

SERBIA



MEDIA SUSTAINABILITY INDEX 2018

Tracking Development
of Sustainable
Independent Media
Around the World



SERBIA

AT A GLANCE

GENERAL

- **Population:** 7,111,024 (July 2017 est. CIA World Factbook)
- **Capital city:** Belgrade
- **Ethnic groups (% of population):** Serb 83.3%, Hungarian 3.5%, Romani 2.1%, Bosniak 2%, other 5.7%, undeclared or unknown 3.4% (CIA World Factbook, 2011 est.)
- **Religions (% of population):** Orthodox 84.6%, Catholic 5%, Muslim 3.1%, Protestant 1%, atheist 1.1%, other 0.8% (includes agnostics, other Christians, Eastern religionists, Jewish), undeclared or unknown 4.5% (CIA World Factbook, 2011 est.)

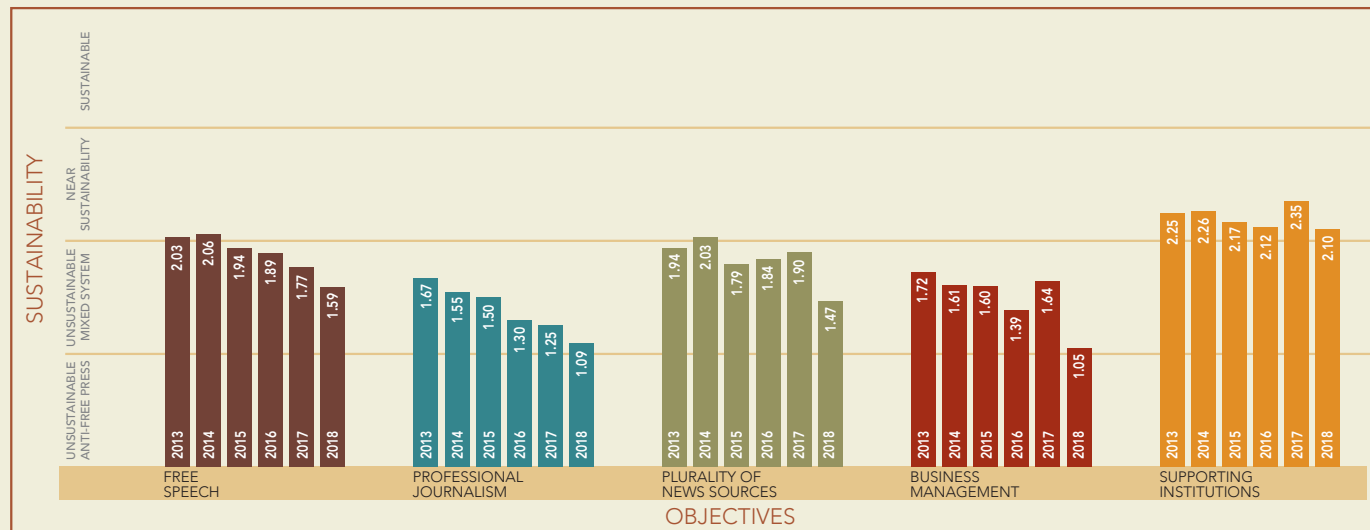
- **Languages (% of population):** Serbian (official) 88.1%, Hungarian 3.4%, Bosnian 1.9%, Romani 1.4%, other 3.4%, undeclared or unknown 1.8% (CIA World Factbook, 2011 est.)
- **GNI (2016 - Atlas):** \$38.3 billion (World Bank Development Indicators, 2016)
- **GNI per capita (2016 - PPP):** \$5,310 (World Bank Development Indicators, 2016)
- **Literacy rate:** 98.8% (male 99.5%, female 98.2%) (CIA World Factbook, 2016 est.)
- **President or top authority:** President Aleksandar Vučić (since May 31, 2017)

MEDIA-SPECIFIC

- **Number of active print outlets, radio stations, television stations, Internet news portals:** On December 22, 2017, Serbia had 2,072 registered media in the Business Registers Agency (BRA), which includes 216 TV stations, 321 radio stations, 894 print media, 616 online media, and 25 news agencies. (Source: BRA)
- **Newspaper circulation statistics:** N/A; Reach (12+) dailies 1.7 million; magazines 2.9 million - out of total population of 7.08 million (Source: Ipsos). Daily newspaper circulation statistics: officially not available; According to an unreliable source, the circulation at the end of the 2017 was: (1) *Informer* 151.487, (2) *Večernje Novosti* 101.356, and (3) *Srpski Telegraf* 91.714.
- **(Source DTS). Top political magazines readership:** *Nin* 9%, *Nedeljnik* 5%, *Vreme* 4%. (Source: Ipsos)

- **Broadcast ratings:** Radio S 16%, Play Radio 14.4%, Hit FM Radio 11.1% (Source: Ipsos). Top three television: RTS 74%, Prva 55%, Pink 54% (Source: Nielsen). News Internet portals: top three reach: blic.rs 2.5 million, kurir.rs 2.14 million and B92.net 2.07 million (Source: Gemius).
- **News agencies:** First three: Beta and FoNet (private), Tanjug (formally deleted from the register of economic companies but still active under government auspices and financing)
- **Annual advertising revenue in media sector:** EUR 174 million in 2016 (TV 95 million; print 30 million; Internet 23 million; OOH 18 million; radio 7 million; other 0.6)
- **Internet usage:** 70.5% of total population (Source: Statistical Office of the Republic of Serbia, 2017).

MEDIA SUSTAINABILITY INDEX: SERBIA



SCORE KEY

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.



Serbia's scores in all of the MSI objectives are indicative of a downward trend in the country's media space, with the country's overall score dropping to 1.46 from 1.78 in 2017. Among the factors feeding this spiral are: media content is more polarized now than at any time in almost 20 years; an increase in fake news; editorial pressure on media; and a poor overall economic operating environment.

The year of 2017 was the worst in recent memory for Serbia's media. The media sector's downward spiral resulted in independent journalists creating an informal coalition for media freedom for the first time in Serbian history. In 2017, the Ministry for Culture and Media established a working group to prepare a new media strategy. However, representatives from the seven largest media associations in the group ultimately left before year's end. Also, representatives from five of the seven media and journalists' associations resigned from the Journalist Security Group, established in collaboration with the Serbian Prosecutor Office and the Ministry of Police. Political analysts assessed that in 2017 Serbian authorities had "a tendency to make journalists a main political enemy."

The most important political event in 2017 was the April election of a new Serbian president, Aleksandar Vučić. During the pre-election period, the ruling majority suspended the parliament's work in an attempt to prevent discussion of the Serbian social and economic situation. Legal and political experts considered the action to be an abuse of Serbia's parliament. At the end of the year, the ruling party once again

brought parliament work to a halt during budget proposal discussions. Some other political processes were continued, including the rehabilitation for Nazi collaborators and war criminals by quashing past convictions. Serbia also adopted two more of the European Union's 35 *acquis communautaire* laws—legislation, legal acts, and court decisions which comprise European Union law—bringing Serbia's total to 12.

In 2017, the Serbian economy's official inflation rate was 3.0 percent, nearly double the 1.6 percent of 2016. The real GDP growth was 1.9 percent, with a 3.9 percent growth in industrial production and a 10 percent drop in agricultural production. The World Bank estimates that with a yearly GDP growth rate of 3 percent, Serbia will need 50 years to reach the European Union standard of living. The budget deficit did decrease, but it was largely due to a reduction in state investments and the disbursement of reduced pensions. At the end of 2017, approximately 400,000 Serbian pensioners sued the state for illegal reduction of their pensions, asking for US \$516 million to compensate for the three years of cutbacks since the implementation of the Law on the Provisional Regulation of the Payment of Pensions.

**OBJECTIVE 1:
FREEDOM OF
SPEECH****1.59**

The decline in Serbia's freedom of speech continued in 2017, as Objective 1's score dropped from last year's score of 1.77 to 1.59 this year. According to the panelists, changes to the legal framework made in 2014 have not advanced freedom of expression in the subsequent years, nor has media quality improved. "The society suffers from transplant disease," said Snježana Milivojević, a professor from the University of Belgrade, "We have copied European laws, transposed their instruments with copy/paste, but the results are absent."

Although legal regulations formally provide freedom of speech and access to public information, the laws are applied selectively, thus endangering freedom of expression. State information is available to the public by law, but in practice information goes only to journalists and individuals close to the authorities. Others can request information through the Commissioner for Information of Public Importance; however, their requests are not always answered.

Media laws were neither supplemented nor changed in 2017, except for the regular December extension of the provisional budget to fund the two public service broadcasters (PSBs). The financial shortfalls exist despite a 2014 law that calls for funding the PSBs from the targeted public service tax.

A new media strategy--designed to respond to media development challenges, define strategic goals, and create a basis for legal changes--was late in being drafted, with the old strategy expiring in September 2016. At the end of 2017, the Ministry of Culture and Media, which is the government's lead for articulating media policy, formed

a working group composed of six representatives from the state, four media experts, five media association representatives, and one staff member from the public broadcaster. The group struggled to cultivate a successful strategy, with some solutions contrary to the interests of the media and media freedom. Ministry officials insisted that all members of the working group sign off on all the solutions in the draft, even if they disagreed with them. This draft will be submitted to the Ministry of Culture and Media, which will prepare its own version for state-level approval. "The authorities' intention is not to determine the development goals of the media sector but to make a strategy that will serve as a basis for the revision of media laws," explained Zoran Sekulić, CEO and owner of FoNet News Agency.

In Serbia, freedom of speech is guaranteed by the constitution, and laws are aligned with international human rights standards. However, Serbian citizens do not value these freedoms highly and using them for legal protection is difficult. "Although there is formal freedom of speech protection, it is in practice not implemented," said Nedim Sejdinović, the president of the Independent Journalists' Association of Vojvodina, "There is serious media, political, judicial and cultural resistance to critical speech and thought."

Serbia's state-controlled tabloids and national television station attack independent media critical to the government. Those outlets are pressured with frequent tax and financial control visits. In 2017, the well-known local weekly magazine *Vranjske* was visited daily at its Vranjine office by tax and financial authorities and other municipality inspectors, hampering its normal work. Despite a hunger strike by the owner, ultimately the magazine ceased publication in September 2017 and their website was turned off in November 2017.

In first eight months of 2017, plaintiffs filed 352 lawsuits against journalists. Courts support the pursuit against journalists and media perceived as critical to the authorities. The judiciary responds promptly only in cases in which the media allegedly violates the rights of authorities and ruling parties. The state media threats against journalists and civil society activists that end up in court tend to go in favor of the media that made the threats, interpreting verbal attacks as freedom of speech. Sejdinović shared his experience: "In 2017, I received 18 death threats. All the threats were reported to the police, and the police dismissed 14 threats. I was told by

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

prosecutors they were my fault because of a joke I told on a religious holiday, which produced a 'justified revolt of citizens.'"

According to the panelists, this environment promotes an atmosphere of fear, censorship, and self-censorship and a further "tabloidization" of society. Warnings from the highest state officials, accusations of representing foreign interests, and judicial processes are used to silence investigative journalism. Journalists are often verbally attacked or ignored during interviews with state, municipal, and local authorities.

Regulatory agencies are not independent from political control nor from the influence of advertising agencies or other centers of power. In Serbia, electronic media are licensed by the Regulator Authority for Electronic Media (REM), and all media register with the Business Registers Agency (APR), like every legal economic entity in the country. APR essentially issues registration to everyone that signs and pays the budget obligation, creating a glut of media companies competing for funding from budgets. "There are a number of nonexistent media in the Register, and there are also media that have been active for years but are not recorded in the Register," explained Petar Jeremić, the executive board president of the Journalists' Association of Serbia.

According to the panelists, the process of national, regional, and local license renewal is carried out problematically. Virtually all permits were extended until 2024 without evaluating how the media executed the programs for which they were approved. "In many aspects of REM work, there is a lack of transparency and compliance with the licensing criteria, regulation, and monitoring of licensed electronic media, as well as in the election of board members," Milivojević said. "The Regulator should concentrate on efficient monitoring of

media content and programs. A passive Regulator claiming that it cannot react to the 17 hours per day of the reality television programming on one TV station does not need to exist because it is obviously failing to comply with law's defined obligations."

Even national-level broadcasters do not adhere to their licensing obligations, panelists said. They gave the example of TV Happy, which has a license that requires it to devote 50 percent of its programming to shows for children. Yet, TV Happy broadcasts reality television almost continuously.

Parliament elected members to the REM in an opaque manner this year, according to the panelists. Moreover, the REM council has only six members serving, despite the law requiring nine. It rarely acts publicly and is not proactive in its work. The REM's statute still does not comply with the laws passed in 2014, and the council has not reported on the actions of electronic media during the 2017 campaign period. According to reports from the independent Bureau for Social Research, then-presidential candidate Vučić was mentioned in Serbian electronic outlets 120 times more than the three most serious opponents.¹

Serbia has no specific legal constraints on the media, nor stricter rules than for other entrepreneurs. Some media companies enjoy tax relief, with their tax debts tolerated if they support the government. In contrast, media critical of local or state governments will find their accounts immediately blocked, leaving them unable to function. This negatively affects editorial independence, and outlets run the risk of being eradicated, as the *Vranjske* closure exemplifies.

As stated by Milorad Tadić, president of the

¹ <http://hr.n1info.com/a188639/Svijet/Regija/Vucic-120-puta-vise-u-medijima-od-tri-najjaca-protukandidata.html>

Association of Independent Electronic Media (ANEM) and the owner and CEO of Boom 93 Radio, "Outlets in the good graces of those in power receive favorable treatment from tax authorities, and independent and critical media are persecuted by tax authorities." Panelists said that the news agency Tanjug is another example of this policy. The agency is not registered with APR but still operates with the help of the state.

Serbia has no functional media market. In the business and financial sense, the Serbian media sector is strictly controlled. The government monitors the money flows of public companies, media buyers, and large corporations.

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Journalist safety is a growing problem. According to data from the Independent Journalists Association of Serbia (NUNS), in 2017 (through December 5), there were 83 incidents with journalists, including six physical assaults, two attacks on property, 54 instances of pressure, and 21 verbal threats. In 2016, the number of incidents was 69 and in 2013 no more than 23. There were also five technical attacks against internet portals and online media, all of which remain unsolved.

As a consequence of various pressures, self-censorship is widely present in the media sector. Journalists engaged in investigative journalism are subject to threats. According to the panelists, six journalists in Serbia live under constant police escorts, and the murders of three journalists in 1994,

1999, and 2001, along with two assaults from 2014 and 2015, remain unsolved.

At the beginning of the year, media members formed the Working Group for Journalists' Safety. However, the journalists' representative members of the group quit after the state prosecutor dropped charges against the president's security forces accused of assaulting journalists.

Most panelists expressed the belief that laws do not guarantee media independence. According to law, REM, which is under full governmental control, elects the managing boards of both PSBs. In turn, the managing boards elect the general director and program directors. This linear structure allows complete political control over public services and disallows media professionals from serving on the boards.

Another continuing problem is that authorities control private media through biased funding practices. Resources from state and municipal budgets, such as Serbia's media co-financing program, are not transparent, despite laws that in principle protect editorial independence. Government media funding is distributed in a way that subjects media to politicized state advertising and public procurement. "The media market does not exist, and media live almost exclusively from state money. This is particularly visible in local areas, where local media function largely as a parastatal institution," Sejdinović said.

Libel falls under civil law in Serbia. Journalists and media are often forced to pay fines when accused by private persons. However, journalists who are libeled by authority-controlled tabloids seldom pursue the issue; when they do, proceedings are usually not scheduled for a year or more.

The Law on the Free Access to Information states that public information should be easily accessible. According to the panelists, however,

the government continues to hide large-scale state contracts from the public, and state-owned companies such as Telecom have not extended information to media nor to the Commissioner for Information of Public Importance. Ministries either do not respond to requests or respond with delay to even the most banal issues.

A new method of limiting access to information has appeared recently: The state has begun producing media content. Each ministry has its own camera operators and journalists. Editors are given the address of a server where they can download video material, photos, and complete reports prepared by the ministries but not branded as such. In this way, the state producers compete with private press agencies. Mini-news agencies are also being formed in local municipalities and are publishing local politicians' PR materials. In addition, the unregistered state agency Tanjug has the exclusive right to follow the Ministry of Foreign Affairs abroad.

Media are able to access and use international news and are allowed to transfer or reprint foreign and local information or agency announcements. However, panelists noted some issues with access. Cable operators change channels' content or discontinue them without prior notice — most likely to avoid paying copyrights. International sporting events and series are sometimes scrambled. Access to cable TV is limited in Serbian territorial niches, especially in Vojvodina, so a large number of viewers cannot watch certain channels, but these issues are based more on economics than limited freedoms.

Entry into the journalism profession is free, and journalists are not licensed. However, state authorities and even some journalists are trying to define what constitutes a journalist, in order to exclude certain people from reporting. In some cases, journalists need authorities' permission to report on a particular event or on specific people.

The increase of fake news has also led to calls to license journalists.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

1.09

Objective 2's average score dropped marginally compared to the previous year, from 1.25 to 1.09. Journalists are paid inadequately in most media jobs, although some receive decent salaries. Media reporting in accordance with professional and ethical standards is in the minority. Generally, because journalists fear losing their jobs, they agree to abandon professional values. They engage in self-censorship and know which topics to cover in order to avoid conflict with authorities or editorial policies. A number of important topics are never on the agenda, while topics that serve the interests of various centers of power dominate. "Journalistic standards are compromised and media is a political instrument," Milivojević said, "Journalism is in the service of political and commercial interests."

Media content is more polarized than any time in the last 18 years. High-quality journalism is rare and entertainment productions overwhelm informational programming, with no intervention from the REM. The high-quality journalism that does exist is largely dependent on donor assistance. The importance of digital-born media is increasing but traditional media (print and broadcast) still dominate.

The quality of media content is constantly falling, the number of code violations is increasing, and professional skills are stagnating — all of which has led to the public losing confidence in the media. Authorities do not treat media as a part

of a democratic system, but as a means to realize their own interests or penalize political opponents. Broadcast media, which has the greatest influence on public opinion, follows professional standards less and less. In one example, Radio Televizija Srbije's (RTS) interviews with presidential candidates were conducted by the wife of an influential member of the ruling party and a person employed in the REM. In another example, the owner of the TV station with the highest viewership has been writing open letters to political opponents of the ruling elite weekly, and these letters are read during prime time.

At most Serbian outlets, it is impossible for the opposing party to be heard. Journalists expressing unfavorable or critical news are stigmatized in pro-regime media, even if those views are expressed on their private social networks. "The mainstream media is undisguised in their permanent support

of every move from the authorities — something proven by research and monitoring reports from independent organizations," said Sejdinović, "The Press Council can't do much because self-regulating bodies in Serbia have no mechanisms to change the state of affairs."

Few professional journalists report on the basis of the facts, verify information by consulting more relevant sources, or explore the background of a story. The number and impact of such professional media are decreasing. Mainstream media commit numerous violations of the Serbia Journalists' Code of Ethics. Independent media outlets are much better but make up only a small part of the media scene. Tabloid staff do not adhere to the code or ethical standards in general.

In 2017, the Press Complaints Commission monitored reporting from the daily newspapers *Alo*, *Blic*, *Večernje Novosti*, *Danas*, *Informer*, *Kurir*, *Politika*, and *The Serbian Telegraph* to gauge how they respect the code of ethics. Between March 1 and November 30, 2017, the commission identified 5,292 stories in which one or more regulations in the code of ethics was violated. The growth of violations has been steady: from April to November 2015, 2,962 controversial texts were recorded; in 2016, 4,402. The most common transgression has been ignoring the presumption of innocence for those accused of a crime and failing to distinguish between assumptions and facts. Newspapers also are increasingly violating privacy rights, as the practice of courts and police leaking information is still very present.

Only the Press Complaints Commission responds to these violations, according to Tamara Skrozza, a member of the commission and a journalist with the magazine *Vreme*. "The journalists' associations are not backing the Press Council actively," she said. "The Press Complaints

Commission of the Press Council is becoming less visible in the public and is receiving fewer complaints." Jeremić agreed, adding, "The number of complaints has fallen because the council's decisions are no longer being published. The council is not presented enough to the public. The founders need to be more active."

Journalists and editors are forced to self-censor for fear of losing their jobs, clients, or the support of local authorities and marketing agencies. Editors pressure journalists and photographers to practice self-censorship. While self-censorship can be hard to prove, it is more and more clear that only a small number of outlets have serious critical content. "Self-censorship has become an integral part of the job, and journalists experience it as part of the profession," said Sejdinović.

Generally, journalists cover all key events and issues, but in some cases, editors prevent journalists from reporting on certain incidents. Serbia does not have enough freedoms to allow reporting on some topics, such as security, criminals, corruption, or dialogue on or with Kosovo. However, citizen journalists and networked social groups post online coverage of some events on which traditional media do not report.

The financial position of media professionals did not improve in 2017. Generally, journalism is among the lowest-paid professions in Serbia. One study done by NUNS found that 23 percent of journalists have a monthly salary between \$370 and \$490, and 14 percent have monthly salary between \$240 and \$370. These salaries are below a level that enables journalists to live decent lives and are not adequately tailored to actual working hours. "A journalist's life is indescribably difficult, and the journalist is forced to work between six and eight different journalism jobs to survive," said Skrozza. "For journalists in local areas, it is even worse," she

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).

added. “The quality of journalism is in danger as journalists battle for survival.” A number of journalists also work second jobs that are often paid equally poorly. Many reporters leave the field completely for other low-income jobs, especially public relations.

A huge salary gap exists between state/public media workers and private media workers. Restrictions on hiring new employees for the PSBs and wage cuts have been in place for three years. For most RTS and Radio Televizija Vojvodina (RTV) employees, salaries have been unchanged for the past decade.

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News and entertainment content is not balanced, with broadcasters airing far more entertainment and reality programs than informational and educational programming and news. Recently, high-level politicians, including President Vučić, have begun acting in multi-hour entertainment programs in an attempt to attract the attention of voters.

RTS, the largest public broadcaster in the country, garners its highest level of viewership when showing sporting events and foreign or domestic serials. New feature content is produced in cooperation with independent producers. The public is not familiar with the procedures of editorial and production decisions nor how such projects are financed.

Equipment procurement is sporadic, as media outlets are limited by lack of money and access to the financial market. Serbia has yet to switch to HDTV and digital-audio broadcasting, in part due

to the media sector and government ministries having no incentive to change. Citizens who have the requisite home equipment often turn to foreign media, and the younger population consumes media offered on the Internet, including over-the-top media services and subscription video on-demand.

Some media outlets conduct investigative and specialized journalism, but overall, specialized reporting is slowly disappearing. In particular, economics is covered poorly in mainstream media and mainly consists of “fake news.” According to the panelists, many editors, media managers, and owners consider specialized reporting and investigative journalism too expensive or believe their audiences do not care about more complex topics.

However, some portals are producing professional and responsible investigative work. They include the national *Insajder*, Crime and Corruption Reporting Network (KRIK), Balkan Investigative Reporting Network (BIRN), and Serbian Center for Investigative Journalism (CINS); and locally focused Južne Vesti website, Boom 93 FM, and Radio 021 FM. Authorities invest in efforts to discourage serious investigative journalism, leaving the Internet as the primary way to disseminate investigative journalism stories. Very few traditional print media regularly publish investigative pieces. The outlets that work at the highest international standards have received a number of prestigious international awards but are demonized and pressured in Serbia. These threats often extend to the journalists’ families.

OBJECTIVE 3: PLURALITY OF NEWS

1.47

Objective 3’s average score dropped from 1.90 last year to 1.47 this year. Panelists attributed the

decline to several factors: increased dissemination of fake news; authorities, politicians, and businesspeople exerting control over public-interest information; and editorial pressure on media. Out of 80 total scores from panelists for the eight indicators of this objective, 75 percent were lower than 2. Indicator 3 (media reflect the views of the political spectrum) received the lowest score at .82. “There is a multitude of media and diverse ownership and editorial structure, but there’s no media diversity that provides citizens with access to reliable and objective information,” Milivojević said.

Media ownership is not transparent, and concentration is not monitored appropriately. Project co-financing, earmarked for increasing production of objective public-interest stories, is now incorporated in a clientele-based media system.²

Sources used in reporting do not provide reliable or objective information, and stories do not promote dialogue or discussion of different opinions. State-owned media do not reflect the views of the entire political spectrum. Independent news agencies work professionally, but the market is politically controlled and discriminatory, largely due to Tanjug. Private outlets produce their own news mainly through copying and pasting content or outright stealing from other outlets. Local-interest and state-interest stories, and politically diverse viewpoints, do not receive quality coverage. Stories on international issues generally coincide with the

² “Media clientelism” refers to media’s inability to: (1) provide accurate and reliable information to citizens without being dependent upon or serving particular/special private or governmental interests, and (2) ensure that citizens have access to and are able to express a wide range of views and opinions without being exposed to bias and propaganda.

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.
- ▶ Independent broadcast media produce their own news programs.
- ▶ Citizens' access to domestic or international media is not restricted.
- ▶ Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- ▶ State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- ▶ A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.
- ▶ Independent news agencies gather and distribute news for print and broadcast media.
- ▶ Broadcast ratings, circulation figures, and Internet statistics are reliable.

foreign-policy goals of the state, which include unscrupulously insulting official foreign visitors or praising certain others.

Aside from the PSBs, only a few outlets in Serbia produce their own news. Many members of the media sphere, particularly radio stations, only transmit short reports taken from portals that compile news from other media. While the increase in online media use is positive, most outlets use posts on social networks such as Twitter, YouTube, or Facebook as news sources.

Research from Nielsen Audience Measurement and Ipsos Mediapuls has shown that 70 percent of Serbian citizens regularly use the Internet, compared to the global average of 82 percent. Users access

the web with various devices: 63 percent use smart phones (up from 51 percent last year), 60 percent use laptops, and 40 percent use smart TVs. The cost for Internet services in Serbia is among the highest in Europe, according a report from the World Bank. Serbia is the largest user of social networks in the Balkans and the seventh largest in Europe.

The Serbian media environment does not have enough sources of information to provide viewpoint comparisons and fact verification. Editorial policies that allow the expression of multiple perspectives are rare because editors generally refuse to cover different political views. For citizens, the choice of media is free only in the type of outlet (private, local, or public), not in relation to content. According to Sejdinović. "The absence of political pluralism is so dramatic, there is no room for public dialogue or societal discussions," he said.

The availability of news sources is inconsistent across Serbia. Cable television is mainly developed in urban centers, while in villages and rural areas, cable TV is unavailable and the Internet is less accessible. Sometimes, politically critical newspapers are put on peripheral locations on kiosks, and some printed media do not reach all the cities in Serbia.

Foreign entertainment shows and news programs are legally available to citizens. However, as Isakov explained, "A low level of media and digital literacy, limited access to broadband internet, and discrimination in rural areas accessing cable television and Internet reduces citizens' access to domestic and foreign media."

In addition, the government's New Media Strategy is proposing to limit access to Internet media and foreign cable operators. Public awareness of the strategy is growing, and stakeholders are analyzing possible solutions, panelists said.

The highly professional N1 TV has limited access to cable networks except for one cable

operator. The biggest cable operator, SBB, is beginning to monopolize the market. "SBB has more than 50 percent of the cable distribution of media content," said Siniša Isakov, a professor at the University of Novi Sad and an RTV Public Service counselor. "During the year, distributors invested 70 million euro — not in the expansion of cable networks, but in improving the existing network."

Serbia's two PSBs try to perform the function and model of public service, but still avoid serious issues and state debates, do not broadcast parliament sessions when controversial issues are on the agenda, and are not open to alternative views, commentaries, or dialogues. According to Skrozza, changing these conditions will be difficult. "The REM has announced it will no longer monitor [balanced coverage]. The law guarantees equal representation in the media to all candidates in the pre-election period. But instead of the REM, non-governmental organizations carried out that function and registered drastic violations of the election provision."

"There is a multitude of media and diverse ownership and editorial structure, but there's no media diversity that provides citizens with access to reliable and objective information," Milivojević said.

The independent news agencies Beta and Fonet offer professional quality reports to media houses, but strapped media companies are usually unable to subscribe to their services. As a result, their influence is negligible. As Sejdinović pointed out, "There are independent functional news agencies, but they are discriminated against in favor

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of the state agency Tanjug in terms of accessing state resources and information.”

Across the media sector, production of original news content is limited and is often biased or copy-paste journalism. Very few national private outlets produce their own news programs, and they differ from the news on public media stations. However, a number of local media produce their own news and informational content, and are no longer restricted to news from the local community. The law allows media distributors to produce content in cooperation with affiliated entities. This precedent has negative consequences and can endanger media pluralism, according to the panelists.

Reporting on various social issues such as gender, ethnicity, religion, and sexual orientation is scarce. Only a few outlets cover a wide range of social interests at the local level. Serbia does have a relatively new system of municipal governments co-financing social interest media programming. The concept was primarily to ameliorate insufficient market funds. In practice, however, it has been largely transformed into a corrupt way to funnel money to certain media. Looking at the projects co-financed from municipal budgets gives an indication of types of topics covered. The largest number of reports have been on ecology, children's creativity, preservation of cultural heritage, population growth, minority cultural heritage, and a return to village life. Serious topics--such as crime, corruption, LGBTQ rights, human rights, the economy, and poverty--have been absent.

Minority media are still dominated by national councils, which are the political bodies of national minorities. This system limits pluralism, according to Isakov. “The impact of the national councils’ policies on the quality of minority media is greater than in other media,” he said. “Minority media are closed,

lack inter-ethnic communication, and do not support multiculturalism.”

Enrollments in the government’s media registry did not produce the expected transparency with regard to media ownership. While Serbia has legal solutions and regulations on public ownership of media, often they are not put into practice. Media privatization has given rise to several controversial entrepreneurs who own a number of media outlets in Serbia. The suspicion is that political party members have become media owners. Often these outlets receive more funding through the municipal co-financing system than their investments in the privatization process. Radio S, for example, has several radio stations and produces identical news for all of them, indicating growing media concentration. Additionally, more newly-formed news agencies are emerging without any information about their owners. “A solid register would solve many dilemmas about ownership transparency,” said Tanja Maksić, the program coordinator for the Balkan Investigative Reporting Network. “Even more important is the identification of the origin of capital investments in media.”

Citizens are able to receive news and information about their city, other regions of the country, national affairs, and international events. The PSBs dedicate little time to local issues, giving much more attention to global political events than the demonstrations of thousands of protesters in Belgrade. The panelists also lamented that the public broadcaster failed to report about the groundbreaking formation of the Media Freedom Group in 2017.

The media sector does have outlets such as N1 TV that cover the whole country/region and report significant news from regions outside the capital. However, some parts of the country have no good coverage of these issues. While Serbia has some local media (radio stations and online portals) and

independent productions that demonstrate media professionalism, their percentage of the total media share is small. “The internet is freer than classical media, but there are too many unreliable sources,” said Predrag Blagojević, Južne Vesti CEO and Online Media Association (AOM) board president.

Serbian citizens’ confidence in media is low. According to the European Broadcasting Union’s annual survey from 2017, Serbian citizens do not trust traditional media. After decreasing year after year, confidence in the Serbian media is lowest among all 33 polled countries (EU members and candidate countries). Survey results showed slightly more confidence in the Internet and social networks, but those values too continue to fall.

OBJECTIVE 4: BUSINESS MANAGEMENT

1.05

Objective 4 experienced the largest drop of the average scores from 1.64 last year to 1.05 this year – the lowest score ever for a Serbian MSI objective. The plunge is due to the dramatic deterioration in the economic position of most media outlets; inability to earn income in the saturated market; and state control of major financial flows to electronic and print media. Out of the 70 total scores from panelists for the seven indicators of this objective, 61 were lower than 2 and none were higher than 2. In the panelists’ view, the overall economic situation in the country is not promising for the recovery of the media sector.

The Serbian media sphere does not function as an industry because it has no organized or efficient media market. Market conditions are not transparent,

the advertising industry is highly concentrated and politically restricted, and the system of granting public money to media is also under government control. The editorial policies of almost all outlets are defined largely by attempting to stay self-sustainable in the dysfunctional Serbian media market. "The basic media revenues come from a variety of sources, but all of them influence editorial policy, including relations with advertising agencies," Sekulić said, "State subsidies especially undermine editorial independence and spoil the market."

Data on viewership, listenership, and print media circulations are limited, non-transparent, and often unreliable.

Private media and public media alike are unable to work as efficient or well-managed companies, and they do not make a profit. They use no business planning or international standards

in accounting or financial practices because the market is unregulated. More than 2,000 media are registered in the country, so often sustainability for the average outlet is not possible. Panelists commented that the state of local media is particularly disturbing; they survive only through municipal budget funding.

Advertising funds are under the control of the two largest advertising agencies, both of which have close ties to the authorities. Additionally, there is no transparent data on advertising done by the government or by private advertisers. Taken together, these factors indicate that, although the media sector is predominantly private, the state controls almost all financial flows (especially public funds), which is quickly eroding media independence. Lawmakers do not pursue a consistent policy of media market regulation.

The media industry is non-sustainable and must be funded from other non-media activities to survive. In Serbia today, standard sources of revenue for media (advertising, subscriptions, project financing, and foreign donations) are stagnating or shrinking rapidly. Advertising funds in local areas are marginal. According to a representative of the AOM, in 2017 advertising in local electronic media covered on average no more than 25 percent on average of operational costs.

Serbia has many advertising agencies, but two hold primacy. Agencies dictate prices and rules, cooperate selectively with media (press, radio, TV, internet, mobile telephony) and focus mainly on the capital and larger cities in Serbia. Most advertisers ignore local media because they cannot profit in lower-income areas. Advertising funds have been declining steadily since 2008; with the population's purchasing power decreasing, there are fewer products and services to advertise.

The overall economic activity in the country

does not suggest an increase of advertising funds soon, as Blagojević explained. "The trends in local news [online] portals' financing is somewhat specific: revenues from international funds have increased and revenues from local budgets have declined. Advertising revenues from local portals barely exist, and there is no access to media buying agencies. The solution for local portals is crowdfunding, but foreign exchange operations are prohibited in this country, and no one from abroad is technically able to transfer money to the account of any Serbian portal."

"The basic media revenues come from a variety of sources, but all of them influence editorial policy, including relations with advertising agencies," Sekulić said, "State subsidies especially undermine editorial independence and spoil the market."

Media owners pressure managers to run as much advertising as possible, in order to increase revenues from the only direct commercial source. In some cases, the share of ads during broadcast time is up to 50 percent. Advertising revenue is significant for most media outlets that openly back the authorities. Public companies have a ban on advertising in critical media, so those outlets struggle to get ads.

According to Ipsos Strategic Marketing, the spending structure of advertising funds in media is as follows: TV, 55 percent; print media, 17 percent; internet, 13 percent; out-of-home advertising, 11 percent; and radio, 4 percent. Advertising on online portals is growing, but is still far behind television, the most influential media source. "The only domestic portal with serious advertising revenue is

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.

the BLIC daily portal," said Tadić. "All other portals with good advertising revenue are foreign."

Authorities use public procurement advertising as a way to directly support particular outlets. The money the state allocates to selected media is classified in the budget as "funds allocated on behalf of state aid" and as "funds not awarded on the basis of state aid rules," enabling them to misuse money and direct it to preferred media units. Public procurement is abused most often in order to continue the practice of financing "media coverage of local authorities' activities," which was the usual practice before the privatization of local state-owned media. State subsidies in the forms of direct payments, tax relief, or credit guarantees also are not fairly distributed.

Funding data is entered into various registries that are publicly available but are unfriendly for the average user. Additionally, data on media subsidizing is rarely updated, and an effective monitoring mechanism does not exist.

Media market research has been an industry standard for almost two decades. In recent years, however, the results are less affordable to media and often considered biased or undependable. Due to the low sustainability and minimal revenues of most media companies, market research is rare, available only to advertising agencies and a few strong outlets. Few media companies use them in business planning. "Research results are used less than before because they are expensive, and unreliable data is spreading," Maksić said. Tadić added, "All research companies dealing with media rating and circulation are under pressure from authorities, individual media houses, states, or other interest groups ... research results data are not available to everyone and selectively applied."

TV audience measurements produce representative results only for the entire territory of Serbia.

These results are inappropriate for TV stations that do not have national coverage, especially those with broadcasting coverage in the Vojvodina province and other regions. Radio audience measurement is done through sample surveys and results are imprecise. TV people-meters and other research methods are not transparent, although they were years ago when foreign donors financed the research.

A chronic problem is that print media circulation has no official verification system. Print outlets conduct assessments of readership instead. According to unofficial estimates, three years ago, 12 daily newspapers had a circulation of 750,000; in 2017, it is estimated to be 450,000. All news magazines together have a circulation of only 30,000. The consequence of this data is diminishing advertising.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

2.10

Objective 5 has historically received the highest score in the Serbian MSI. It is the only objective with an average score higher than 2, though it has dropped from 2.35 last year to 2.10 this year.

Serbia has four media owners/media publishing organizations and several journalists' associations. Lately, however, a large number of new associations have emerged, serving the short-term goals of particular interest groups. These "phantom associations" have no representatives or influence and essentially exist solely to gain financing. "There are a number of associations founded just to participate in project co-financing, with the help of corrupt structures," according to Sejdinović. "A new association, KOMNET, is a specialist for parastatal media creation. The goal, in addition to corruption, is

to make independent associations meaningless."

Journalist groups such as the Journalists' Association of Serbia, NUNS, and the Independent Journalists' Association of Vojvodina also act on behalf of journalists. They provide training, legal support, counseling, lobbying, and protection and publicly promote journalism in a positive way. They survive on foreign donations. Serbia still lacks a serious trade union organization to represent the interests of journalists and media workers, so all three associations help journalists solve problems that would normally be under the trade union domain.

However, according to Skrozza, the relationships between the groups are often conflicting, and they sometimes struggle to harmonize, with minimal common interests. "Media associations are so preoccupied with mutual conflicts or efforts to survive that they deal unsatisfactorily with professional interests and topics that would interest their members," she said.

Some journalists and media associations are disregarding their differences and appear to be more and more active — which is why they are often proclaimed as the country's enemies, according to the panelists. Provoked by pressure from authorities, in 2017 media organizations and journalists showed new initiatives for defending media independence. One of the biggest developments this year was the formation of the Group for Media Freedom. The group has united NGOs, media outlets, and journalists to carry out a number of significant and publicly visible actions. The group arose from journalists and NGO staff responding to the governmental actions against the daily *Vranjske*.

Serbia has four media owner associations: ANEM, Local Press, Asocijacija Medija, and AOM. They provide multiple services to their members and truly support the interests of members, lobbying on their behalf and advocating for the independence and

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.
- ▶ Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- ▶ Sources of newsprint NGOs support free speech and independent media.
- ▶ Quality journalism degree programs that provide substantial practical experience exist.
- ▶ Printing facilities are in private hands, apolitical, and unrestricted.
- ▶ Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.
- ▶ Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

professionalism of the media. They are not currently self-sustainable through membership fees or other revenue; as such, they cooperate with donors and international associations, and some have the support of the Ministry of Culture and Media.

Several Serbian NGOs support the media sector and advocate for freedom of speech and media independence. Some are good media partners and are effective in media affairs, but most are in large cities. In smaller, local areas, the cooperation between NGOs and the media is more modest. NGOs, just like media associations, are under the watchful eye of authorities. Because they are funded by international donors, state-supported media have declared prominent NGO representatives "foreign mercenaries."

According to the panelists, the main problem with journalism education is its focus on theoretical knowledge. Schools do not provide practical training to prepare young people to enter the profession, because they no longer publish print media or produce radio broadcasts. This absence slows down the promotion of journalism and media literacy across Serbia.

Journalists have short-term training opportunities available. Journalist groups and media associations organize training programs that are often useful. Media companies generally support employees who want to participate in vocational education. While weekend training programs are the most acceptable, fewer and fewer of them are offered.

There is also a huge deficit in supplemental education for editors. Most journalists' leadership roles are a logical continuation of their successful journalistic work, but they often lack knowledge on the business of media or the unique interests of publishers, media owners, advertisers, and the state. In years past, often media outlets would organize in-house training, but fewer outlets are doing so now. Employers have lost interest due to general troubles in the media market, according to the panelists.

Young journalists fund their training themselves or attend classes organized by foreign organizations in Serbia. "Additional journalism education is limited to trainings that are not too attractive to participants, such as trainings that are not innovative or are ineffective," Isakov said, "RTV, in spite of major investments in training and specializations, has no success in keeping the best young journalists in media. Often, young journalists, even those with an academic education, do not see journalism as a calling, but rather as an opportunity to acquire certain skills and contacts and migrate to a better paid and more prosperous job outside the media sector."

Serbian law imposes no unjustified restrictions

on the import and/or purchase of materials that media require, such as roto paper, software, video equipment, or transfer equipment. The country has enough printing houses equipped with modern technology, and no discrimination in their activities has been registered.

Distribution channels are monopolized and exposed to political interests. Authorities, political parties, and certain companies sometimes use methods of media content distribution to put pressure on media at national, provincial, regional, and local levels. For example, several local TV stations are excluded from cable distribution, and some print media are not found on kiosks run by the largest print media distributor, Štampa. These economic monopolies control several aspects of media content distribution (cable networks, transmitters, mobile networks, print media selling spots, etc.), creating problems for individual outlets and journalists. Local TV stations do not have equal access to cable networks and digital ETV.

"In Serbia, the 'digital divide' is not decreasing," Isakov said. "It can be said the 'media gap' is expanding, with new media that exist only on the Internet."

According to Tadić of Boom 93, authorities place obvious pressure on the business policies of cable providers, who in turn pressure media outlets. "There is still a monopoly with cable operators, who are blackmailing local media, both TV and radio stations, to pay to be included in the cable. The cable operators do not want to include my radio station, so it cannot be heard in the entire territory — for which the license was paid."

In addition to the abuse of distribution channels,

citizens are offered only a limited infrastructure. Internet access does not reach all households, and media content on the Internet in Serbia is at 50 percent of the European Union average. "The available data suggests that the trend of watching foreign programs and foreign localized channels is still increasing, especially in Vojvodina, due to geographic advantages and the massive use of KDS, IPTV and satellite receivers," observed Isakov.

According to the Republic Agency for Electronic Communications and Postal Services, SBB is the single operator that dominates the market, with a market share of more than 50 percent.

Infrastructure and information and communication technologies (ICT) meet the needs of the media industry but are not available to everyone. Media can offer citizens products such as digital broadcasting, Internet streaming for audio or video, podcasts, and mobile network content (SMS and/or audio-video MMS). For example, RTV Pink introduced a virtual system for distributing its numerous channels and enabling access with SMS messages through three mobile phone operators. However, citizens in some areas—mostly in southern and eastern Serbia—do not have the ICT capacity (e.g. slow Internet connection, overloaded mobile telephony networks, etc.) to take advantage of such services. Significant differences also exist in the ICT capability between cities and rural areas.

Broadband Internet, the most important component of media infrastructure for the future, is available for only 62 percent of households in Serbia. "In Serbia, the 'digital divide' is not decreasing," Isakov said. "It can be said the 'media gap' is expanding, with new media that exist only on the Internet."

The biggest players in the communications market, which are Internet providers as well as media content distributors, invested nearly twice as much in the distribution of media content (70

million euros) than to the Internet (38 million euros). Moreover, the investment was primarily to enhance the performance of existing networks, not extend the geographic reach of broadband. More than a million households in Serbia are without KDS, IPTV, and broadband access.

List of Panel Participants

Tamara Skrozza, Press Complaints Commission member; Journalist at *Vreme Magazin*, Belgrade

Snježana Milivojević, Faculty for Political Science Media Department Professor, Belgrade

Tanja Maksić, Balkan Investigative Reporting Network Program Coordinator, Belgrade

Dragan Kremer, Program Coordinator, Open Society Foundation - Serbia, Belgrade

Petar Jeremić, Journalists' Association of Serbia Executive Board President, Belgrade

Predrag Blagojević, Južne Vesti on line daily, Editor in Chief; Online Media Association Board President, Niš

Siniša Isakov, Professor Academy of Arts, University of Novi Sad; RTV Public Service Counselor, Novi Sad

Zoran Sekulić, FoNet News Agency Owner/CEO; Media Association Board President, Belgrade

Nedim Sejdinović, Independent Journalist Association of Vojvodina President, Novi Sad

Milorad Tadić, BOOM 93 Radio Owner/CEO, Association of Independent Electronic Media President, Požarevac

Moderator and Author

Goran Cetinić, independent media analyst

The panel discussion was convened on December 5, 2017.

In Memoriam

Nebojša Spajić (1961–2017) passed away on March 18th at the age of 55. For five years, he was the moderator of MSI Serbia (2002–2006) and was a panelist in 2013. During his journalism career, he was Radio Beograd 202's editor-in-chief, Media Centre's director, NIN's weekly editor-in-chief, a columnist in several weeklies, and the owner and director of the advertising agency Kovačić & Spaić. He is also the author of several books. Nebojša never gave up the professional principles of journalism and his unique personality will be remembered by everyone who knew him.

Goran Vladković (1964–2017), the owner and editor-in-chief of OK radio from Vranje, died at the age of 53. He was an MSI Serbia panelist for four years (2005–2009). Since he took over OK Radio, a small, local station in 1999, his enthusiasm and high-quality work turned it into one of most respected local stations in Serbia. He graduated from the Faculty of Mechanical Engineering in Niš. Goran was one of the most prominent members of ANEM, NUNS, and other professional associations. He was a fanatical worker and an unmistakable fighter for the freedom and independence of media and media professionalism.