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# SERBIA

In the past year Serbia held parliamentary elections, experienced significant flooding, found itself again in between Russia and NATO, and received an economic reform package from the government in response to the worsening economic environment. Despite these issues, the government ensured that citizens and voters were informed of their limitless promises for a better life, amidst criticism by the media community that believe the government exerted greater pressure and censorship.

The parliamentary election was held on March 16, 2014. Aleksandar Vučić's Serbian Progressive Party won the election, taking 48.35 percent of votes and securing 158 seats in the 250-member Serbian National Assembly. Only three other non-ethnic lists surpassed the 5 percent threshold: the Socialist Party of Serbia, the Democratic Party, and the list led by former president Boris Tadić. The Democratic Party, which led Serbia until 2012, barely passed the 5 percent threshold necessary to get into parliament, securing 19 seats. The results of the election provided a comfortable foothold for Vučić and the Serbian Progressive Party.

The severe floods—deemed by many as the worst natural disaster in the region in the past century—destroyed several towns, impacted the economy, and called into question the capacity of the government to deal with national disasters.

Moreover, the worsening economic environment resulted in an economic reform package that cut pensions and salaries, which was met with discontent as it impacted primarily lower income groups. The government's reduction of salaries was challenged in the face of continuing government subsidies to state owned companies operating at a loss. All the money saved from reduced salaries and pensions is insufficient to cover one year's operating loss at a state owned company that has incurred large debts.

Major points of discussion over the past year were the role Serbia should play between Russia and NATO countries and the country's preparation for the EU accession process.

The post-election landscape coupled with the economic environment has had an adverse effect on the media, with an extension of control and censorship, including an increase in self-censorship, which pervades the media industry: critical reporting is deemed seditious. There was also further unwillingness by the authorities to improve freedom of expression and access to information. Moreover, the financial situation in the media sector worsened, and attacks on journalists and the media did not decrease. In the past year, 12 physical attacks on journalists were officially recorded and registered. Journalists especially in local areas are exposed to the unpredictability of local politicians who can obstruct the activities of journalists. Several important political shows on television were canceled and informative Internet portals were repeatedly brought down after publishing information deemed politically unfavorable.

# SERBIA at a glance

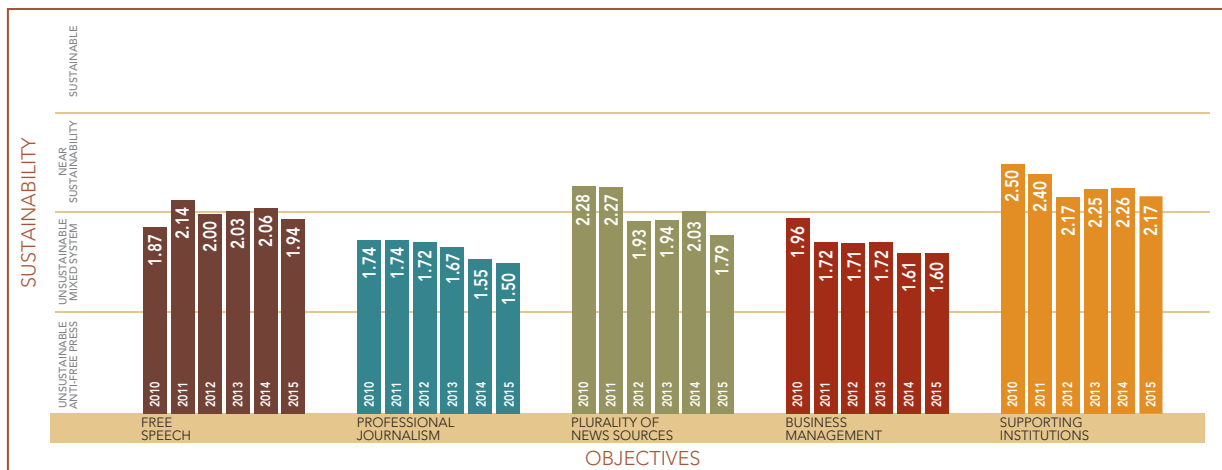
## GENERAL

- > Population: 7,209,764 (July 2014 est. *CIA World Factbook*)
- > Capital city: Belgrade
- > Ethnic groups (% of population): Serb 83.3%, Hungarian 3.5%, Romany 2.1%, Bosniak 2%, other 5.7%, Unknown 3.4% (2011 est. *CIA World Factbook*)
- > Religions (% of population): Serbian Orthodox 84.6%, Catholic 5%, Muslim 3.1%, Protestant 1%, atheist 1.1%, other 0.8%, Unknown 4.5% (2011 est. *CIA World Factbook*)
- > Languages: Serbian (official) 88.1%, Hungarian 3.4%, Bosnian 1.9%, Romany 1.4%, other 3.4%, Unknown 1.8% (2011 est. *CIA World Factbook*)
- > GNI (2013-Atlas): \$43.34 billion (World Bank Development Indicators, 2014)
- > GNI per capita (2013-PPP): \$12,480 (World Bank Development Indicators, 2014)
- > Literacy rate: 98%; male 99.2%, female 96.9% (2011 est. *CIA World Factbook*)
- > President or top authority: President Tomislav Nikolić (since May 31, 2012)

## MEDIA-SPECIFIC

- > Number of active print outlets, radio stations, television stations, Internet news portals: Print: 744 (Agency for Public Registers); Radio Stations: 334 (Regulatory Authority for Electronic Media); Television Stations: 116 (Regulatory Authority for Electronic Media); Internet News Portals: 227 (Agency for Public Registers)
- > Newspaper circulation statistics: Not Available. Top four dailies by readership *Blic, Kurir, Novosti, Informer* (Ipsos)
- > Broadcast ratings: Top four TV stations: RTS1 (Public, 21.8%), TV Pink (19%), TV Prva (13.1%), TV B92 (7.2%) (2014, Nielsen)
- > News agencies: Beta and Fonet (private), Tanjug (state owned)
- > Annual advertising revenue in media sector: €155-€160 million (2014 est., Nielsen)
- > Internet Usage: 4.107 million users (2009 est. *CIA World Factbook*)

## MEDIA SUSTAINABILITY INDEX: SERBIA



## MEDIA SUSTAINABILITY INDEX 2015: OVERALL AVERAGE SCORES



### CHANGE SINCE 2014

▲ (increase greater than .10) □ (little or no change) ▼ (decrease greater than .10)

**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.

Scores for all years may be found online at [http://www.irex.org/system/files/EE\\_msiscores.xls](http://www.irex.org/system/files/EE_msiscores.xls)

## OBJECTIVE 1: FREEDOM OF SPEECH

Serbia Objective Score: 1.94

On August 2, a set of three new media laws was adopted by Parliament, which was positively assessed by the panelists. The laws include the Law on Public Information and Media, Law on Electronic Media, and Law on Public Media Services. However, contention arose around the bylaws, which were to be prepared 200 days after the adoption of the laws (after the MSI panel convened). Siniša Isakov, counselor at Radiotelevision (RT) Vojvodina, stated, "In spite of new laws we now need a new media strategy. New laws did not resolve actual dilemmas; they are left for bylaws and we have to wait another 200 days." Panelists criticized the method of approving the new laws, as only seven days were given for public input and discussion of the final drafts.

The New Law on Public Information and Media introduced the principle of public interest not contained in previous legal frameworks and not observed by the media. The new principle failed to define obligations of state institutions and regulatory bodies and did not define basic concepts and terms. On the other hand the new law enabled the practice that distributor of media content can at the same time be a producer of media content.

### 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 of public media.
- > 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 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.

Kocić explained, "Journalists are still exposed to different kinds of threats, especially when investigative stories are published. Though the law calls for sanctioning of such acts, in practice, legal protection of journalists is practically nonexistent." Kocić added that there is inadequate reaction from colleagues from other media outlets and the public "is also indifferent."

Vanda Kučera, chief governance officer at McCann Erickson Group in Belgrade, said, "The new Law on Electronic Media has incorporated the European Union Audio Visual Directive, but it is waiting for bylaws to explain the application in practice." All panelists agreed that the efficacy of the three laws will depend on practical enforcement.

For the first time in Serbia a law on public media was adopted. The law abolishes obligatory subscription and introduced a new obligatory tax on public media services, but only after the end of 2015. Until then, public service media will be financed from the state budget, enabling further state control. The state finally agreed to privatize all media, but only future outlets will be privatized. Isakov added that after the first few months since the law was enacted all the reasons against budget financing became evident. Compared with last year, RT Vojvodina finally received financing from the state budget, but the amount is determined arbitrarily with no indication of how much money both public services receive from the next year's budget.

The law also promotes a model that enables members of the managing board of both Serbian public services to be "prominent experts from different areas that are important for public services" rather than media professionals. The program board is elected by Parliament and there is the obligation that members of parliament (MPs) must be program board members (currently at RT Vojvodina 7 out of 19 members are MPs).

Nevena Simendić, editor-in-chief of TV Pančevo, stated, "Political influence in state owned media financed from the state budget is obviously strong." The supervisory boards that replaced managing boards this year brought no changes. Those supervisory boards have only three members so adequate democratic representation could not be realized. Thanks to that general directors and editors-in-chief of state owned local media are often

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political representatives of ruling authorities in given municipalities, Simendić added. Nedim Sejdinović, president of the executive board at the Independent Journalist Association of Vojvodina, explained, "After this year's election the general directors and editors-in-chief in Vojvodina's local state owned media [outlets] were removed." Dragan Kocić, executive manager of City Radio in Niš, added that the law insists on ending state ownership in media, but this year proved politicians are not showing good will to realize that principle. According to recent practices, there is doubt over the capacity of local authorities to obtain financing from municipal budgets for the local media.

The panelists pointed to the fact that the law on advertising is still not adopted and said this is a serious obstacle for legal protection of media activities. Kučera noted that this issue resulted in "different TV stations and the government forming a working group for preparation of a new advertising law."

In spite of the adoption of these new laws, during the year there was continuous infringement on media freedom in Serbia. The freedom of speech is highly valued in principle, but there is no adequate response to violations against the media. In the past year, the most popular political programs on several television stations that fostered public debates were canceled. TV B92's very popular show *Impression of the Week* and *Mental Exercise*, TV Studio B's *Sarapa's Problem*, and Radio B92's *Brakus Talk Show* all were taken off the air. The government did not confirm its involvement, but the clear consequence is a lack of popular critical political discourse on television. Today, the critical discussions are limited to social networks, yet television is the most influential media platform, with more than 90 percent of people watching television. Authorities have also been reportedly favoring tabloids and newspapers that provide salacious content.

Moreover, according to the panelists, there has been unprecedented censorship of social networks on the Internet. In May and June, websites commenting on the reaction of the government to the floods were taken down. The popular site *Pescanik* crashed after announcing that part of the Minister of Police's doctoral thesis was plagiarized. Individuals who were publishing data about events regarding the floods on social networks were arrested. In Belgrade alone, 15 people were investigated by the police including one journalist. Nine of them were indicted on criminal charges for causing panic. During their stay in prison, those arrested were mistreated by prison guards. Maja Divac, an editor with the Independent Production Group *Mreža*, noted that in the first half of the year, during the floods, freedom of expression was undermined given the criminal charges and treatment of bloggers and journalists.

Kocić explained that although "a set of new media laws was adopted, freedom of speech has never been so low."

Darko Bročić, chief executive officer at Nielsen Audience Measurement, stated, "In 2014 there was a whole saga on [creating] a new national TV frequency but nothing happened." The Republic Broadcasting Agency—since last summer called the Regulatory Authority for Electronic Media (REM)—requested bids for one national television frequency. Before publishing the call, REM did not analyze the media market to assess whether one more national broadcaster is needed and sustainable in the saturated Serbian television market.

Kocić explained that regulatory institutions only work effectively when collecting arrears from broadcasters. Their independence and neutrality was questioned, as REM allows for the creation of local radio broadcasters that provide national coverage contrary to provisions in the law. It is an open secret, according to Kocić, that there is a strong lobby within regulatory institutions representing the interests of certain media groups, and "It would be naive to believe that such developments happen without political influence."

A lack of transparency around licensing practices exists at the local level too. In the area of Niš, one frequency was awarded to a broadcaster whose owner is affiliated with the local ruling party, despite the fact that he did not meet the minimal conditions for radio production. The absence of criteria and consistency is also an ongoing problem with the regulatory body.

The panelists asserted that REM's criteria for frequency prices are questionable. "The state is backing such predatory way of price determination," Slobodan Kremenjak, attorney with the Živković/Samardžić Law Office, explained. The REM's practice of issuing high prices for frequencies resulted in a shock to the industry when in 2014 the biggest private television station, TV Pink, unregistered its 50 television channels and transferred them to a better regulatory environment in neighboring Bosnia and Herzegovina. "This trend will continue, as a cheaper regulator is more attractive," Kremenjak added.

Though there is no formal difference in market entry and registration of media companies, broadcast media have a larger tax burden compared with other entities. In Serbia, broadcast media have to pay for licenses and author's rights. The problem is that prices of these services are determined without clear and reasonable criteria. Broadcast media pay author taxes to the Serbian Author's Agency on the basis of their income, which raises a question around double taxation. The arbitrary nature of the Serbian Authors Agency is evident given the number of cases in court the Agency has lost against media

organizations who have the time and resources to take on the Agency.

The tax authority is used as an instrument of pressure for media deemed unfriendly to the government. The print publication *Kikindske* was harassed by the tax authorities for a month-and-a-half during 2014. In December the tax authority blocked the account of *Kikindske* for not paying taxes that had been incorrectly calculated to be 200 times higher than what it should have been. As a result *Kikindske*, the newspaper for years known as critical of any government, and for years under heavy pressure by local authorities, had to stop publishing for the first time in 16 years of existence. Conversely, SBB, a big commercial cable company that has a monopoly of the market, had amassed a significant tax debt to the Serbian state. The state simply tolerated SBB's delinquency.

This year again a number of threats against the media and journalists were recorded, for example the ultranationalist movement NASI published a list of "Serbian traitors," which included well-known journalists. In June, a journalist with the Fonet agency was brutally beaten by three attackers, who the police never identified. The case was further complicated by the fact that the journalist who was attacked was also subjected to insults around his Croatian nationality. In June, the court in Niš exonerated three individuals who directed serious threats to Predrag Blagojević, the editor in chief of the online portal Južne vesti, and a panelist in this study.

Kocić explained, "Journalists are still exposed to different kinds of threats, especially when investigative stories are published. Though the law calls for sanctioning of such acts, in practice, legal protection of journalists is practically nonexistent." Kocić added that there is inadequate reaction from colleagues from other media outlets and the public "is also indifferent."

Decriminalized libel has been in place for a number of years. However the courts from time to time make mistakes or render strange verdicts. Judges in Serbia have finally understood that politicians must have thicker skins regarding the media's treatment of their personalities, and this year there were far fewer court verdicts with high fines in favor of politicians. The mistakes now stem from the disregard judges have for the law that states that the media cannot be responsible for publishing or rewriting official statements of a state institution. New laws have improved the wording and will hopefully help judges to understand the law's intention.

There were no fines for Internet providers, but there were however direct pressures placed on owners of blogs. In some areas Internet providers were pressing bloggers to withdraw

some content from their blogs due to pressure exerted by politicians on providers.

Public institutions and public enterprises are introducing different methods to limit access to information for journalists. In most cases only directors and public relations officers are authorized to contact journalists and in many institutions, employees operate under a strict ban on public engagement or appearances. The enormous problem for local media is obtaining information from local affiliates of state government ministries and institutions. Ministries forbid employees to disseminate any kind of information, so journalists are forced to wait for several days for written approval from headquarters in Belgrade.

Another example of the rigid structures is how many public enterprises communicate with the public and media only through press releases. Simendić explained, "The problem for media in Serbia is that information is centralized by all government institutions." Južne vesti sent a record number of requests to the Commissioner for Information of Public Importance, even more than the previous year. In spite of the existence of a commissioner to oversee requests, it is increasingly difficult to obtain relevant information. Panelists saw this development as great leap backward.

In certain municipalities the local authorities forbid the presence of specific media or journalists at legislative sessions. For example, on December 3, 2014 the mayor of Grocka threatened the website Naša Grocka. He publically announced that he would forbid Naša Grocka journalists from attending sessions of the local parliament, even if he had to pay a fine.

Entry into the journalism profession is in principle free with no specific restrictions imposed. Bloggers or journalists from online media generally receive the same treatment in terms of accreditation as other media.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

Serbia Objective Score: 1.50

There are a diminishing number of media outlets in Serbia that meet professional norms and standards. Consequently there are also fewer and fewer journalists who report according to professional standards, as journalists are obliged to adapt to the requests of their editors. In Serbia, media with commercial interests are dominant, thereby treating content as a commodity to sell and not something that has cultural or public value. According to Sejdinović, there is a "dominance of declarative journalism, journalism that is exceptionally biased."

Kocić explained, “The new generation of formally educated journalists fulfills their ambitions by working in an industry under political control where their work boils down to holding microphones or acting as PR [agents] for the current authorities.”

Journalists in Serbia are confronted with the arrogance of politicians, according to the panelists. Simendić added that few editors or journalists protest against the behavior of politicians. Given the environment and circumstances, the quality of journalists in the last several years is worsening due to a lack of motivation. Kocić explained, “In 2014 [the quality] of reporting experienced further degradation compared with the previous year.” Kocić explained, “The new generation of formally educated journalists fulfills their ambitions by working in an industry under political control where their work boils down to holding microphones or acting as PR [agents] for the current authorities.”

Very often the media publish information from blogs and social networks without consulting additional sources or checking the truth of the information. Kocić noted, “High quality interviews are more and more the exception to the rule and Serbia is faced with shrinking newsrooms.” Journalists cite as the root problem the pressure to publish information fed to them by the government and other interest groups and that this state of affairs is not what they would prefer.

#### 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.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exist (investigative, economics/business, local, political).

Kocić summarized the situation: “Professional journalism is losing the battle against sycophancy and PR activities with one goal of glorifying the ruling political parties interests rather than the public’s interest.” Kocić added, “This is equally true for local, regional, and state media and is a consequence of the poor economic situation of media and the exhaustion of media that used to be progressive.”

Formal written ethical standards exist but are not enforced. Journalists know these standards superficially, according to the panelists, but do not consult the standards when working. Everyday there are examples of journalists reporting contrary to ethical norms and standards, especially in tabloids. Transgressions include misleading photos or improperly revealing identities. Sejdinović explained, “The press council’s efforts to foster professional standards are important, but the fact is that the implementation of ethical standards is getting worse.” Kocić added, “In 2014 we witnessed a number of violations, especially by journalists from tabloid media. The cases of the murders of the young girls Tijana Jurić and Ivana Podražić, when dailies *Kurir*, *Alo*, and *Informer*—and number of electronic media too—were competing to publish unreliable sensational details was often very painful for the families of the victims.”

Plagiarism is on the increase due to the availability of information on the Internet. According to the panelists, television stations copy texts from Internet portals and publish them without quoting the source and without paying the authors.

Self-censorship continues to pervade the industry, and the panelists agreed that the self-censorship in fact is on the rise in the last few years. Kocić noted that even journalists and editors previously brave “decided to ignore investigative stories” due to financial constraints or being obliged to do so. Panelists noted that there is also the misinterpretation of the public’s interest. Isakov said, “Self-censorship is present at all levels of the media and editing and creating media content is exposed to very mild criticism by professionals and the general public.” Simendić noted, “In Serbian media there is an obvious lack of strategic and vital economic and social themes and critical programming, deemed undesirable compared with commercial programs during primetime.”

This year, a number of relevant media outlets lost their integrity, as key information does not reach the public or is published without analysis and remains on social networks. Therefore, some local portals have started to distribute stories from several professional sites such as *Pescanik*, *Južne vesti*, and *BIRN*. The problem is that the visibility of good programs and news is limited only to social networks, yet a majority of media consumption is through television as a main source of information. For example, in Niš, not a single

media outlet covered news on corruption published by Južne vesti, at the same time, town authorities are seemingly permanent fixtures on three local television stations financed by the state budget. Sejdinović however noted that the Independent Journalist Association of Vojvodina received interest from young journalists who wanted to undertake investigative research on local issues, as these young journalists cannot express themselves within their own outlets.

As in past years, the salaries of journalists have worsened. Panelists believe that journalists' salaries are lower than those in other sectors. Isakov added, "Salaries in RT Vojvodina have not changed since 2008 in spite of inflation." Isakov explained, "The consequences are clear: three of the best young journalists are leaving for another television station that is paying better despite the outlet's investment in a number of professional courses and providing young journalists with experience and practice." In another case, Isakov noted that the program director left the profession altogether due to an offer of a higher salary. These cases underscore an environment that promotes self-censorship and corruption.

Another disappointing trend for panelists is that, contrary to previous years, commercial entertainment programs are eclipsing news. Young journalists are therefore unable to learn more about informative journalism. Bročić noted, "In previous years there were too many news programs, however, entertainment programming has taken over." The economic position of media, especially small outlets, is catastrophic. Their newsrooms have been decimated, so to maintain news programming, they collect most information from citizens and social networks.

Isakov explained, "Media in Serbia do not have funds to acquire new technology platforms and communication services, even for simply renewing depreciated equipment." For most television stations, Isakov said "The biggest problem will be how to send a signal to the head-end of a digital multiplex and how to pay for digital broadcasting to a public company." The panelists noted that the moment of truth will happen as soon as television will be obligated to transition to digital broadcasting. "Only a small number of TV programs are in HD quality and on digital networks such as KDS and IPTV. Only 20 percent out of million KDS connections are digital and only 60 percent of households are watching television on a digital signal, all others have still analog antennas."

Good investigative journalism requires funding to be successful and strong backing by independent editors and media owners, therefore investigative reporting is rare in Serbia. There exist exceptions such as CINS, BIRN, and

others who produce good investigative stories and data. For example, their stories examined how money from the solidarity tax is used, or the 12 wrong steps to take in preparation for catastrophic floods, or how through electricity bills citizens pay politicians. However, the issue is that investigative reporting is missing from traditional media; these stories are more present on social networks and online.

### OBJECTIVE 3: PLURALITY OF NEWS

Serbia Objective Score: 1.79

Bročić noted, "Quantity doesn't give birth to quality." Despite the more than 1,000 media outlets that exist, most provide similar content. However, there is a spectrum of information available but this information fragmented and insufficient in main stream media.

Topics are more freely debated on social networks according to the panelists, and local media and online media outlets are freer in principle. Different political attitudes are not equally represented, a trend especially visible in the last two years. Sejdinović explained, "Those who use the Internet have an approach to data and information, but there is a huge difference between professional media and Internet media. Formal plurality exists but most influential media outlets are not carriers of plurality." Blagojević added, "The fact that we have 1,300 media outlets could be seen as a guaranty for plurality. But the recent trend of ex-professional media transitioning

### 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) exist 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 nonpartisan, 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.



Blagojević added, “The fact that we have 1,300 media outlets could be seen as a guaranty for plurality. But the recent trend of ex-professional media transitioning to extreme commercialized outlets has had very negative consequences, as a number of citizens still believe [these outlets] are professional.”

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Isakov noted, “A weak opposition and equally pale public scene are not offering various political viewpoints or attitudes. The media, due to self-censorship, are not investigating reasons for different public dissatisfaction—the strike of Belgrade students, long term strike of attorneys, and similar events. Therefore public debates and polemics are more excesses than a rule.” However, RT Vojvodina introduced a new program that tackles economic issues. Kocić explained, “The key problem, especially in local areas, is that the activities of politicians are seen as public interest.” Therefore, a number of themes important for local social development are still marginalized in his opinion.

There are no formal obstacles for citizens to access domestic or international media, including access to the Internet. There were cases however of attacks on websites of online activists, even individual political parties have teams that attack content that do not align with their interests. For years this practice of attacking sites has existed, but up until now not one attacker has been identified by the police. Crashing sites happens continuously and the main problem is not technical in nature.

State and public media services are only partly open to alternative views and comments, but not sufficiently as much less attention is devoted to opposition views. There are not enough programs to confront divergent opinions or to foster public debate and there are no real political talk shows, as discussed before, given the cancelation of recent programming. There is little coverage of controversial social themes, and shows for children, such as educational and science programming, are needed; those programs are not priority for commercial television. In regards to private electronic media, until recently only B92 TV had the quality to compete with public services, but since the drastic

change that ushered in a commercial editorial policy, B92 lost this quality.

There is an important difference in quality of public services offered by RTV and RTS. RTV is much more professional and presents public interest content, while maintaining a neutral approach. Local media under state ownership unfortunately lack professional standards and are viewed as political instruments. Financing influences editorial practices, underscored by the latest research conducted by the Media Center Niš under the auspices of the OSCE Mission in Serbia, which organized their research two weeks before and two weeks after the election, pulling data from four outlets: two television stations, one online portal (*Južne vesti*), and one daily (*Narodne Novine*). The results indicated that Niška Television in a period of two weeks before the election did not provide any information on the opposition and none of the program time was devoted to critical coverage of the ruling authorities. At the same time, all media financed from the state budget were positively portraying the authorities. For example, on the front page, seven days in a row, the photo of the mayor of the municipality was published.

In Serbia three serious news agencies exist: BETA and FONET, which are private, and the state-owned Tanjug. This year the state finally announced the privatization of Tanjug, which will hopefully mitigate discrimination on the market, which was for years in favor of Tanjug. This state agency, in addition to securing income from the market, has support from the state budget, keeping the two private agencies for decades at a permanent disadvantage. International agencies are traditionally present in the Serbian media market, however the percentage of agency news used is growing due to economic issues and the fact that copying news from media websites without quoting the agency as a source is spreading.

During the election campaign, political parties were sending recorded promotional programs to electronic media outlets. They all were then broadcasting identical materials. Today this practice is continuing; political parties are sending, through their public relations agencies, stories for daily news production. In a way, public relations agencies are taking over the role of news agencies.

All national outlets produce their own news but their content is similar. They use domestic and foreign agencies as sources of news, and statements issued by the authorities are similar and usually published without comments or analysis. Local media, including private outlets, also produce their own news but often under the control of local authorities. Due to the economic crisis, most media outlets are using sources from the Internet and blogs, as

they are unable to finance the production of their own news. Most media, especially newspapers, are filled with the same or similar content. Their source is often Twitter, and some television stations broadcast YouTube content. But on the other hand some important information could be found online only, for example on Pescanik, which regularly publishes information critical of the state of affairs in Serbia. The Internet is a space of freedom, but content there often lacks quality because information is produced by individuals who do not possess a background in journalism. Simendić explained, "Private electronic media were broadcasting programs produced by my TV station and I was forced to intervene personally with each one, as there is no official way to stop that practice." Most media outlets do not have any resources for their own production. It is well known that a journalist might be paid RSD 180 dinars (\$2) for a complete television report and even cases where television programs are stolen from the web and repackaged for the radio.

Transparency around media ownership has improved with the introduction of a new law that obliges media owners to publish the names not only of the owner(s) but also of persons connected to the owner(s). However, a new development is a growing number of websites that publish news without giving any insight into their ownership. In principle the general public is very poorly informed on ownership relations in media.

Moreover, the issue around the concentration of media ownership was viewed differently by panelists. One opinion is that there could not be an issue in a country with 1300 media entities; however the other panelists see several conglomerates (especially radio networks) where there is concentrated ownership that has yet to be proved. A recent development is the transparent purchase of the biggest Serbian cable distributor SBB by KKR. Also in 2014, CNN launched a cable program through its affiliate *TV N1*. The authorities also allowed distributors to serve as producers of media programs and in one case allowed one owner to control two (out of six) television stations with national coverage.

The National Minority Councils determine the editorial policy of minority media, resulting in increased content from the minorities' parent countries. Instead of local minority themes, more and more, national themes are being produced on minority media in their parent countries or in editorial rooms of minority media outlets in Serbia controlled by the National Minority Councils. Some panelists noted that the national minority media favor dominant minority political parties with little interest in covering the social interests of these communities. Simendić explained, "Attention should be given also to national minority [communities] in areas where they are less than 10 percent of population, for example Vojvodina and Sandzak."

Simendić added that in these areas, "local media sometimes produce programs in minority languages, but in the news, general themes are presented instead of minority member's problems and news. The problem is in fact that there are no educational programs for journalists who want to specialize in coverage of minority language programs." According to the new law, the National Minority Councils will again be founders of minority media even after the end of privatization process of the media in 2015.

Sejdinović added that according to one research study "in Vojvodina, among school pupils, hatred of LGBT populations was rising strongly in the weeks before the Pride parade. The conclusion was that the way most media were approaching their coverage and programming on that theme was producing such a trend."

National television outlets cover practically the whole of Serbia, providing national and international news, and numerous local stations and newspapers inform citizens of local developments. Internet platforms are widely accessible and cable television programs are spreading all over Serbia. In Vojvodina, 30 to 40 percent of viewers watch foreign programs; in Belgrade it is 20 to 30 percent, according to Nielsen Serbia. Very popular are programs broadcast from neighboring countries that are in principle of better quality than domestic television programming. In 2014, a new phenomenon emerged of Balkan regional programming. Al Jazeera and TV N1 (a CNN affiliate) provide coverage of issues in the whole former Yugoslavia, offering much higher quality news programs and public debates that are increasing their viewership, though these are on cable and online only. Regional media and Balkan media are more and more influential. Kremenjak noted, "The role of foreign media is growing and distributors are dominating the market. Instead of dominant media we have, in Serbia, dominant distributors." Isakov added, "The media from neighboring countries are better than domestic, better equipped, with excellent infrastructure and with bigger funds, so domestic television cannot compete efficiently."

#### OBJECTIVE 4: BUSINESS MANAGEMENT

Serbia Objective Score: 1.60

As in previous years, most Serbian media outlets are not efficient and well-managed enterprises. In a saturated market with 1,300 registered media outlets in a country of 7.1 million people, there are too few resources to support that number. No private or state owned media produce well-crafted business plans, as their income sources for the next year are unclear. The state budget for 2015 was unclear as of November of 2014, as well as municipal budgets that

Bročić added, “In previous years, the most successful advertising agencies are those close to ruling structures, but now, on the contrary, the most efficient agencies are the most successful.”

finance local media. As of 2015, all state owned media have to be privatized; business planning looks like an unnecessary luxury. Private media outlets, especially local outlets, are uncertain about their revenue as advertising money reaching local media is marginal, and reserves and forced savings are exhausted. In such circumstances, a number of Serbian media outlets have fought heroic battles to stay afloat and to stay independent.

Also fair market competition is unknown, as lot of media in the market have state backing and are in a much better position than their competitors from the private sector. Divac explained, “The difficult economic situation is questioning the sustainability of an enormous number of media, especially small private and local media. State owned media still spend money with no transparency.”

Local media complain that they receive little money from advertising agencies and that the price for advertising in local traditional media is humiliatingly low. Kocić explained, “From selling advertising space, local media cannot survive, most of them survive using alternative sources of income (projects, organization of events, concerts, opening media cafes, etc.)” Media owned by civil society organizations in Serbia is a result of the difficult economic landscape.

#### **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.

The main issue around the saturated Serbian media market is the fact that most of the revenue flowing into the media is still distributed through state institutions and public enterprises. The consequences are a lack of professionalism and independence. State media receive guaranteed revenue from the budget, but that means total political control by the authorities, who elect directors and editors-in-chief. Therefore in Serbia, editors and directors usually stay in their post until the next election. Other sources of income are donations for projects, which are used by a smaller number of better-organized media, since advertising revenue is a marginal source for most local media. Some media organizations receive international funds for specific projects but the EU grants much of this funding.

Regarding the influence of the advertising market on media organizations, the panelists presented different opinions during their discussion. A controversial and very popular attitude is that after the elections, the new advertising agencies, close to ruling parties, are taking most of advertising money. Others doubt this notion, using the example of Direct Media, which was close to the previous government and is still holding important segments of the advertising market. Another controversial claim is that advertising agencies neglect local media or even blackmail these outlets. Bročić noted, “People working with advertisers are of the opinion that local markets in Serbia, with its low purchasing power and small media, could not expect to survive on advertising.” Blagojević added, “Online media in Serbia are slow in recognizing their own advertising capacity. Most managers of online media are not capable enough to communicate effectively with advertisers and also have an enormous number of technical problems to publish advertisements. Lately, several local online media have formed a consortium, but the agencies are not responding.”

A large number of companies present their brands or corporate values through advertising. Their advertisements are placed on the bases of data from market research and using international tools for planning. During the period of the crisis, the rates were influenced by clients/advertisers in progressive period prices set mainly by the media themselves. Public service media have a limit of six minutes of commercials in one hour, but the fact that public services are in the advertising market diminishes revenue for commercial media outlets that do not have other sources of income. Most advertising agencies are international, franchises of international companies with local capital or in co-ownership with domestic entities. Media outlets actively use the services of advertising agencies, and advertisements are produced professionally and have won a number of international awards including the Lion of Cannes and CLIO awards.

Kučera noted, "The advertising market over the past few years has reached a serious level of development and is in line with world standards. Expertise, quality of services, knowledge, creativity and professionalism are key factors in choosing advertising agency. In that sense, connecting advertising agencies with the authorities as a key factor for selection by the client is an unsustainable practice." Bročić added, "In previous years, the most successful advertising agencies are those close to ruling structures, but now, on the contrary, the most efficient agencies are the most successful." Direct Media is good example; it is among the most successful in spite of the fact that the owner is not at all close to ruling structures. Several panelists disagree with this point and maintain that advertising agencies close to authorities dominate the market.

Media managers feel pressed to use more and more advertisements, as other sources of income are rare. During this year, subscriptions were abolished for public services, but subscriptions remain a very important source of income for cable distributors. There is no subscription for print media in Serbia.

With regards to the portion of broadcast programming, time, pages in print or space online consumed by advertisements, the panelists noted that for television stations with national coverage there is a limit of 12 minutes per program. There is limitation on advertising time on other electronic media, but most stations do not adhere to these limits. The inadequacy of REM and the ineffective penalty system is the reason for such behavior.

The government uses subsidies, advertising, and other incentives to exert pressure on media critical of their activities or to reward loyal outlets. The government is among the key advertisers in Serbia, and most panelists see the trend of channeling advertising money from franchise agencies to domestically owned entities as a confirmation of this notion. Sejdinović noted, "The government's control of advertising money and subsidies is the worst problem in Serbian media. It is a key mechanism for influencing editorial policy, which is true for local media too."

Research within the media market has been an industry standard for a number of years. All research techniques are used and the number of well-known international research companies on the market is well experienced and qualified to produce reliable data. Their results are used by advertising agencies and by a few media organizations for analysis of their own program schedules. Several more organized media organizations, mostly those with national coverage, use research data to tailor their program content. There are also several companies on the market that do not follow methodologies that meet international standards due

to their small sample sizes. There are also a number of media outlets that misuse or forge research results.

The main problem with audience measurement is that it is concentrated in urban areas and local media are left out of the equation and are in the dark about the nature of their audience or its true size. These outlets have no funds to finance research on their own. Local media will use website data or information from interactive programming, for example call-in talk shows as a way to estimate their audience.

ABC Serbia conducts print media audits, and Ipsos, Nielson, and other professional agencies measure both print media readership and broadcast media audience. The problem with circulation monitoring is that only a few newspapers have their circulation audited. Data on the circulation of many other newspapers and magazine is clouded in secrecy. Websites are audited, but different international analytics programs supply necessary data. ABC Serbia started this year with web auditing.

Ipsos conducts radio research, but the geographical spread of listenership is limited only to bigger towns. Most local stations do not have the funds to finance local listenership research. Television viewership is measured with people meters by Nielsen. People meter measurement of viewership gives national representative results, but is not precise enough for television stations that broadcast on local and regional level due to small number of peplemeters. Rating terminology is well known to advertisers and most media managers.

## OBJECTIVE 5: SUPPORTING INSTITUTIONS

### Serbia Objective Score: 2.17

There are several trade associations, all independent of the government. ASMEDI represents owners of print media and advertising agencies. Lokal Pres is the trade association of publishers of local print media. ANEM represents owners of broadcast media. They all have faced the same issues, a limited number of members. Trade associations often find themselves not working on concert with journalist associations, since many of the trade associations have as members tabloids or television stations that are not committed to quality journalism and therefore it is difficult to find common ground.

Associations of journalists have existed for years, and are most important for backing media freedom. Professional associations are active, and protect the interests of journalists and react promptly to cases of violations of media freedom. They are active in organizing education and promoting quality journalism. Simendić noted, "Professional

However, Kremenjak pointed out that the authorities closed the printing house of *Tabloid*, which printed other publications as well, resulting in several print publications unable to print.

journalist associations in Serbia are functioning efficiently; their problem is centralization as they treat media problems from the Belgrade and Novi Sad points of view only.” Slobodan Kremenjak explained, “In the last few years journalist associations have succeeded to form a media coalition that was successfully lobbying for new media laws. Now finally as the new laws are adopted, these associations are in a position to look for the new role they should play in the changed media environment.”

The associations should and will concentrate on implementation of the new laws, but also they need to identify new priorities. Sejdinović added, “The problem of all journalist associations is that they do not have more the efficient tools to influence the media sphere.” All three journalists’ syndicates advocate along the lines of collective bargaining agreements and do not recognize the interests of freelance journalists.

There are a number of NGOs in Serbia that seriously advocate for media freedom and at the same time for greater media responsibility and professionalism. A new development is that after project financing of media from the state budget was introduced, some NGOs and media

see themselves as competitors for potential funding. During the year there were several individual cases of excellent cooperation between the media and NGOs in Belgrade and in local areas.

Divac noted, “There is not enough practical education [offered to journalists],” but that there has been improvement from 10 years ago. Universities that have a journalism department have introduced practical education, and there are also short courses organized by private organizations such as the TV Academy. However, most panelists believe that university-level programs are unsatisfactory and the media do not have money to invest in the professional education of their journalists. With shrinking editorial rooms in most media organizations, there is no time for training on more specialized courses. Simendić added, “There is no organized form of education in editorial rooms.” Foreign contributions for the education of journalists have practically disappeared and fee-based courses are inaccessible, especially for young journalists. Moreover, local authorities are not interested in financing the education of journalists, so only sporadic cases of journalists self-financing their ongoing training are improving this grim situation. Isakov explained, “Today, in given circumstances, the average media in Serbia cannot absorb new graduate journalists. Media owners and management are losing interest in educated journalists due to the general media environment, and the spread of self-censorship and extreme promotion and dominance of commercial content.”

Access to printing facilities and media equipment was for years completely apolitical, unrestricted, and competitive. However, Kremenjak pointed out that the authorities closed the printing house of *Tabloid*, which printed other publications as well, resulting in several print publications unable to print. It is a common belief that political pressure was behind the closure and that the authorities wanted this to be hidden from the public. “Therefore instead of *Tabloid* itself being [closed], its printing house was disabled,” he said. This case reminded the media community of the Milošević period when printing companies were forbidden to print oppositional titles.

In principle media distribution channels are apolitical, but there are monopolies in print media distribution and in the cable television and Internet markets. Cable Internet operators are authorized by the new law to not only distribute but are also allowed to produce media content, which could lead to them prioritizing their content. So far this has been mostly limited to sports programming and regional advertisements. The distribution market is still dominated by one operator, SBB, with a market share higher than 50 percent. SBB is also an important Internet provider.

#### 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 (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.

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Online media outlets and bloggers are free to choose software and platform options. Distribution over the Internet is restricted only in rare and extreme circumstances. Simendić noted, "The case of TV Pancevo shows that cable operators and Internet providers are not treating all media equally. TV Pancevo bought its own equipment for transmission of digital signal, but it is not present in digital and D3 range of SBB. We are still present only in analog form."

On September 1, 2014 simultaneous broadcasting (simulcast) of analog and digital television signals began. Deactivation of analog broadcasters will start in Belgrade and Vojvodina in February 2015, meaning that 5 million viewers will be excluded from the analog network. Serbia is no in the middle of a campaign to inform citizens about the switchover process and has offered to help socially marginalized citizens. The "digital stamp" has been adopted but requires a lot of work on building pillars and transmitters and acquiring set-top converters for low-income citizens. Unfortunately there has been no debate on how to use the analog frequency spectrum once the conversion to digital is complete.

Internet streaming of audio or video content, podcasting, content via mobile phone networks (SMS and/or audiovisual MMS) is freely available and of good quality throughout most of the country.

## List of Panel Participants

**Nevena Simendić**, editor-in-chief, TV Pančevo, Pančevo

**Maja Divac**, editor, Independent Production Group Mreža, Belgrade

**Gordana Janković**, director, Media Department, OSCE, Belgrade

**Vanda Kučera**, chief governance officer, McCann Erickson Group, Belgrade

**Dragan Kocić**, executive manager, City Radio, Niš

**Nedim Sejdinović**, president of Executive Board, Independent Journalist Association of Vojvodina, Novi Sad

**Siniša Isakov**, counselor, Radiotelevision Vojvodina, Novi Sad

**Darko Bročić**, chief executive officer, Nielsen Audience Measurement, Belgrade

**Slobodan Kremenjak**, attorney, Živković/Samardžić Law Office, Belgrade

**Predrag Blagojević**, chief executive officer, *Južne Vesti*, on line daily, Niš

## Moderator

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## Author

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*The panel discussion was convened on December 9, 2014.*