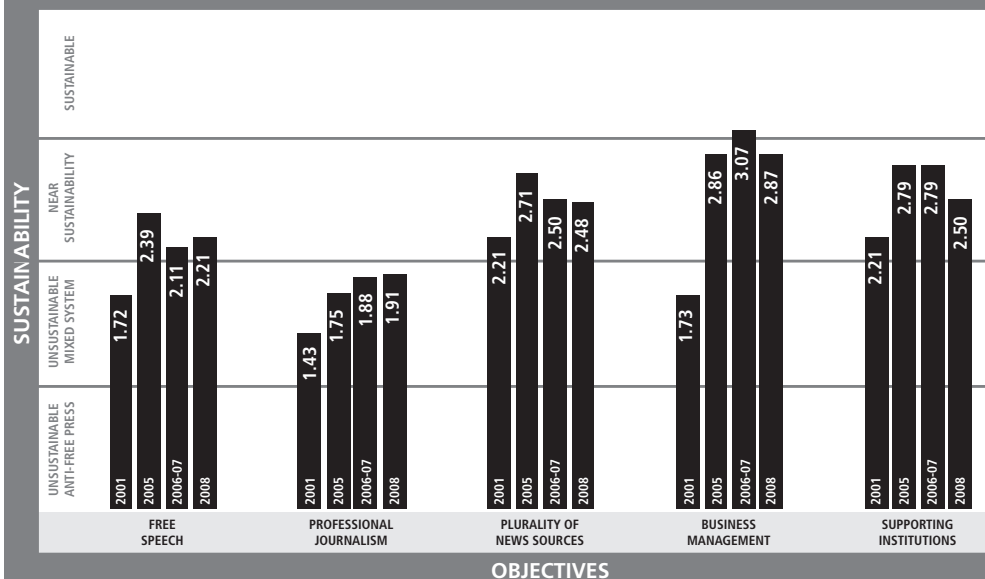
GENERAL

- > **Population:** 10,150,265 (July 2007 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*)
- > **GNI (2006-Atlas):** \$29.01 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-Atlas; PPP unavailable):** \$3,910
- > **Literacy rate:** 96.4% (male 98.9%, female 94.1%) (2003 census, *CIA World Factbook*)
- > **President or top authority:** President Boris Tadić (since July 11, 2004);
- > **Next scheduled elections:** Presidential (2008)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** print: 149 (dailies 19, weeklies 28, bi-weeklies 14, monthlies 69, others 19); radio: approximately 500; television: approximately 150 (AGB Nielsen, SMMRI Belgrade)
- > **Newspaper circulation statistics:** N/A
- > **Broadcast ratings:** top three television: TV RTS 1, TV Pink, TV B92; top three radio: Radio Beograd 1, Radio B-92, Radio S (AGB Nielsen)
- > **News agencies:** BETA (private), FONET (private), TANJUG (state-owned)
- > **Annual advertising revenue in media sector:** Approximately \$250 million (AGB Nielsen)
- > **Internet usage:** 1,400,000 (2006 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: SERBIA



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: 2.21

Media laws exist, and many are in line with international and European standards; however, their implementation is limited and selective. Panelists agreed that entry into the profession is free and fair, that tax structures do not discriminate against media, and that international news is not restricted; these three indicators scored highest, all coming in at more than 3. However, panelists expressed concern over the fairness and transparency of broadcast licensing and over the fact that crimes against journalists are not rare and are not vigorously prosecuted; panelists ranked the indicators covering these two issues equally low—one-and-a-half points lower than the overall average. This objective score came in at 2.21, a slight increase over last year.

The constitutional and legal norms protecting freedom of speech are largely in line with European norms and international standards. Free speech is guaranteed in the constitution and in legislation. However, the implementation of these norms is more limited, with a number of provisions being not applied at all, or being enforced unevenly. For instance, panelists noted that the Public Information Law states: “No one may exert any form of physical or other pressure on a media outlet or its staff...Breaches of the freedom of public information shall be ruled on by the courts, by urgent procedure.” In practice, the courts do not act on such breaches of the law. As Vesna Sladojević of Radio-Television Serbia (RTS) stated, “We have attacks on free speech, the breaking of journalists’ forums, and the state’s being indifferent and not taking any steps to prevent such behavior.”

Another problem the panelists pointed out is the fact that many of the laws were adopted more than five years ago and still are not adequately implemented. The media are still fighting for the implementation of provisions in these older laws. As Goran Vladković of O.K. Radio in Vranje said, “The laws are getting old-fashioned without being implemented. The reason is the very strong pressure of the state and political forces to prevent or drastically reduce the implementation of the laws. The media community has been waiting patiently for the implementation of laws, but it has gone too far.”

The licensing of broadcast media continues to be a weakness in Serbia. The Republic Broadcasting Agency (RRA), according to the panel, is not professionally staffed and operates under political influence. Panelists noted that the controversial practice of issuing regional licenses was politically determined. Specifically, the criteria for licenses were not

adopted when the bid documents for licenses was published, so applicants did not know of the specific requirements when evaluating and preparing applications. The RRA has also interfered in editorial policy—for instance, by ordering RTS to broadcast parliament sessions in their entirety. Additionally, there were expectations that the RRA would actually reduce the number of electronic media in Serbia given the crowded media scene. However, according to the latest data, RRA will approve approximately 600 licenses for electronic media in a country with 8.5 million people. Panelists report that the media complain about the high prices for licenses and note that those who did not get the licenses still go on the air, paying nothing to the agency and gaining a competitive advantage since there is no effective enforcement.

Panelists were therefore very critical of the RRA. Slobodan Kremenjak, a media lawyer, said “the RRA is a little better equipped, and that is the only progress in 2007.” The editor of O.K. Radio said, “The damage would be less if RRA had not been established at all.” Nadežda Gaće, president of the Independent Journalist Association of Serbia (NUNS), said, “In Serbia, there are attempts to stabilize the regulatory bodies, but the situation is very difficult since there are still very strong political pressures. Despite that, those working in regulatory agencies are supposed to abide by the rules of civilization and protect societal norms, but obviously they are not willing to work freely and professionally.”

There is no discrimination toward media compared with other economic activities, including tax treatment of media. They

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 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 offended parties 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.

For instance, panelists noted that the Public Information Law states: “No one may exert any form of physical or other pressure on a media outlet or its staff... Breaches of the freedom of public information shall be ruled on by the courts, by urgent procedure.” In practice, the courts do not act on such breaches of the law.

are treated as other businesses, and the state does not use this mechanism to either promote or discriminate against media. Value-added tax for print media is 18 percent, the same as for all other businesses.

Panelists said that crimes against journalists, including the notorious murders of several journalists in previous years, are not vigorously pursued. Some of cases have reached the statute of limitation. There were a number of attacks on journalists in 2007, with the attack on Dejan Anastasijević of *Vreme* magazine being the worst. Hand grenades were thrown through his window at night. Fortunately, neither he nor his family were injured. The public prosecutor, Gordana Čolić, announced that the evidence clearly showed that it was a criminal act of terrorism. But the police said they considered the attack not attempted murder but an act to “cause general danger.” Though the prime minister and the minister of police promised a quick and effective investigation, nothing has happened.

Another characteristic case was the open death threat against Dinko Gruhonjić, head of the Vojvodina office of the independent news agency BETA and chairman of the Independent Journalists’ Association of Vojvodina. The threats, which were openly posted on a neo-Nazi website, stem from Gruhonjić’s coverage of National Formation, a neo-Nazi group based in the northern city of Novi Sad. The website included his address and photos of his family. The police, acting on President Tadić’s urging, held the leader of the group for 48 hours and provided police protection to Gruhonjić and his family. The police, noting that the website was hosted in the United States, said there was nothing they could do to pursue criminal charges. Gruhonjić specifically believes the state is not adequately protecting journalists. “The ...mechanism of the state is intentionally forcing non-protection in order to keep journalists in fear,” he said.

Gaće summed up her feelings about ranking the MSI’s crimes-against-journalists indicator: “The mark 0 is too high, but unfortunately there is no lower mark.”

The laws do not favor public media, but there are cases of discrimination in practice. One obvious practical form of favoritism is that the prime minister gives interviews only to the state news agency Tanjug. In other cities, there is a similar practice that local politicians use only the nonprivatized state media and ignore the private media. The deeper issue was raised by Sladojević of RTS, “Public services do not have special legal treatment, and the laws guarantee them an independent editorial policy. What they are missing is the introduction of ethical and professional norms in the form of obligatory rules. A control body should be established and should defend the independence of public service from political pressures.”

Libel remains under the criminal code, but, according to panelists, there is a strong passive opposition of the judiciary. Because of this, in 2007 there were a number of accusations but no libel verdicts handed down. However, journalists prefer to not have to rely on the judiciary and its interpretations, a state of affairs that will remain as long as libel remains a criminal offense.

The law on access to information is not selective, but in practice some institutions or state employees refuse to disseminate information to certain independent media. Commissioner for Information of Public Importance Rodoljub Sabic announced that he had 4,000 cases where he decided that state institutions had to provide information to the public. In only 196 cases the state refused to act; panelists considered this a big step forward compared with previous periods. However, panelists noted that the media in Belgrade are in a much better position compared with regional and local media in obtaining information. In Sandžak region, for instance, two big, rival political parties have their “own” media and are communicating only with the media that are “on their political side.” Additionally, journalists are not necessarily well-versed in using the law to obtain information. As Jelena Leskovac of Press Now notes, “A significant problem with the availability of information is the fact that a number of journalists are not aware of the possibilities the law is giving them.”

Media outlets have no restrictions on accessing international news and news sources. Economic factors are the only limiting factor since many media cannot afford expensive agency subscriptions.

Entry into the journalism profession is free, and it is accepted that there should be no restrictions. Although no panelist advocated for a reversal of this situation, Vladković, editor-in-chief of O.K. Radio in Vranje, wryly noted: “There are more and more amateurs in the journalism profession, with the state backing this trend because it means confronting a weaker rival.”

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Serbia Objective Score: 1.91

Panelists felt there is a dichotomy in the professionalism of the media with the so-called serious media providing professional reporting, although these are fewer in number. Other media, namely tabloids and many radio and television programs, suffer from subjective and unprofessional reporting. Specialized reporting still remains the exception, partly due to a lack of financial resources but also due to a lack of professional skills of editors and journalists to engage in specific specialized reporting, such as investigative journalism, health, economics, etc. Panelists also reported that in many cases, editors oppose such reporting. Panelists felt that key events were covered well (this indicator scored highest, one full point above the average) and that entertainment programming did not eclipse news. However, they expressed concern over low pay levels and the effect of that on the profession and awarded that indicator the lowest score by more than a point. They also felt that overall, reporting was not up to professional standards of being fair, objective, and well-sourced. This objective remained basically unchanged from last year.

The panel reported a trend of diminishing quality in reporting and indicated that this was a consequence primarily of the difficult political situation and the increasing pressure of owners on editorial staff. As the panelists indicated, the difference between pure journalistic content and public-relations content is narrowing. The MSI panelists estimated that about half of the information in the media comes from different political or economic public-relations

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).

The technical capacity of media is improving every year, and panelists felt the level could not be characterized as poor. With a general lowering of prices for technology, its wide availability, and an increase in user-friendly production technology for print and broadcast, panelists believe the trend will continue.

units. Students of television journalism analyzed content of news in Serbia and concluded that all the news programs are very similar. Sources such as announcements and statements by political parties and state leaders dominate more and more, while real reporting is declining. Such an editorial concept was especially strong in the few last months of 2007; the Kosovo issue was treated as the most important state and political question, with a consequence that reporting in line with general Serbian public opinion is considered a patriotic act. One politician threatened the editor of a Belgrade daily over the publication of an article on everyday life in Pristina, the capital of Kosovo.

Gaće, president of NUNS, recounted a survey of members recently completed. Explaining the findings, she said, "Most of the journalists do not think highly of their own profession; they want to change it, and they do not want their children to be journalists." Meanwhile, the same survey showed that the public ranked journalists poorly, but still not as bad politicians in terms of "lying" to the public.

Serbia also witnessed a trend toward "tabloidization" in the print media and in the electronic media as well. Tabloid reporters do not aim for fair, objective, and well-sourced reporting but toward sensationalism. Both major journalists' associations, NUNS and the Journalists' Association of Serbia, adopted ethical codes similar to those in Europe. However, the codes are not widely implemented in media houses or by individual journalists. Panelists indicated that self-censorship continues to be present in Serbia. As Sladojević, the deputy editor-in-chief of RTS, said, "There are cases of self-censorship, especially in the traditional state media, where politically motivated removal of journalists happened in the past. It is difficult to get rid of self-censorship, especially in those media where the editors are not strong professional personalities."

Panelists agreed that almost all media report on key events and cover them well. The media in minority languages may cover key national events less thoroughly, but mainly because they are aware that citizens from minority groups stay informed on key events of national significance by

A plurality of news sources exists in print, broadcast, and the Internet. In the past year, blogs have also become a very popular source of information for citizens, while cable, the Internet, and SMS news are spreading fast as well. Though cable penetration is still modest in Serbia, the number of people watching cable or accessing the Internet jumped to 40 percent of citizens.

using national media. The editorial policy of much of the minority-language media is to focus on specific issues facing that minority.

Panelists indicated that salaries of journalists are consistent with the overall average salary in Serbia, approximately €300 per month. However, they indicated that this amount is not enough to discourage corruption. This is especially the case in most local media, where salaries are lower. The other negative consequence of low salaries is a high outflow of quality journalists from the profession. Vladković, editor-in-chief of O.K. Radio, summarized the issue: "In the areas outside Belgrade, salaries are far below the dignity of journalists. Such a situation provides a fertile ground for corruption and unethical behavior of editors and journalists. That includes cases of being paid for not publishing information on local events."

In most media, entertainment programs are dominant, but in Serbia there exist enough news and public-affairs programming for a citizen to easily acquire most any information they desire. In the national television stations, the percentage of news and information programming is above the European average, according to AGB Nielsen Media Research/Serbia. The main news of RTS has for decades been one of the top five programs, demonstrating the continuing public desire for news. The only exception to this is on cable television, where news and information are rare, since cable relies on inexpensive entertainment programming.

The technical capacity of media is improving every year, and panelists felt the level could not be characterized as poor. With a general lowering of prices for technology, its wide availability, and an increase in user-friendly production technology for print and broadcast, panelists believe the trend will continue. They did, however, acknowledge that the capacity of local media in this regard is generally below that of national media.

Niche reporting is an ongoing problem with Serbian media. With globalization, technological development, and an ongoing transition, the life of Serbians is getting more and more complex as new issues enter the public agenda. Environmental protection, privatization, financial markets, and public health threats all require journalists with specific knowledge. Yet as the panelists noted, there are few such reporters, and the capacity of media to report is therefore limited. Additionally, panelists noted a lack of young journalists with knowledge in these issue areas and also noted how the media's financial situation has meant that media are not dedicating resources to covering such topics in a consistent or in-depth manner. Žarković, editor-in-chief of *Vreme*, pointed to one of the problems, saying, "It is difficult to report on the selling of such huge state companies, such as the national electric or oil companies, if in the newsroom there is no journalist familiar with the problems of such specific and complex processes."

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Serbia Objective Score: 2.48

This objective was basically unchanged from last year; panelists still rated it as one of the best-performing objectives. Many sources of news are available to citizens, and new sources continue to multiply. Media are available even in the least developed areas of the country. Cable television allows citizens to watch regional television, and all broadcasters who recently received national licenses have finished their transmission expansion so that they now cover

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.

the whole country. Foreign programs are available through cable and satellite, and there is no limitation on the Internet. Many of these indicators were rated as significantly higher than the overall average. However, as with last year, the transparency of media ownership remained a problem within the objective. Panelists indicated the problem of the “formal” owners of many media serving as the effective front person for the real interests behind certain outlets. This indicator was rated nearly two full points lower than the overall average; otherwise, the overall average would exceed a 3.

A plurality of news sources exists in print, broadcast, and the Internet. In the past year, blogs have also become a very popular source of information for citizens, while cable, the Internet, and SMS news are spreading fast as well. Though cable penetration is still modest in Serbia, the number of people watching cable or accessing the Internet jumped to 40 percent of citizens. There remain problems of newspaper distribution that lower access to newspapers, however. For instance, *Dnevnik*, the main daily in Vojvodina, is not distributed in around 200 outlets there. While citizens’ access to international news is not legally limited in any way, at present Serbian citizens’ limited buying power remains a barrier.

Gaće of NUNS raised a concern over interpretation of media pluralism: “It looks at first glance that Serbia has a pluralistic media scene. But the editorial positions in electronic and print media in most cases do not approach the fundamental issues seriously, so often they are only a flat-out transmission of political positions, positions of new tycoons, or other strong lobbies. The public interest is often losing the battle against the media campaigns by different political and interest groups.”

The state broadcaster, RTS, is improving, and there is an effort to have it approach a public-service model: it is trying to include opposition parties and other opinions as much as possible. Compared with last year, some progress is evident. While RTS still airs long presentations by politicians in office, the opposition political spectrum is present as well. Additionally, RTS has increased the amount of private and independent productions it airs on the station. However, there is resistance to change at RTS. Sladojević, deputy editor-in-chief of RTS, said that “public media have evidenced improvement in showing all political opinions and have made an effort to be neutral and balanced. But alternative opinions are more and more unwelcome by some editors.” And Dinko Gurhonjić of the Independent Journalists Association of Vojvodina, pointed out that RTS (and Radio Television Vojvodina) remains far from being truly a public-service broadcaster. “RTS and RTV (established in 2006) still behave as state television channels. They are under pressure from

Gurhonjić of the Independent Journalists Association of Vojvodina summarized the situation, saying, “There are taboo themes that a large number of media do not want to touch, and coverage of some issues is characterized by stereotyping (for example, Kosovo and Albanians).”

economic and political strongmen. Public services are not doing enough to improve cultural and educational programs,” he said.

Some national television stations gave more time to SRS, the opposition nationalistic party, than to the parties in power. On the local level, media come under more strenuous political pressure, so some stations resort to representing only one political opinion. Panelists indicated that the situation in Sandžak is especially poor, with stations broadcasting announcements of political parties extensively so as to “not get into the position of annoying political parties.”

There are still three noteworthy news agencies in Serbia: two private (Beta and FoNet) and one state (Tanjug). Electronic media are interested in using all three but do not have the funds to do so. The problem is not in the price of the services, as they are relatively low, but in the economic standing of most media. State media are still pressured to use the state agency Tanjug. Panelists felt that Tanjug played a negative role: they have selective distribution and engage in dumping (low prices) or give the service free of charge. Additionally, Tanjug favors news originating from the state. It is estimated that the state finances 50 percent of Tanjug’s budget. While most media use agency material, it also remains the case that a large number of electronic media produce their own news programs, although the quality varies widely.

Most of the panel participants thought that ownership of the media is not transparent in Serbia. There is a law that obliges all owners to register, and there is a register of all formal owners of private companies in Serbia. But the panelists believed that the real owners are hidden behind the formal owner of the media outlet. They base this in part on observing that, at times, groups of media launch coordinated attacks on one political party or political leader, although the formal owners are not the same. A new rule on the origin of capital for privatization is in effect now, and it should prevent those who have a criminal background of any kind from acquiring media. The Ministry of Culture is preparing a draft law to define clearly the stakeholders and to introduce

the obligation to present financial reports on sources of capital for those purchasing media. Svetlana Kojanović, editor-in-chief of *Čačanski glas*, felt the transparency problem extends particularly to local media.

While most issues are covered by the print and electronic media, a number of social and economic themes do not receive coverage because of a lack of adequate knowledge by journalists and editors. The media's treatment of minority groups is a particular problem, according to the panel. While national ethnic minorities still have their own programs and newspapers, other social minority groups (e.g., invalids and sexual minorities) receive minimal coverage and are sometimes attacked by individual media. Tanjug produces news only in Serbian, though private agencies produce stories in minority languages also. It is to be stressed that minority-language media are also under pressure from their political leaders. Gruhonjić of the Independent Journalists Association of Vojvodina summarized the situation, saying, "There are taboo themes that a large number of media do not want to touch, and coverage of some issues is characterized by stereotyping (for example, Kosovo and Albanians)."

OBJECTIVE 4: BUSINESS MANAGEMENT

Serbia Objective Score: 2.87

Business management has consistently scored high in relation to other objectives in Serbia, as media have increasingly used professional management techniques and market research and have engaged in increasingly sophisticated advertising. As might be expected, national media are in a much better position than local media in terms of resources and managerial expertise. State media have an advantage of having a financial source unavailable to private media: the state or local budget. This objective declined slightly from last year to 2.87 from 3.07, reflecting the uncertain financial future of the still oversaturated media market in Serbia and the dichotomy between those who have adapted to a market approach and those who continue to struggle or rely on the state or political sources of funding. Additionally, with ongoing delays in privatization, a market approach may not have motivated those media who remain in limbo. However, it remains an open question whether improved business management has led to more editorial independence. Gaće of NUNS shared her belief: "Independent media in Serbia most probably are good business for the owners, but there is less and less independent editorial policy in Serbian media." Panelists rated all indicators close to the overall average.

There are no formal obstacles for media to operate as a competitive business. Success depends not on laws or

regulations, but on the quality of products and management. While there are profit-generating media in Serbia, a large number of media, including private, are working consistently around the breakeven point. The media outside Belgrade are in a poorer situation. Their local market has lower buying power, and, as Belgrade-based media received national licenses, they have access to the large advertisers with an interest in national coverage. As Kojanović, director and editor-in-chief of *Čačanski glas*, noted, "The distribution of national frequencies (all given to Belgrade media) gave them an advantage in earning revenue from the advertising industry, further deepening the gap between Belgrade and local media in terms of growth potential." However, panelists agreed that media, for the past several years in Serbia, are earning revenue from a multitude of sources in advertising.

Advertising agencies are active and professional in Serbia with six or seven strong companies, compared with three or four in surrounding countries. Additionally, their activities are showing significant growth. The total advertising budget for all media in 2007 was 50 percent higher than in 2006, according to AGB Nielsen Media Research/Serbia. One disparity in the market did emerge: after seven national television stations received licenses, regional television stations were kept waiting for regional frequencies and for privatization. Advertising agencies therefore were not in a position to enter into long-term contracts with them, which would provide some stability. Those stations were kept waiting a whole year in "standby mode" and lost substantial revenue. The percentage of revenue from advertising is permanently growing in all media, while the percentage of donor support is dropping significantly. Subscription to magazines and newspapers is still a non-existent category in Serbia—a loss of a potential stable revenue source for print media.

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.

There are no direct subsidies to private media, while almost all media in state ownership are financed from the budget, with the state portion often constituting up to two-thirds of their revenue. A potentially positive trend is that some ministries are now using open tender procedures for purchases or projects for media, including programs and technical infrastructure for local public media.

The use of market research in the media business is becoming a standard in Serbia, especially in the electronic media. While this practice was started with donor intervention eight years ago (largely through the USAID/IRES ProMedia program), the practice has acquired local buy-in and financing. In 2007, radio research was financed for the first time by the users, radio stations, and advertising agencies. The number of buyers of research results is growing, including small and local media who understand how important research is for business development.

A number of ratings surveys are reliable and in line with international standards. Trust in the data exists, evidenced by more and more contracts being tied to AGB Nielsen ratings results. The main problem is misinterpretation and misuse of results by a number of users. Sometimes misinterpretations are intentional, as when media outlets purposefully focus on only the positive aspects of the research while purposefully avoiding the greater detail that may show a more nuanced analysis that does not favor them. Print media lags, however: there is still no reliable data on circulation. An audit bureau of circulation was established in Serbia but has not received the trust of the print media. To date, it has mainly covered the circulation of several print media close to the state.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Serbia Objective Score: 2.50

This objective has ranked consistently high over the past several years but suffered a noticeable decline this year, falling from 2.79 to 2.50. The drop can be attributed in part to the decrease in donor activity, which had supported training and association work. Professional and trade associations do exist, with mixed quality and results. Panelists noted again the lack of an effective syndicate to support journalists' labor rights. They also noted that the fruitful practice of educating journalists, editors, and other media staff through donors' activities is, unfortunately, fading away. The distribution system remains in a transition phase. Panelists rated the sources of newsprint and printing facilities the highest in this objective, by a full point above the average, while ranking the indicator on quality degree programs the lowest.

There is support from the NGO community, but there are a large number of NGOs that support free speech only in word but not in practice. Some NGOs do not understand the role and workings of professional media and therefore criticize the media for not covering their issues or for being too critical on other issues.

Trade associations do exist, although the association of media owners in Serbia is not well known publicly. But the "media association" is gathering new members (print and broadcast) and is lobbying for mutual interests. Their specific successes were oriented toward tax and tariff treatment of media and on mutual interest of print media in publishing data on circulations. However, journalists' associations are worried over a lack of cooperation and coordination with this group. Gaće of the journalists' association NUNS noted: "The association of media owners is very closed and is not willing to cooperate or talk in cooperation with other media associations." The Association of Independent Electronic Media continues to represent broadcasters' rights and is most known for its advocacy on abuses of press freedom and legal advocacy on behalf of its members. It also provides training. It straddles a line between a journalists' organization and an owners' organization.

Professional associations are trying very hard to protect the rights of journalists and portray journalism in a positive light. Two associations are seen as leaders: NUNS and the Independent Journalists Association of Vojvodina. The

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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Gaće of the journalists' association NUNS noted: "The association of media owners is very closed and is not willing to cooperate or talk in cooperation with other media associations."

president of the latter, Gruhonjić, praised NUNS' work, saying that "NUNS is good in defending the rights of its members and never left anybody without support. NUNS' defense of journalists from attacks is very effective and prompt in every single case." The Journalists Association of Serbia, the successor to the former state union, is seen by many in the media community as a competitor to NUNS and also as representing a dated viewpoint on media and journalists' rights, according to the panel.

However, the syndicates received criticism for being weak, as opposed to the associations. Gruhonjić observed that "there are several journalists' associations; the two main ones are in conflict, and the process of establishing a media council of Serbia is very slow and contentious. In particular, they should do more to energize young journalists. The syndicate organizations of journalists are inefficient, and syndicate rights of journalists in Serbia are minimal." Gaće of NUNS agreed, saying, "There are also several journalists' syndicates in the country but they are very anachronous, inefficient, and conservative." These include the media trade union Nezavisnost and the independent union of employees in the graphic, publishing, informative, and cinema activities.

There is support from the NGO community, but there are a large number of NGOs that support free speech only in word but not in practice. Some NGOs do not understand the role and workings of professional media and therefore criticize the media for not covering their issues or for being too critical on other issues.

The Institute for Social Sciences published a research study in 2007 on journalism education programs. There are seven institutions for journalist education, but only two (Belgrade and Novi Sad) have the right conditions for producing good journalists, according to the study. Currently 1670 journalists-to-be are studying, yet there is little research or knowledge of the market's capacity to absorb graduates. There may be progress at the two leading universities in terms of preparing students. Sladojević of RTS says, "We in RTS have 10 young journalist interns, students in their final year of the media faculty program. They have shown surprisingly good results and are much better than groups we had in previous years. We believe that in the past five years the hiring of faculty who are professional experienced journalists is bringing results."

Short-term education organized by international donors was very important in improving the skills and knowledge of journalists, according to the panelists. The panelists indicated that there is a strong need for this, especially in the local media. But there are few such trainings now that most donors have left the country, and the economic conditions in Serbia cannot yet support quality market-based training. Panelists noted that it is especially rare for journalists to have the opportunity to gain knowledge through training and study tours to, or work in, foreign countries.

Sources of newsprint and printing facilities are private, apolitical, and unrestricted, according to panelists. Obtaining newsprint and printing services are now normal commercial activities.

The problems facing print media distribution remain in Serbia. Media are forced to work with a number of distributors that can create complications, higher costs, and inefficiencies. While the number of distributors may point to positive competition, the problem print media face is that there are still too many distributors covering different areas. A print media outlet needs to engage multiple distributors in many cases. The monopolistic transmitter ownership by RTS has not been changed, and the system is not truly independent. Additionally, it is out-of-date and will need substantial technical upgrades.

List of Panel Participants

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