



Research Report

# **Mapping the media landscape in Serbia 2020-2021**

CRTA:



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Author(s): **Aleksandra Srečković, Vladana Jaraković, Marija Stefanović, Tamara Branković, Lana Avakumović, Milena Manojlović**

Reviewer: **Marko Milosavljević**

Supporting Researchers: **Lana Avakumović, Dijana Pećer, Željko Rakovac, Darko Stojilović**

Head of Research: **Aleksandra Srečković**

Research Manager: **Tamara Branković**

Official Responsible: **Raša Nedeljkov**

Editorial Assistant: **Lana Avakumović**



# Mapping the media landscape in Serbia

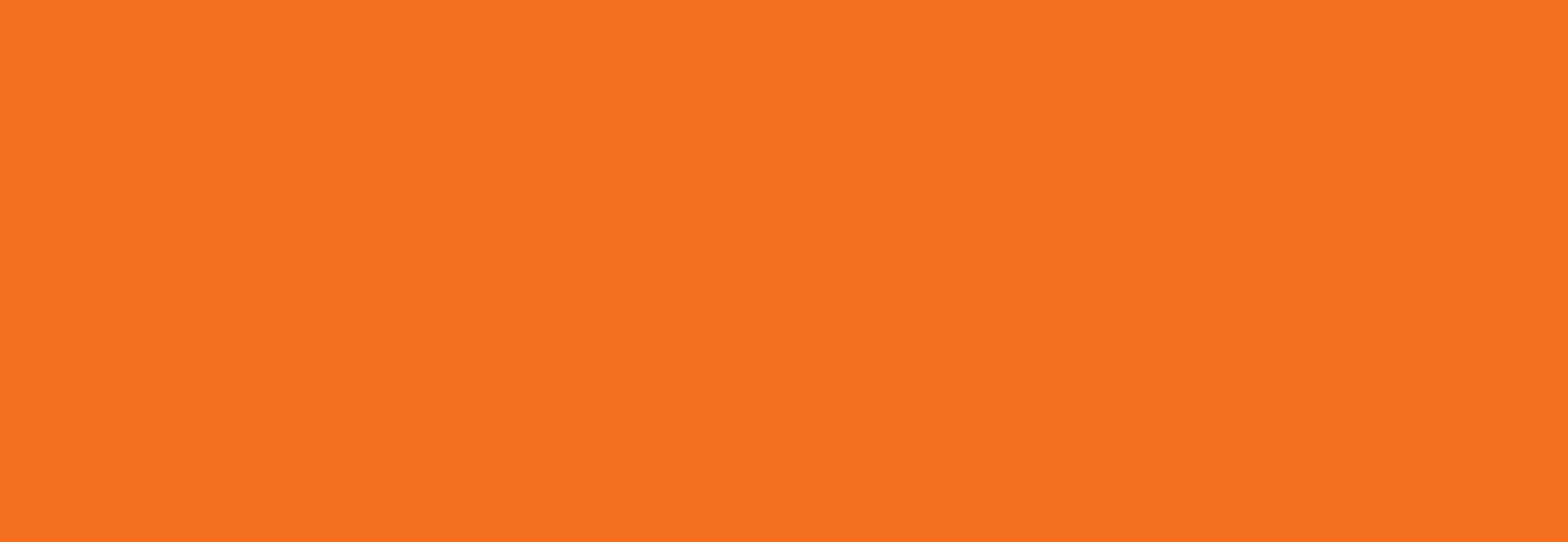
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# ABBREVIATIONS

AMG Adria Media Group  
AOFI Serbian Export Credit and Insurance Agency (Agencija za osiguranje i finansiranje izvoza)  
AP Vojvodina Autonomous Province Vojvodina  
APR Serbian Business Registers Agency (Agencija za privredne register)  
BIA Security Intelligence Agency (Bezbednosno informativna agencija)  
CEO Chief Executive Officer  
CINS Center for Investigative Journalism of Serbia  
COVID-19 Coronavirus disease 2019  
CRTA Centre for Research, Transparency and Accountability  
CSD Central Securities Depository and Clearing House (Agencija za hartije od vrednosti)  
DS Democratic Party  
DSS Democratic Party of Serbia (Demokratska stranka Srbije)  
EU European Union  
GONGO Government-Organized Non-Governmental Organization  
IT Internet Technology  
JIC Joint Industry Community  
MPs Members of Parliament  
NDNV Independent Journalists Association of Vojvodina (Nezavisno društvo novinara Vojvodine)  
NGO Non-Governmental Organization  
NUNS Independent Journalists' Association of Serbia (Nezavisno društvo novinara Srbije)  
ODIHR Office for Democratic Institutions and Human Rights  
OSCE Organisation for Security and Co-operation in Europe  
PSB Public Service Broadcasters  
PSD Professional Services Department  
RATEL Regulatory Agency for Electronic Communications and Postal Services  
REM Regulatory Authority of Electronic media  
RRA Republic Broadcasting Agency (Republička radiodifuzna agencija)  
RSD Serbian dinar  
RSF Reporters without Borders  
RTK Radio-Television Kragujevac  
RTS Radio-Television of Serbia  
RTV Radio-Television of Vojvodina  
RZS Statistical Office of the Republic of Serbia (Republički zavod za statistiku)  
SBB Serbia broadband (Srpske kablovske mreže)  
SFRY Socialist Federal Republic of Yugoslavia  
SNS Serbian Progressive Party (Srpska napredna stranka)  
SPS Socialist Party of Serbia  
UNS Journalists' Association of Serbia (Udruženje novinara Srbije)  
VAT Value Added Tax  
V-Dem Institute Varieties of Democracy  
WTF Welcome to Fun Radio



# SUMMARY

## General Assessments of the Media Landscape in Serbia

Media landscape in Serbia is in a state of expansion, with currently 2,600 registered media outlets. This number refers to both traditional, i.e. television, radio and print, and online media. Television remains the most consumed media, without significant oscillations throughout the years. The launch of new cable channels in the past two years did not significantly influence media habits of Serbia citizens who continued to dominantly consume televisions with national terrestrial coverage. The radio is still regularly used by Serbia's citizens, but it lost its socio-political influence by being degraded only to entertainment – in other words, radio today means music. Print media are facing significant challenges, marked by the decline of readership and difficult financial situation, which is evident in the constantly decreasing value of average rating points for printed media. In 2020, the Internet gained an equal volume of audience reach as television, but it is unlikely that the Internet will compromise the consumption of television content in the following period.

When it comes to the socio-political characteristics of the media environment in Serbia, it is important to notice that democracy conditions and level of media freedoms have been steadily deteriorating over the years, which different international and domestic indices confirm. State of the media is in disarray, characterised by immense political control of the media, (self)censorship, media abuse, decline of professional and ethical standards, financial unsustainability, endangered safety of media workers, unregulated and volatile media market make and prominent polarisation.

Political control affects the media by far the most, which is evident from extremely uneven representation of ruling parties and the opposition. Ever since the Serbian Progressive Party (SNS) started to consolidate its political power, political influence over the media started to become dominant in comparison to previously pronounced influence of the business elite. Of course, the political control of the media was not characteristic only of the current government. Still, it has undoubtedly become more severe. With the succession of the state governance by the SNS, the methods employed for the control of the media have gained in variety and sophistication. The media funding and media ownership are recognized as one of the most frequently employed and most effective methods for media control.

Rare positive aspects of the media environment include satisfactory level of quality of the legal framework that regulates the media sphere and the growing professionalisation of a small number of media (especially in the field of investigative journalism).

## Legal and Institutional Framework

Strategic framework consists of the Strategy for the Development of the Public Information System in the Republic of Serbia for the period 2020-2025 (Media Strategy) and the Action Plan (from 2020 to 2022) for its implementation. The strengths of the new Media Strategy are precise recognition of problems that media experts have been warning about for years and anticipation of effective measures to solve all of these problems. However, the implementation of the Media Strategy started with a significant delay, and no concrete results have been achieved almost two years since its adoption.

The three core media laws are Law on Public Information and Media, Law on Electronic Media and Law on Public Service Broadcasting. The Law on Public Information and Media regulates the manner of exercising freedom of public information as well as the principles of public information, public interest in public information, providing and allocating funds for public interest, defining the concept of media, imprint and identification, publicity of media data and the Register, protection of media pluralism, position of editors, journalists and representatives of foreign media, distribution of media, etc. The Law on Electronic Media regulates the organisation and work of the Regulatory Authority for Electronic Media (REM), conditions and manner of providing audio and audio-visual media services, conditions and procedure for issuing licenses for providing audio and audio-visual media services, as well as other issues of importance for the field of electronic media. The Law on Public Service Broadcasters defines the scope for public service broadcasting.

The legal framework is generally estimated as satisfactory. The problems arise due to the fact that the existing media laws are not enforced, as well as that the violations of these laws altogether lack any sanctioning by the authorities. Yet, there is always room for the improvement of the media laws, especially of the procedures regarding the competitive co-financing system, as well as to the legal framework that regulates advertising in media outlets (e.g. the issue of the lack of transparency of Media coverage contracts). Certain definitions, like definition of public interest, are too broad in scope, and need to be formulated differently.

The REM is defined as an independent and autonomous regulatory institution with the status of a legal entity, which is functionally and financially independent from state bodies and organisations, media service providers and operators. All issues within the scope of work of the regulator are decided by the Council that has nine members who are elected among eminent experts, from a list proposed by authorised nominators, by the National Assembly. Therefore, the REM is not an autonomous body, since the Council members are appointed by the Serbian Parliament. Thus, the political establishment has a final say in the decision-making, which concerns the allocation of the national frequency, media licencing as well as the sanctioning of those who do not adhere to the prescribed media standards.

## **Public Service Broadcasters**

In Serbia, there are two public service broadcasters (PSBs): Radio-Television of Serbia (with nation-wide coverage) and Radio-Television of Vojvodina (with regional coverage). The Law on Public Service Broadcasters defines a public media service as an independent and autonomous legal entity that, by performing its main activity, enables the realisation of public interest in the field of public information.

The Law provided for the collection of fees as the primary way of financing the main activity of public media services, while temporary financing from the budget was envisaged as a transitional solution. However, the temporary character of this measure turned out to be a permanent solution, and the funds that will be allocated to the PSBs each year are determined every December by the Budget Law. It is important to note that RTS is a large debtor of the state, as well. Therefore, it seems that public service broadcasters' financial dependence is the reason for their benevolent attitude towards the government.

The public service media are, unfortunately, not immune to political pressures. This is manifested in and by their editorial policy by far the most. RTS is characterised by the highest viewership and, thus, with the greatest potential to influence the formation of public opinion. The absence of a pluralistic way of thinking and of different political views, on the one hand, but also the existence of political favouritism, on the other hand, which includes self-censorship and censorship, are some of the main objections of the interviewed experts concerning the public service media.

As a guarantee for the institutional independence of public broadcasters, the Law defines the procedures for the selection of governing bodies – the Management Board and the Director General. The nine members of the Management Board are appointed and dismissed by the Council of the Regulatory Body of Electronic Media, in a procedure requiring a two-third majority vote. While performing its competences, the Management Board can now more strictly control the work of the Director General and others who perform management functions within the public media. Also, the Management Board elects the members of the Programme Council on the proposal of the competent board of the National Assembly or the Assembly of AP Vojvodina. The Programme Council is an advisory body whose competence is to take care of the interests of listeners and viewers in terms of programme content and it is envisaged that it organises at least once a year a public debate on the quality of programme content. Yet, public hearings are not held regularly nor is there any real impact on the design of programmes of public media services. Despite the fact that the Law empowered the Management Board, it remained largely marginalised, and allegations of political interference in the election of its members can often be heard in public.

## **Media Financing**

The media market in Serbia is underdeveloped and economically weak, which reflects in media financing, as well. Most of the media market is dependent on state co-financing projects, and collected data and research findings suggest that the financing systems should be considered the main method of political control over media in Serbia.

Media financing is marked with a lack of transparency, which is why it is not possible to obtain all necessary information regarding precise amounts or advertising. There are several financing mechanisms through which the government maintains influence and control over editorial policies. The main methods of media funding from public sources include, but are not limited to, the following:

1. Co-financing projects in the public information sector in order to realise public interest on the basis of the rules on state aid;
2. Financing media services and advertising of public authorities either in the public procurement procedure or circumventing the rules on public procurement;
3. Granting tax exemptions as a form of financing.

Through these and related mechanisms, as shown by collected data and interviews with media experts, political authorities exercise control over the media, by allocating funds to “politically eligible” media, through abuse in case of state agencies and institutions, or writing off debts in cases of media outlets known to be close to the ruling majority.

When it comes to advertising, as the second area of relevance for financing in the media, not all needed information is available. Advertising data are available for television with national coverage and cable televisions (via Nielsen Television Audience Measurement), and the biggest printed dailies and radio stations (via Ipsos Serbia).

Out of the total amount of state advertising on televisions with national coverage in 2020, the largest portion or 37% (21,3 million Euros) went to TV Pink. TV Happy received 24% (13.6 million Euros). B92 and TV Prva, having the same owner, received 15% (8.4 million Euros) and 14% (7.9 million Euros) respectively. RTS 1 received the smallest amount of total state advertising: 10% (5.7 million Euros). On the other hand, with 24% (6.3 million Euros) of advertising investment coming from state institutions and public companies, printed dailies are the most dependent from this source of financing. The largest amount of state advertisement was received by tabloid Alo!, which is only the fifth (out of eight) most-read newspapers.

Financial uncertainty (primarily seen as dependency on state aid) is not the only challenge to media sustainability. The lack of adequate education of media workers also presents significant obstacles, while the lack of trust among citizens points to the need for rebuilding community ties.

Finally, focusing on various financing models will not secure media sustainability as long as the media scene is controlled by politics. Political will and consensus are a necessary precondition for improving the media market climate and reaching satisfactory levels of media autonomy.

## **Media Ownership**

Media ownership in Serbia is marked by several features: media polarisation, concentration of ownership, lack of transparency, close ties between the media and political structures, and the still evident presence of the state.

As is the case with several other aspects of the media scene in Serbia, the lack of transparency does not allow for entirely precise and detailed analyses, so the research findings are based on available data (via relevant agencies) and interviews with media experts. One of the main conclusions is that, along with changes on the political scene and the rise of the Serbian Progressive Party to power, media ownership went through major changes. More specifically, these changes have come as a result of the assertion of the SNS's dominance – as the experts agreed, prior to 2012, economically powerful people (so-called tycoons) were considerably more present as owners or co-owners of the most influential media. In the following period, business elites have worked increasingly more in the service of the political elite, which has, in the meantime, overtaken the media scene.

Although media concentration was not invented by the current government, it has, without a doubt, become a particularly common occurrence under this regime, and more noticeable than ever before. Given that limits for ownership concentration and cross-concentration are set high, and are practically impossible to cross, there has been a significant consolidation of the actors on the media scene. Vertical concentration (integration between media distribution and media publishers) is allowed through an affiliated legal person.

A significant number of examples point to the connection between media owners and ruling parties: such are the cases of TV Prva and TV B92 (owned by Srđan Milovanović, brother of a high-ranking SNS official Zvezdan Milovanović who is, at the same time, the majority owner of 13 media outlets), TV Zona plus (owned by Nikola Gašić, son of Bratislav Gašić, the head of the Security Intelligence Agency – BIA), with a strong political influence over all other major media outlets in Southeast Serbia, as well as Radoica Milisavljević, owner of 14 local televisions and local stations, and according to media reports, a member of the ruling Socialist Party of Serbia (SPS).

Even though the legal framework clearly states that neither the state, nor any other public authority or legal person funded by the state can be a media publisher, there are still exceptions that demonstrate the reluctance of the state to fully withdraw from ownership in the media. The process of media privatisation has not yet been concluded, as the Republic of Serbia still owns shares in the company that publishes the daily Politika, while the City of Kragujevac has founding rights in a local broadcaster, Radio-Television Kragujevac.

Media polarisation, accompanied by yet another example of the state's strong influence in the media, is best illustrated through the market of operators of electronic communication networks for media content distribution. This market is

largely concentrated, subject to constant consolidation, and contains two largest cable operators: SBB (private ownership, part of United Group) and Telekom (with the Republic of Serbia as the majority shareholder). These two operators indirectly own TV channels, and they, to a certain extent, reflect the overall societal polarisation. However, the interviewed experts suggest that the perception of their “battle” for the supremacy on the media market should be considered with two important factors: 1. The political background, seeing as Telekom is a state-owned company, under a significant influence of the ruling majority, and 2. The fact that SBB is, although emphasising their “fight for the public interest”, primarily fighting for its economic profit and survival.

The next necessary step toward the facilitation of media ownership transparency is the improvement of the existing media register system. Also, it can be noticed that a cultural shift is underway, and that the relations between media owners and politicians are more transparent, even though publicly available data does not provide sufficient insight into the domination of political structures within the media sphere. Likewise, the media polarisation (pro-regime media vs. critically-oriented media) has become all the more evident with the entrance of the telecommunication operators on the media scene. Finally, the case of Telekom could be interpreted as the state’s re-entrance on the media market.

## **Media Self-Regulation**

The Press Council is an independent self-regulatory body responsible for monitoring the observance of the Journalist’s Code of Ethics in print and online media. The Council have competence only over those media that have accepted its full authority. Certain number of professional media accept and respect the opinion and recommendations of the Council and act exclusively according to the Code of Ethics. On the other hand, a large number of media do not acknowledge this body at all and consequently does not implement the Press Council recommendations.

Within the Council, the Appeals Commission decides on the appeals of natural and legal persons whose rights have been violated by publishing certain information related to them. The Council than may decide that the Code has been violated, which members are obliged to publish in their media, or may issue a public warning when a medium in case has not accepted the full competence of the Council. Typical ethical reaches include violations of the presumption of innocence, reporting rumours as news and accusations against public figures, politicians and journalists without proof. The media outlets that deny the Council’s authority and refuse to publish its public warnings are, at the same time, the biggest violators of the Code of Ethics.

Even though the position and scope of work of the Press Council are not regulated by the law, the Rulebook on co-financing of projects for realisation of public interest in the field of public information provides that, when evaluating projects, concurs commissions should in particular take into account if the medium had been issued measures by public authorities, regulatory or self-regulatory bodies for breaching professional or ethical standards over the past year. In this regard, the recommendations of the Press Council are to a far greater extent followed on the national than on the provincial and the local levels. The government’s uniform recognition of the Press Council authority would undoubtedly improve the current state of affairs in the media in terms of more consistent adherence to the professional and ethical standards, and would empower self-regulatory culture in Serbian media.

Moreover, it seems that the state itself partially disputes the legitimacy and importance of this body. The pure fact that the Regulatory Authority of Electronic Media does not adhere to its own procedures and regulations demotivates the media institutions and media at large. In this manner, the state encourages unprofessional actions of the media by not sanctioning such unlawful behaviour. Although the Press Council is not under political control, it faces pressure on a regular basis, primarily through the activities of pro-regime media.

# I INTRODUCTION

The media landscape in Serbia is in a state of expansion. Only in the past eight months, from December 2020 to July 2021, two new printed dailies have started publishing, and four cable TV news channels have started broadcasting. Still, numerous non-transparent areas of the media scene, particularly related to media ownership and financing, constrain attempts to assess all the relevant dimensions of the media market, both in *qualitative* (journalistic independence and quality, investigative reporting, links between owners and political stakeholders) and *quantitative* (revenues, specific sources, content, owners) aspects. Consequently, there is a need for additional sets of indicators and evidence that are essential for the debate on the extent to which the media market in Serbia supports values of democracy and pluralism, and functions according to the principles of the rule of law.

Therefore, this research originated from an attempt to comprehensively map the media landscape in Serbia, gather all the possible data and provide an in-depth analysis on media ownership and media financing. Apart from providing an explanation of the media offer, its structure and functioning, it was also important to pay particular attention to the media habits of Serbian media audiences. This was important for understanding which media types are, on the one hand, successful in reaching their audience and, on the other hand, accessible to citizens of Serbia. Finally, this report also outlines and analyses different mechanisms that uphold the media market and assess them against media laws and regulatory framework. All these elements, along with the quality and integrity of editorial policy, form a complete picture of the quality of the media environment in Serbia.

Research was structured around quantitative and qualitative collection of evidence and assessment of different media ownership structure, financing (from the various sources: sales; advertising; public or private funds; other formal or informal forms of financing), media service providers, their reach and impact at the media market.

The main challenge faced during the research was the lack of official data in different areas. First and foremost, annual financial reports of the media do not exist. Reports do exist for media owners, but they do not present financial data of the media they publish separately from any other potential businesses they have. Therefore, data on income of media in this research relied only on advertising data which was obtained from official audience measurement agencies. Still, the lack of reports posed an additional challenge for analysing print media as it was not possible to obtain data on printed and paid circulation that could be found only in their financial report.

The audience size and share, and advertising investment data rely on the estimations from two research agencies, Nielsen Television Audience Measurement for television and Ipsos Serbia MediaPuls for print and radio. Since the Serbian media market is economically weak and not in focus for further development and investment, these two agencies have been the only providers of the data for the last two decades.

Additionally, for local television, there is no data on audience size or advertising investment. There was one attempt to measure the audience size of local televisions, but there was no interest to proceed further with this. When it comes to radio advertising monitoring, the selection of the sample of radio stations that are being measured is left to media buying agencies and their interests. Accordingly, the data was insufficient for deeper analysis. There is no data on advertising investment on the Internet and the analysis does not include this aspect of the advertising market.

Finally, there is no single register with a systematic methodology for tracking the direct financial state aid system. The official source of information, the Serbian Business Registers Agency (APR), offers incomplete data. The data in the Register depend on what one particular medium reports as its direct financial state aid. An additional challenge is a possibility for various legal entities, media publishers, but also legal entities or an entrepreneur engaged in the production of media content that submits proof of the co-financed media content, to apply for the direct financial state aid system.

## Report structure

The report is organised in nine chapters. Chapters are organised in accordance with the main topics identified in the course of this research. The **research methodology** will be discussed within the second chapter.

The third chapter, titled **General Assessment of the Media Landscape in Serbia**, focuses on the *main characteristics* of the media scene in Serbia. This chapter additionally classifies and describes the direct and indirect *factors, causes, and consequences* of the current state of affairs in the Serbian media, which have been recognised as the most critical and

influential through assessment of both quantitative and qualitative data. In addition to the overview of the *constraints, obstacles* and *challenges* that the media in Serbia have been facing in the past several decades, the analysis also includes the *positive aspects* that have been singled out by the interviewed experts.

**Legal and institutional framework** is a topic that is considered in the majority of chapters constituting this report. The fourth chapter, however, aims at summarising all the legal aspects that collected data and the experts have explicitly pointed either as the most relevant or the most problematic (e.g. ambiguous or inadequately defined legal acts, specific instances of legal acts misapplication etc.). This chapter also discusses in detail the work of the Regulatory Authority of Electronic Media (REM) being the key institution in charge of law implementation in a legal framework which insists on media regulation, and not self-regulation.

The fifth chapter **Public Service Broadcasters** examines public service broadcasters – Radio Televizija Srbije (RTS) and Radio Televizija Vojvodine (RTV), and their importance for the media community at large and the Serbian citizens in general. The chapter will first briefly touch upon the legal framework regulating obligations, organisation and financing of public service broadcasters, followed by data that illustrate their position, operations and the quality of their programme. In accordance with this, the qualitative focal point of this section are the experts' assessments and observations regarding a) the *professional and ethical standards*, b) the issue of *political influence and control*, c) the *autonomy and independence*, as well as d) *the way the public service broadcasters are financed*.

The following chapter, **Media financing**, *analyses the most common ways of financing and identifies the key mechanisms employed for the purpose of funding-based media control*. Here, three primary financing models are discussed and explained: 1) financing through public resources and direct financial state aid system, 2) commercial, state and political advertising, and 3) other types of state support, i.e. debt write-off by state or loan prolongation. The possibilities of media self-sustainability in the current market conditions are discussed in this chapter, as well.

The seventh chapter, **Media ownership and concentration**, reports the key findings emerging from the collected data, further supported with the evidence collected through in-depth interviews, and focuses on the following aspects: *ownership transparency, hidden or indirect state ownership* of the commercial media, the *influence of the political and business elites* and their connections to the media owners and the issue of the *telecommunication operators' media ownership*.

The eight chapter, **Media self-regulation**, *analyses the role of the Press Council (Savet za štampu)* as an independent and self-regulatory body has been established for monitoring the observance of the Journalist's Code of Ethics *and the impact of its recommendations*.

The final chapter offers **recommendations** for improving the media sphere in Serbia, developed based on the findings of this research.

Appendices: contain tables with detailed data about the audience reach by media type, detailed maps with the structure of media ownership, and the in-depth interview with the media and legal experts.

Given that all the topics within the research are intertwined, the analysis of each topic was not possible without referring to a certain extent to other segments of this report. Thus, the quantitative and qualitative findings, which came from, for example, legal assessment or interviews with media and legal experts, are to be presented throughout all chapters. A summary of the key chapter insights is provided at the beginning of each chapter.



# II METHODOLOGY

## Research methods

The research methodology for mapping of the media landscape was structured through *triangulation of data collection, legal analysis and economic analysis*, applying quantitative and qualitative methods in both segments. Data collection was divided into two phases: desk research and in-depth interviews.

**Phase 1:** Desk research was conducted to obtain the data from various sources of information. Publicly available sources of information were: Regulatory Authority of Electronic Media (REM), the Serbian Business Registers Agency (APR), the Journalists' Association of Serbia (UNS), Central Securities Depository and Clearing House (CSD), Centre for Sustainable Communities, Gemius Audience, the Regulatory Agency for Electronic Communications and Postal Services (RATEL), the Statistical Office of the Republic of Serbia (RZS), publically available, as well as paid public opinion polls. Paid sources of information in this phase were Nielsen Audience Measurement – for accessing data on TV audience and advertising, and Ipsos – for accessing data on audience and advertisement in newspapers and radio. Supplementary verification was conducted in order to determine whether there was a discrepancy in the data from different sources used in the research. As one of the steps within the verification process, the research team used publicly available data on locally financed media projects that were collected from websites of randomly sampled local self-governments and compared these information with the ones gathered through other above-mentioned sources. In light of the fact that the APR, as the only official database for some of the said information, did not contain numerous entries found in alternative databases, our researchers selected a sample, and cross-referenced it with other databases, relying on official websites of local self-government units. For example, if the UNS databases contained information about a certain project which obtained public funding, and our researchers could not find it in the APR database, they checked the local self-government unit's website. It turned out that this information was in all cases available on official websites, so our researchers extrapolated this principle to all other cases with identical discrepancies.

**Phase 2:** In order to gain additional insight into collected data from the **Phase 1** and given that some of the data could not have been obtained, the methodology foresaw the second phase of the research, which envisaged a qualitative method of collecting data – in-depth interviews. Eight in-depth interviews were conducted within the research: six with media experts and two with legal experts. The aim of these interviews was to gain further insight from professionals who have access to internal media procedures and knowledge regarding media ownership and financing.

Collected data covered the period from January to December 2020. The first phase was finalised in May 2021. The second phase was finalised in July 2021.

## Sampling and selection of interviewed experts

Media mapping was conducted on the media sample, which included:

- all the television stations with the national coverage (TV Pink, TV Prva, TV Happy and TV B92),
- public broadcaster's main outlets (RTS and RTV),
- cable channels with dominant information content (N1, Nova S, Pink 3 Info and Euronews),
- all national printed daily newspapers (Blic, Večernje novosti, Informer, Alo!, Srpski telegraf, Politika, Kurir and Danas),
- all national printed political weeklies (NIN, Vreme, Pečat, Nedeljnik, Ekspres, Novi magazin),
- and all radio stations with national coverage (Hit FM, Radio S1, Play Radio, Radio Beograd I programme and Radio S2).

Moreover, to better understand the ownership structure of some of the sampled media, smaller, mostly local media were also included in the analysis. With this approach, research included both the key national media that represent main sources of information for Serbian audiences, and the most important local media which represent focal information points for the audiences across Serbia.

The research thus covered the most relevant media that are representative for assessing the entire media landscape in Serbia.

Furthermore, the purposive sampling technique was used in selection of interlocutors for in-depth interviews. Selection

of experts was conducted in a way to cover territorial specificities of the country, and respond to the most prominent loopholes in desk collected data. The experts are representatives of the media, journalists' associations, NGOs and independent state institutions. The interviews were conducted with the following experts:

- Ivana Stevanović (executive director of the Slavko Ćuruvija Foundation, fields of expertise: media ownership and protection and safety of journalists)
- Gordana Bjeletić (media professional and editor-in-chief of Južne vesti),
- Norbert Šinković (president of the Independent Journalists Association of Vojvodina, field of expertise: media sustainability)
- Vladimir Kostić (editor of the Center for Investigative Journalism of Serbia, fields of expertise: media ownership and media financing)
- Rade Đurić (lawyer and researcher at the Independent Journalists Association of Serbia, fields of expertise: media financing and protection and safety of journalists)
- Rajko Matuško (former Blic employee, field of expertise: media production)
- Judita Popović (lawyer and the REM Council member, field of expertise: media regulation)
- Zoran Sekulić (founder/owner, director and editor-in-chief of the FoNet News Agency, fields of expertise: media ownership, media financing and media (self)regulation).

All of the invited experts accepted to participate in the study.

## **Interview guides and questionnaires**

Two separate interview guides i.e. questionnaires were developed – one for the media and one for legal experts. The interviews were semi-structured according to deductive logic, from general to specific topics. In this way, experts had enough space to present their expertise on relevant topics. The interview guide/questionnaire included the following topics: general assessment of the media landscape in Serbia, media financing, ownership structures in the media, media self-regulation and media self-sustainability. The research team used interviews with an aim to better comprehend data collected or missed in the *phase 1* and to test or verify initial assumptions, i.e. to gather insights, reflections or explanations. Questionnaires prepared for the media and legal experts and a list of participating experts are available in the annexes to the final report.

The interviews were held from June 18<sup>th</sup> to July 22<sup>nd</sup>, 2021. Due to pandemic circumstances, five interviews were held online via the Zoom platform, while three were held in person. All the interviews were recorded and transcribed.

# III GENERAL ASSESSMENTS OF THE MEDIA LANDSCAPE IN SERBIA

## Key chapter insights

The main characteristics of the media landscape

- The media landscape in Serbia is expanding with an **increasing number of media outlets**, especially cable news channels (K1, Kurir TV, Tanjug TV and Euronews TV) and printed dailies (Objektiv and Nova). However, their audience reach and, consequently, their impact is rather limited.
- **Television is traditionally the most consumed media in Serbia.** Citizens primarily rely on television with national terrestrial coverage for receiving information on political and social situations in the country. **Cable channels are used for sports and entertainment.** The availability of cable channels to citizens is controlled, given the fact that two out of three cable operators are under the control of the state.
- **Televisions with national terrestrial coverage have complete domination among the audience.** According to TV audience measurements, even the television with the lowest viewership reached over 1.5 million viewers in 2020, while the most-watched television in Serbia – the First Channel of the public broadcaster Radio Television Serbia (RTS 1), reached over 3 million viewers.
- **Radio and print have lost their impact over time.** During the time, radio has lost its socio-political influence, by turning into an entertainment music channel. Print has experienced a decrease in sold circulation, audience reach and advertising investment.
- **The number of Internet users has increased over the years.** In 2020 the use of the Internet reached the use of television. However, **it is unlikely that internet usage could compromise television usage in the following years.**

Socio-political context

- **Media expansion does not seem to contribute to pluralism in terms of diversity of political views and represented groups.** In fact, a variety of offers on the media market creates a deceiving picture of media pluralism and media reporting quality.
- **During the past few years, both foreign and domestic observers have recorded a significant decline in democracy and media freedom in Serbia.** In 2019 Freedom House downgraded the status of Serbia from a semi-consolidated democracy to a hybrid regime. V-Dem institute (Sweden) classified Serbia as an electoral autocracy and put it in the group of countries with the largest democratic backslide in the last 10 years. Serbia experienced a significant drop in media freedom between 2016 and 2020, according to the Reporters without Borders.
- National experts and researchers agree that all the dysfunctionalities of Serbian society are mirrored in the sphere of media. **The media capture reflects the state capture phenomenon: both media and state are dominated and in many cases controlled by economic and political elites<sup>1</sup>.**
- The data gathered within the CRTA's extensive monitoring of all televisions with national coverage confirm the lack of pluralism in their content, which dominantly and biasedly presents the ruling party, and the leading role these media play in the polarisation of the society.
- The media in Serbia are burdened with **many challenges and constraints**: immense political control of media, (self) censorship, media abuse, decline of professional and ethical standards, financial unsustainability, endangered safety of media workers, unregulated and uncertain media market, etc.
- The emergence of two diametrically opposed tendencies on the media stage: 1) increased trivialisation and **tabloidisation of the media** and 2) **increased professionalisation** of a smaller number of media.

<sup>1</sup> "Media capture refers to a situation in which governments or vested interests networked with politics control the media." (Schiffrin, A., 2017), September 2017, <https://link.crtars/23>.

### Factors, causes and consequences

- **Factors** (“triple burden”): 1) internal (*a*) changes in the global media market and *b*) the specifics of the Serbian media market and 2) external (socio-political and socio-economic circumstances: corrupt dominant value system and corrupt society; polarisation of society on several grounds; heritage of former socialistic Yugoslavia; legacy of the 90s; deinstitutionalisation; economic conditions in Serbia; pandemic).
- **Causes:** the entire media scene is overwhelmed by the dominant political system and culture. **Methods for the control of the media** include: funding mechanisms; ownership; harassment of the media and denial of information; refusal of government actors to appear in politically “unsuitable” and “disobedient” media.
- **Consequences:** “exile” from the media/leaving the profession, unprofessional reporting, destroyed reputation of journalists, endangered security of journalists, lack of adequate plurality of content, no relevant content, decreasing trust in media, monolithic disinformation system, uncritical consumption of media content.
- **Positive aspects:** improving legal framework; significant efforts of few independent professional media; people turn to the professional media when it comes to information of the utmost importance.

## The main characteristics of the media market in Serbia

Media landscape in Serbia is in a state of expansion. Only in the past eight months, from December 2020 to July 2021, two new printed dailies (Objektiv and Nova) have started publishing, and four news cable televisions (K1, Kurir TV, Tanjug TV and Euronews TV) have started broadcasting. With a population of 6,871,547<sup>2</sup> inhabitants, Serbia currently has 2,600<sup>3</sup> registered media with the APR. At the same time, no larger national or regionally relevant media has closed down. Moreover, 152 new media were registered in 2020, while only seven were deleted from APR<sup>4</sup>.

The number of active media refers to both traditional, i.e. television, radio and print, and online media. However, their relevance, i.e. impact to the general audience, is unbalanced which will be shown through different sets of data in this report. The difference in weight among active media in Serbia is determined by a combination of several factors: their type; coverage; audience reach; ownership, sources of financing and their connections with the editorship; and media habits of Serbian citizens. These factors, and how they endorse the relevance of one media, will be explained in this report. This chapter will primarily reflect on the main characteristic of the media offer and its consumption, including the data that describes the state and main challenges of the media in Serbia.

### The rise of Internet and stable dominance of television

In spite of the rapid development and popularity of digital media and the Internet, television remains the most consumed media, without significant oscillations throughout the years. According to this, Serbia falls among societies with strong traditional media habits. Television popularity is not typical just for Serbia, but also for most of the Mediterranean and Western Balkans countries. The reason for this dominance lies in the fact that television offers not only visual, but also free content through its terrestrial coverage. Printed media outlets are less popular because they offer only paid content. Therefore, coupled with the dire economic situation in the last thirty years in Serbia, the popularity of television additionally expanded, to the detriment of the print media.

According to the latest available information, Serbia’s citizens spend on average five and a half hours daily watching TV.<sup>5</sup> Moreover, according to the latest public opinion polls (Chart 1), citizens rank television as the primary source of information on political, social and economic developments in the country.<sup>6</sup>

2 Statistical Office of the Republic of Serbia, 2021, <https://link.crta.rs/h>, accessed on July 30<sup>th</sup>, 2021.

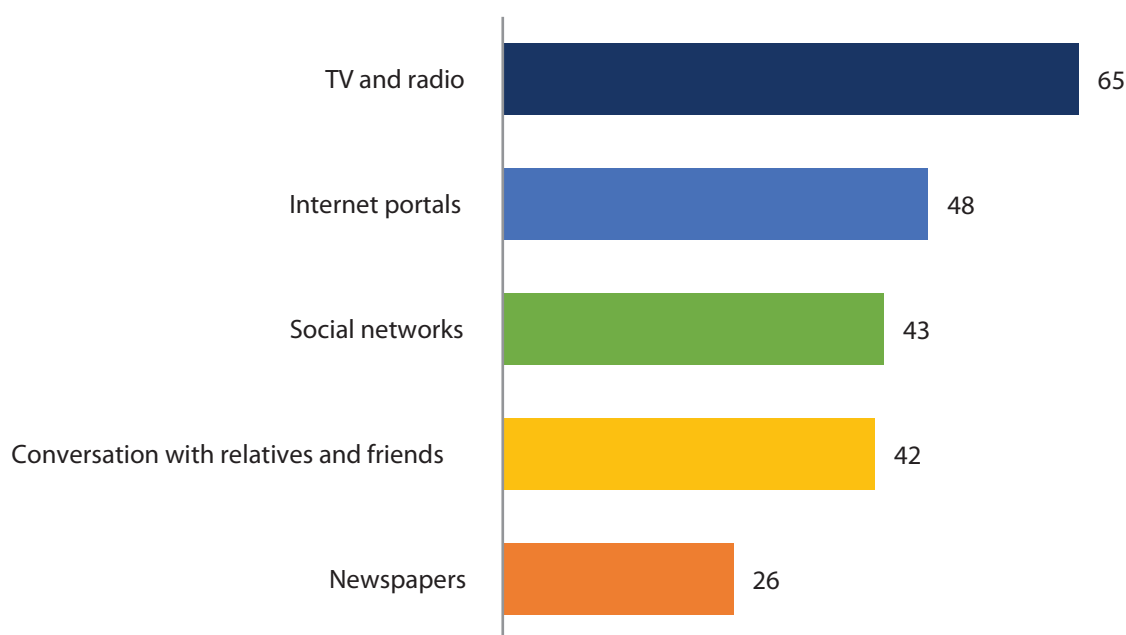
3 Business Registers Agency, 2021, data received on July 14<sup>th</sup>, 2021

4 Business Registers Agency, Annual Report 2020, <https://link.crta.rs/i>, accessed October 5<sup>th</sup>, 2021

5 Ipsos, “Godina koju je zamalo pojeo COVID-19” – Srbija pod lupom Ipsosa (“The year that COVID-19 almost ate” - Serbia under the magnifying glass of Ipsos), March 2020.

6 Crta, Attitudes of Serbia Citizens About Participation in Democratic Processes 2020, multiple answer question, <https://link.crta.rs/21>, (accessed on July 30<sup>th</sup>, 2021).

Chart 1: Main sources of information on socio-political issues



In order to understand characteristics of television in Serbia, it is important to first distinguish between coverage types, i.e. terrestrial or cable. All televisions could compete for national terrestrial coverage, which is guaranteed only for the public broadcaster Radio Television Serbia (RTS). The Regulatory Authority of Electronic Media assigned four out of five available national terrestrial coverage licences to commercial televisions – TV Pink, TV Happy, TV Prva and TV B92. The fifth licence has remained unassigned since 2014. Due to the importance of the national terrestrial coverage, which should be considered a public resource unlimitedly and available for free to every citizen, licences should be assigned following a rigorous set of criteria and revoked in the same manner.

This does not apply to cable channels. Their availability first depends on cable operators' terms based on which they form their offer of cable channels, and, second, on the competition between cable operators on the media market. Despite the fact that the supply of cable channels and operators has been in expansion in previous years, only three operators should be considered as major ones; together they obtain 90% of market share (SBB 45.5%, Telekom 29.2% and Moja Supernova 14.8%). Two of them (Telekom and Moja Supernova) are under control of the state, as it will be explained in Chapter VI.

The launch of new cable channels in the past two years did not significantly influence media habits of Serbian citizens, who continued to dominantly consume televisions with national terrestrial coverage. In addition to underlining that television is the most important media for citizens of Serbia, results of another recent public opinion poll also show that the majority of citizens choose television with national terrestrial coverage over cable channels, and that the RTS is the most watched. In addition, "Dnevnik 2", central news on the first RTS channel (RTS1), is the most-watched news programme in the country.<sup>7</sup> On the other hand, when it comes to cable channels, citizens watch them primarily for entertainment.<sup>8</sup>

Another confirmation of absolute dominance of televisions with national coverage in informing Serbia's citizens comes from the data on audience reach, i.e. *number of viewers watching one channel at least a minute per day in a given period*. The difference in influence or power between cable and terrestrial televisions can be illustrated by the fact that during the first five months of 2021, televisions with national coverage together reached an average of 95% of viewers in Serbia, while cable news channels N1, NovaS, K1 and Kurir TV together reached an average of 5% of total audience.

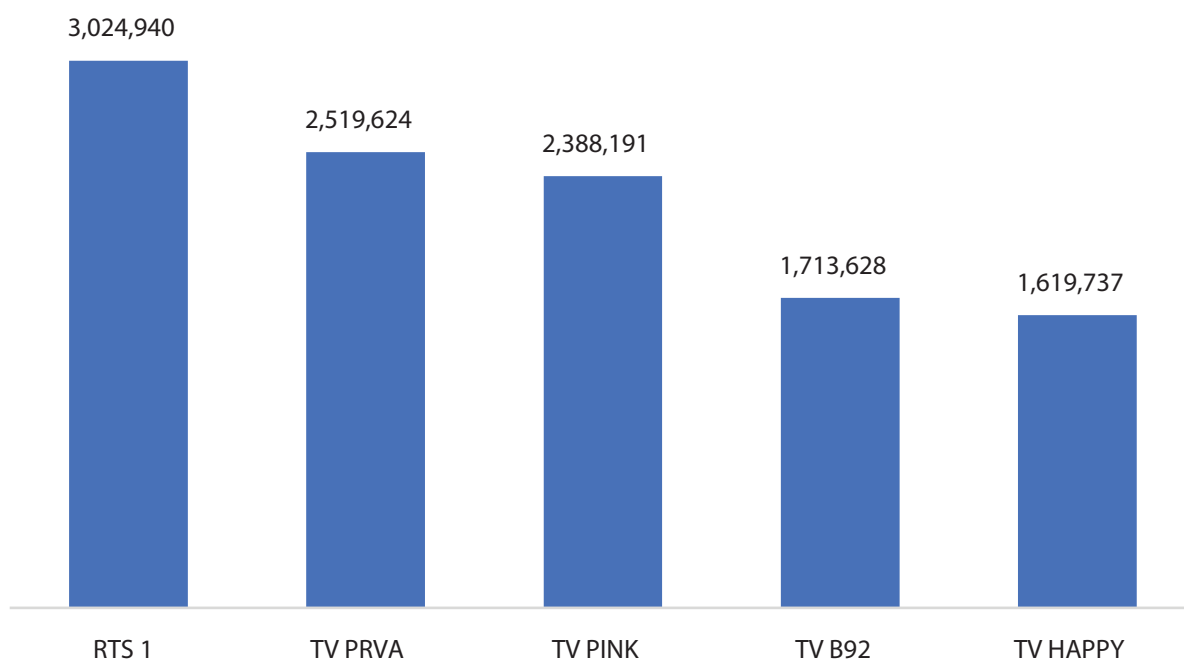
Furthermore, among all national terrestrial televisions, citizens predominantly watch RTS1 whose 2020 audience reach exceeded 3 million viewers; this is followed by TV Prva and TV Pink (Chart 2) with around 2.5 million viewers.<sup>9</sup>

7 Ipsos, Analiza medijskog tržišta u Srbiji, (Ipsos, Media market analysis in Serbia) 2015, <https://link.crtar.rs/k>, (accessed August 13<sup>th</sup>, 2021).

8 Kliping, Rezultati istraživanja: šta Srbija gleda, sluša, pretražuje i čita, (Research results: what Serbia watches, listens to, searches and reads) March 2021, <https://link.crtar.rs/l/> March 2021 (accessed August 13<sup>th</sup>, 2021).

9 Nielsen TV Audience Measurement, January – December 2020

Chart 2: RTS has the highest audience reach in 2020, closely followed by TV Prva and TV Pink  
Beside television, remaining types of media are print and radio, as traditional media outlets, and online media.



The radio in Serbia is still regularly used by Serbian citizens: in March 2021, more than 57% of people listened to the radio on a daily basis (while driving or at work).<sup>10</sup> Nevertheless, radio suffered a significant fall in quality, diversity of its content and, thus, relevance due to the media privatisation process. This means that it lost its socio-political influence by being degraded only to entertainment – in other words, radio today means music. Furthermore, the most listened radio stations are those that dominantly broadcast mainstream popular and folk music: Hit FM Radio (11% of total radio audience share in 2020), Radio S1 (10% of total radio audience share in 2020), Play Radio (8% of total radio audience share in 2020), Radio Beograd I programme (5% of total radio audience share in 2020) and Beograd 2020 (4% of total radio audience share in 2020).<sup>11</sup>

Print media are facing significant challenges marked by the decline of readership and a difficult financial situation. The challenging situation is mostly evident in the constantly decreasing value of average rating points for printed media, as estimated by Ipsos Media Puls<sup>12</sup>. In 2020, tabloid Informer had an average of 215,309 readers. The rest of the printed dailies reached on average less than 200,000 readers: Blic – 178,428, Večernje novosti – 165,610, Kurir – 158,961, Alo – 117,821, while all the others had less than 100,000.<sup>13</sup> The decline of readership is also reflected by the fact that less than a third of citizens choose to read newspapers seeking political and social information, which is more than two times less in comparison to television (see Chart 1).

Another challenge of the print market is the lack of transparency of the data on printed and sold circulation. Practice of print audit was abandoned in 2015 when a fraud was discovered in reporting on audited data from some publishers. Since then, there has been no willingness among publishers to renew it.

Still, despite its significantly harsh financial situation and the fact that print has suffered the most during COVID-19 pandemic (see section Advertising in Chapter VI), all eight national dailies – Politika, Blic, Večernje novosti, Informer, Kurir, Srpski telegraf, Alo! and Danas – survived the year 2020. In fact, by the end of 2020, the number of national dailies increased to nine in total, when daily Objektiv started publishing. Six months later, at the end of June 2021, an additional printed daily, Nova, started publishing, as well. Thus, at the current moment, ten national dailies operate in Serbia's media market.

10 Kliping, Rezultati istraživanja: šta Srbija gleda, sluša, pretražuje i čita, (Research results: what Serbia watches, listens to, searches and reads) March 2021 <https://link.crta.rs/> (accessed August 13th, 2021)

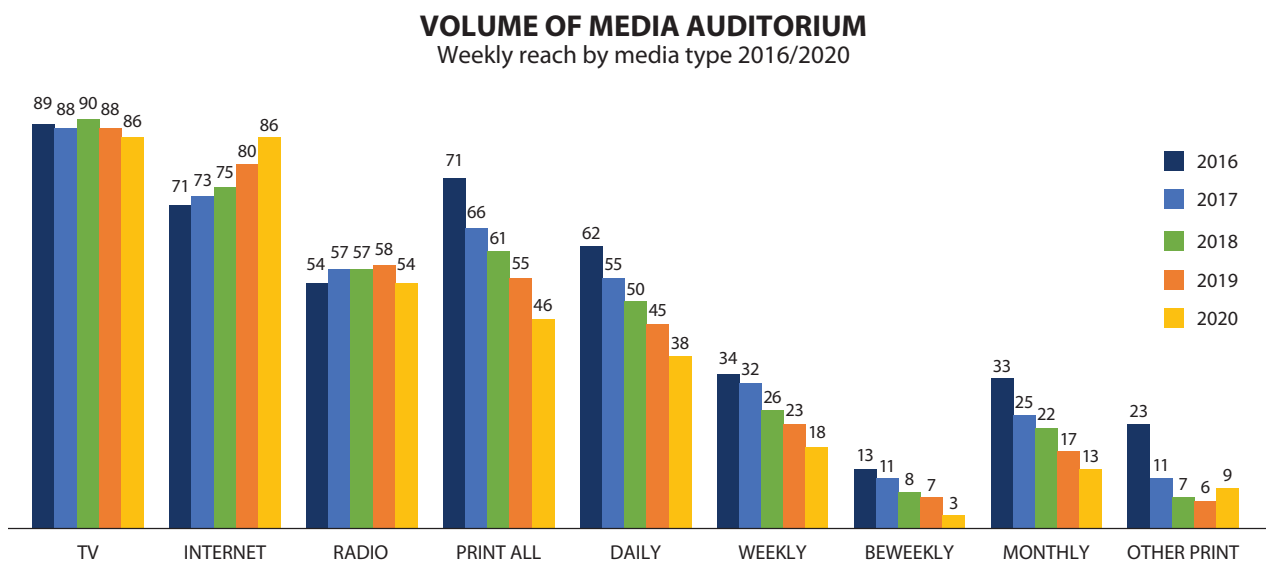
11 Ipsos Media Puls, January – December, 2020.

12 See Chart 3 below.

13 Ipsos Media Puls, January – December, 2020.

When the overall media market in Serbia recorded decline in 2014, that was primarily due to significant financial losses in print media. Simultaneously, this was also the period when the importance of the Internet and online media started to grow.<sup>14</sup> However, the rise of Internet did not contribute to the new growth of the media market<sup>15</sup>, but it did impact Serbia's audience habits. The most significant change recorded in the period between 2014 and 2015 was an increase of the Internet users by 27%.<sup>16</sup> In the next five years, the Internet audience continued to grow, scoring a couple of percent growth of its weekly audience reach each year, as shown by the research done by Ipsos Media Plus. This growth again became significant between 2019 and 2020, when the research recorded an increase of 6% in weekly audience reach. Consequently, in 2020, the Internet gained an equal volume of audience reach as television (Chart 3).

Chart 3: General weekly reach by media type 2016 - 2020



Source: Nielsen (TAM) & IPSOS Media Puls 2020



Still, it is unlikely that the Internet will compromise the consumption of television content in the upcoming period. There are several reasons for such a stable position of the television: during the years, media habits have not significantly changed when it comes to television; the Serbian population is getting older<sup>17</sup>, which includes staying at home and consuming traditional media; national terrestrial televisions offer free content and more funds are invested in television than in online media contents. The Internet also did not affect the political and social significance of television. The CRTA's research shows that in 2020 citizens primarily informed themselves on political and social issues from television (65%), then from Internet portals (48%) and then from social networks (43%).<sup>18</sup> (Also see Chart 1)

Finally, the Internet advertising market also remains to be the least regulated (see Chapter VI). Monitoring of the online advertisement does not exist, nor does the stakeholders' interest to launch it. Thus, there is no data that could show the share of online media in the total media market (see section Advertising of Chapter VI). In addition, the methodology for online media auditing, conducted in Serbia only by Gemius<sup>19</sup>, was allegedly challenged and disputed in 2017 by some media publishers.

A similar situation is characteristic for all the countries in the Western Balkans region. The media markets in the Western Balkans are small, underdeveloped and economically weak. Hence, there is no interest to invest in audience measurement. In some countries, audience data are available, i.e. in Bosnia and Herzegovina and in Serbia. Nonetheless, the monitoring of online advertising investment does not exist for any country in the region.

14 Ipsos, Analiza medijskog tržišta u Srbiji, (Ipsos, Media market analysis in Serbia) 2015, <https://link.crtars/k>, (accessed August 13th, 2021)

15 Ibid.

16 Ibid.

17 "The population of Serbia is below 6.9 million for the first time, every fifth citizen older than 65", Danas 2021, <https://link.crtars/m/> (accessed September 21st 2021).

18 Crta, Attitudes of Serbia Citizens About Participation in Democratic Processes 2020, multiple answer question, <https://link.crtars/j> (accessed September 21st 2021).

19 Gemius S.A.: gemiusAudience, Serbia 2021, <https://link.crtars/n> (accessed).

## Socio-political context

Market features, based on economic and competitive parameters, give insufficient description of the overall state of the media, especially in transitional societies. It is rather necessary to equally consider the socio-political characteristics of the environment in order to evaluate if the media are able to fulfil their primary purpose – to report objectively, timely and independently on issues of public importance. In order to assess if conditions for media to fulfil their role are in place, socio-political context needs to be analysed, including the state of democratisation prospects, level of media freedom and a range of other factors, which this section aims to outline.

Democracy conditions in Serbia have been steadily deteriorating over the years, a trend recorded by most prominent world indices and international and domestic monitors. Freedom House's *democracy scores* in 2019 classified Serbia as a hybrid regime, downgrading its status from a semi-consolidated democracy. As explained, the hybrid regime in Serbia is burdened by a "dramatically tilted playing field", as well as an emerging media-capture model, resembling the one in Hungary, marked by increasing pressures over independent and critical outlets and expansion of regime-friendly media reporting.<sup>20</sup> Moreover, V-Dem institute (Sweden) classifies Serbia as an electoral autocracy. In 2021, it puts Serbia in the group of countries with the largest democratic backslide in the last 10 years.<sup>21</sup>

Moreover, in four years, from 2016 until 2020, media freedoms in Serbia *dramatically dropped by 34 positions*, i.e. Serbia went from being ranked as the 59<sup>th</sup> to the 93<sup>rd</sup> world country, in the Reporters without Borders (RSF) World Press Freedom Index. RSF reports that in 2020 "Serbia is a country with weak institutions that is prey to fake news spread by government-backed sensational media, a country where journalists are subjected to almost daily attacks that increasingly come from the ruling elite and pro-government media."

Findings of a research team in Serbia which produced a recent study on a decade of democratic institutions and processes in Serbia, between 2010 and 2020, confirm that the dominant features of Serbian society – politicisation of every segment of public life, corruption and dysfunctionality of democratic institutions, are mirrored in the sphere of media.<sup>22</sup>

The media and the legal experts interviewed within this research agree that the state of the media is in disarray. Experts agree in their assessment that the media are burdened with considerable challenges and constraints. They also suggest that the media capture is just a reflection of the state capture. Immense political control of the media, (self)censorship, media abuse, decline of professional and ethical standards, financial unsustainability, endangered safety of media workers, unregulated and volatile media market make up just a small part of a long list of attributes the experts have used to describe the media landscape in Serbia.

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*"I will not tell you anything new when I say the **media scene has been in free fall for decades**, along all of its segments, from professional and technical capacities, freedom of expression... (...) This **media capture** goes beyond just censorship, it means, above all, censorship and self-censorship, suppression of free speech, and a **propagandistic view and use of the media**". I would call all of that – media capture. A terrible downfall of professional and ethical standards in journalism where, in fact, this **basic media postulate, public interest, is lost**. (...) Hence, journalism for the purpose of public interest is more and more rare, and even, I must admit, in those media that we consider "ours", professional, and you can feel a sort of fall and occasional wandering, let's say, in the public interest. The third thing, of course, is **financial sustainability, or the absolute unsustainability of media** which attempt to nurture the public interest. All of these three are very, very connected and stem from one another. It is a chain with three links. And the fourth, which we must not forget, is the terribly **endangered security of journalists who work in the public interest**. So, these four links are holding the media and journalism in the state that they are in right now."*

*"...Too much emphasis is put on the commercialisation of everything, and that is visible in the market as well. On top of that commercialisation, if you add a **low level of media literacy** among people, citizens, and if you add the **censorship and self-censorship** among competent journalists, and then a **dysfunctional media market** as well, what you get is a system that does not fulfil the basic form of a media market, which is to offer some sort of pluralism of opinion, pluralism of solutions, pluralism of different attitudes."*

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20 Freedom House, Nations in transit, 2021, p. 14, <https://link.crta.rs/o>.

21 Autocratisation Turns Viral (Democracy Report 2021), V-Dem Institute 2021, p. 22, <https://link.crta.rs/p>.

22 Kleut, J. "Media and Democracy", *Undermining democracy*, Crta, 2021, p. 17. <https://link.crta.rs/q> (accessed September 22<sup>nd</sup>, 2021).



## Media polarisation

In accordance with the *media capture – state capture* dyad, the interviewed experts have also emphasised the occurrence of polarisation in the media. More specifically, political-ideological divisions in society condition the division in the media characterised as “us” versus “them”. Public discourse further suggests that the two sides are in a state of permanent conflict, where the pro-regime media exist as a constant reminder that this conflict is something to be perpetuated ad infinitum.

While the pro-regime media tend to demarcate the critically-oriented media as “the yellow media”<sup>23</sup>, “the opposition media”, “đilasovci”<sup>24</sup>, and the likeminded professional journalists as “foreign mercenaries” and “domestic traitors”, the opposition does not refrain from abusing the media for political purposes either.

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*“It seems to me that those **economic, political, and social aspects of life are entirely reflected through the state of the media**, therefore we have two uneven sides divided by two different manners of understanding life in Serbia and the future in Serbia, and the ways they understand corruption... This is simply reflected through the media – one side absolutely complies with the Code of Ethics, while the other does not at all.”*

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Such a heavy atmosphere characteristic of the socio-political arena has motivated the formation of the two diametrically opposed tendencies in the media arena. On the one hand, there is a tendency toward sensationalist reporting, misinformation, trivialisation and tabloidisation of the media that has rapidly taken over almost the entire media scene<sup>25</sup>. On the other hand, it is also noticeable that the independent professional media have strengthened their position, especially in the domain of investigative journalism. The first tendency is more visible and widespread because it represents the media with the largest audience reach, while the second tendency is at the forefront of events in the mainstream media, and remains unacknowledged by the majority of Serbian citizens. The existence of the two diametrically opposed tendencies in the media also reflects to a large extent the process of polarisation of Serbian society that takes place under the influence of the political developments and the dominant ideologies.

## Pluralism in the media

In its final report on 2020 Parliamentary Elections in Serbia, OSCE’s Office for Democratic Institutions and Human Rights (ODIHR) flagged the dominance of the ruling party in the media as a matter of concern. Namely, ODIHR stated that the line between a state and the political party was blurred, due to the fact that it was hard to differentiate between “the Serbian Progressive’s Party election campaign and media coverage of the president and government”, which “challenged paragraph 5.4 of the 1990 OSCE Copenhagen Document”<sup>26</sup>.

This is in line with the findings of the nine-month media monitoring period around 2020 parliamentary elections, when the CRTA Election Observation Mission has recorded every second of the extended prime-time programme (from 17:30 until 00:00) on the five televisions with national terrestrial coverage<sup>27</sup> and measured a dramatic disproportion in media representation between the ruling parties and the opposition. The effects on voters, made by such extensive media reporting starring government representatives in months before the Election Day, could not have been reduced by the legal requirements of electoral laws that increased the presence of the opposition in final weeks of the election campaign (Chart 4).

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23 “Yellow” is used pejoratively in the public discourse, often by government officials and tabloid media, to describe opposition parties or to affiliate critical voices, such as some media outlets, with opposition parties. The term was coined after the colour of the Democratic party flag, which was the ruling party after the 2000 democratic change in Serbia up until 2012, when the Serbian Progressive Party took power.

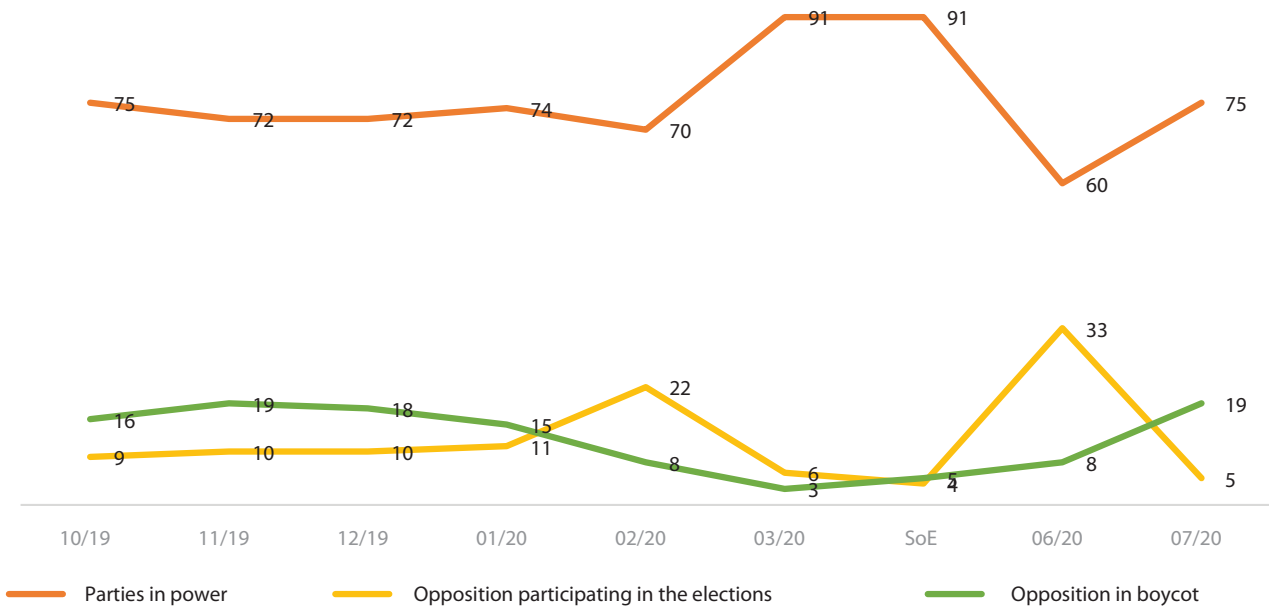
24 The term “đilasovci” is also used pejoratively in the public discourse to describe opposition groups, their supporters and, also, to label some media to be affiliated with the opposition. It was coined after Dragan Đilas, the leader of the opposition Party of Freedom and Justice.

25 Matić, J. and Valić Nedeljković, V., “Serbia”, Media Integrity Matters, Peace Institute, 2014, pp. 327-390, <https://link.crtar.rs/r>.

26 Republic of Serbia: Parliamentary Elections June 21<sup>st</sup>, 2020 (ODIHR Special Election Assessment Mission Final Report), ODIHR/OSCE, 2020, <https://link.crtar.rs/s>.

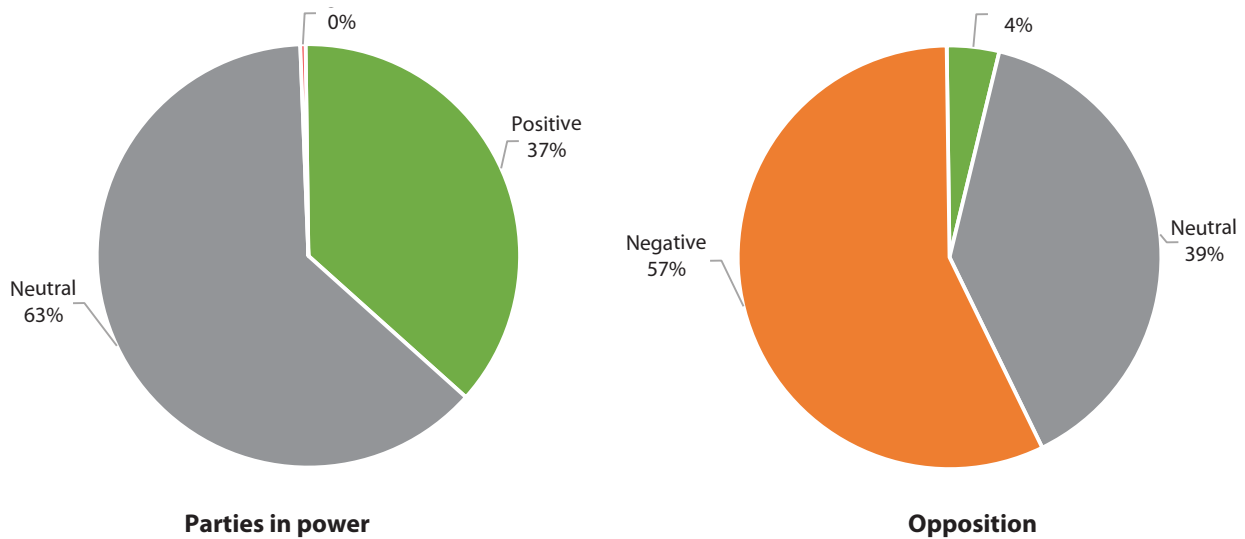
27 Monitored televisions are the First Channel of the Radio Television Serbia (RTS1, public service broadcaster), and all commercial televisions with national terrestrial coverage – TV Pink, TV Prva, TV Happy and TV B92.

Chart 4: Gap in the media presence between parties in power and opposition between October 2019 and July 2020 on TVs with national coverage was narrowed only during the election campaign (% , seconds, extended prime-time)



After the elections, between July 2020 and July 2021, central news on televisions with national coverage were completely stripped of political pluralism, as shows the CRTA’s continued media monitoring.<sup>28</sup> Data show “the extremely uneven representation of ruling parties and the opposition” as ruling parties on average occupied 93% of total central news time, while the remaining time was dedicated to opposition which is dominantly presented in negative light (Chart 5).<sup>29</sup>

Chart 5: Tone of presentation of parties of power and opposition representatives in central news on all TV stations with national coverage, July 2020 – June 2021\* in %



\*July 16<sup>th</sup> 2020 - June 30<sup>th</sup> 2021

The content of such reporting, bolstering political divisions in favour of the government and against opposition, indicates a connection between editorial policy of the most influential media and the regime.

In parallel, the growing professionalisation of a small number of media (especially in the field of investigative journalism)

28 Monitored televisions are the First Channel of the Radio Television Serbia (RTS1, public service broadcaster), and all commercial televisions with national terrestrial coverage – TV Pink, TV Prva, TV Happy and TV B92.

29 “Central news stripped of political pluralism”, Crta, July 8<sup>th</sup>, 2021, <https://link.crta.rs/t>.

should be considered. This development on the media scene could be interpreted as a form of a response to the growing internalisation of the dominant values and ideologies by the mainstream media that are imposed by the political establishment. As one of the informants has noted, these few professional media survive despite and not owing to the circumstances.

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*“We have this paradox, where **Serbia has maybe not the best, but one of the best investigative journalists in the world**, and I am not sure that 2% of Serbian citizens have, for example, heard of KRIK, and they have won some of the most important awards globally. So, that is the Serbian paradox. On the other hand, people consider some, who are in fact the show business side of this work, to be journalists. (...) Lately, even in the so-called professional media, there is a process of turning journalism into **show-business**, so to say.”*

*“When I was in journalism, during the 1990s... You know, when you go to, I don't know, the doctor's or talk with neighbours, (being a) journalist, JOURNALIST, it meant something. Today, people say journalist, and bow their head a little. (...) Indeed, it is such a **degraded profession** that no longer enjoys any kind of reputation. And research shows that, for example, **we in Serbia have the lowest level of trust in the media in Europe**, because the profession is degraded, the media are degraded, everything is degraded, and this piece of data gives a correct diagnosis of the state of our media.”*

*“These professional media and professional journalism are sort of **side-lined, and moved to the margins of the media scene**, and to cable television channels such as N1, Nova S and the like, Newsmax... “Danas”, as one of the rare mainstream media, but with an extremely low reach. Their website is OK, it has more visits, but as for the print - this is where they stand. Also, it (professional journalism) comes through these organisations which are more CSOs than media, like CINS, BIRN, Insajder, KRIK, Cenzolovka, and many others, even Istinomer (Truth-O-Meter) as a specialised media.”*

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### **Factors, causes and consequences**

Factors, causes and consequences of the current state of the media often permeate and overlap. The same phenomena or characteristics that are identified as causes in certain cases, are identified as consequences i.e. factors in other cases. Difficulty to clearly separate what affects the media by far when it comes to the consequences of being in such a position indicates the existence of a complex setting in which all the challenges the media in Serbia is nowadays confronted with are both causally and consequentially interrelated. For instance, the non-compliance with legal regulations has been identified as the cause of the disordered and disoriented media sphere. Given that the disobeying of law constantly gains on legitimacy, as a result of the lack of sanctioning, it has become the *modus operandi* of the media field. In other words, it can be seen as a consequence of the atmosphere that is prevalent in the media. Likewise, violation of the Code of Ethics has been recognised both as the factor and the cause of great many issues, the unprofessional behaviour of the media included. It has also been recognised as a consequence of the political influence, the financial uncertainty and the unregulated media market. Despite a considerable number of overlaps, we will present in continuation only the most influential factors, causes and consequences of the current state of the media, as singled out by the interviewed experts.

*Factors.* In the interviews, the informants have singled out the thesis about the “triple burden” that affects the media in Serbia as a whole. First instance of the burden refers to the sharing of the fate of the media globally (in particular, the inability to resist political pressure, changes on the global media market, new demands of survival dictated by the market, the dominance of the digital and the online formats; dubious reputation of the media in general, economic conditions, etc.). Second instance mirrors the fact that the media in Serbia are defined by a specific position they occupy on the market that is characterised by the lack of steady resources, lagging behind in terms of education of the employees (for example, the experts emphasise that the media managers are insufficiently educated and professionally trained), dysfunctional media institutions, etc. Third instance concerns the fact that there are specific socio-political factors that still substantially define every aspect of the Serbian society, the media included. The media and the legal experts have singled out the following factors in particular: the distorted prevalent value system, polarisation of society on several grounds, SFRY heritage, legacy of the 90s, (auto) deinstitutionalisation, country's economic conditions, corrupt society, and the pandemic (the pandemic has been singled out as a factor that has significantly affected the media financing and will, due to its relevance, it will be elaborated on in more detail in chapter VI). A considerable number of the identified factors that directly or indirectly affect the state of the media additionally indicate that the media-sphere in Serbia is a turbulent one, highly sensitive to the changes in the society.

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*“Globally, the media scene is in downfall, it is burdened with numerous problems on a global scale, but then we have **our additional, specific problems, that date back to SFRY (Socialist Federal Republic of Yugoslavia), through the 1990s and up until today...** It is a heritage we have made, and I don't know how it will be resolved.”*

*“There was that terrible situation when I was under attack by the public in Lučani (small municipality in west Serbia), when the workers were protesting against their own colleague whose son had just died. The moral of the story is that all **our people are now like those people in Lučani**, and that’s what’s terrible about it. **We lost our humanity and something else is now valued**. Not showing empathy was shameful, it was an obligation for us as human beings, but being hateful is what’s “in” right now. **We’re in a situation where state institutions and state bodies are abused, they no longer enforce the law. We live in a state of lawlessness.**”*

*“Let’s just make one thing clear – what I’m talking about is not inherently Serbian. The other day I was at one regional conference, and Romania, Bulgaria, Slovenia, Albania – these tendencies are, unfortunately, more or less present in all of those societies. Unfortunately, EU as an organisation is no guarantee that the system will actually work. Just look at what’s happening in Hungary, in Slovenia, in Croatia, and those are all countries that are part of the EU. In principle, **they should respect the freedom of the media, but it’s not happening because the mechanisms that are supposed to absorb attacks on it are simply weak compared to them, that’s what’s it all about.** (...) Essentially those are mechanisms that are present in the entire region and they can be limited only with a systemic approach to the media scene.”*

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Taking into account all the aspects that the experts have elaborated on in the interviews, the factors that define the Serbian media scene can be classified into *internal* and *external*. *Internal factors* concern the media sphere itself and include 1) the changes affecting the global media market and 2) the specifics of the Serbian media market as described above. *External factors* concern the socio-political and the socioeconomic circumstances that shape the media scene in Serbia in general.

*Causes.* The interviewed experts are almost unanimous in their assessment that the political control of the media affects the media by far the most. As a result, political control has been identified as the major cause that generates all the other causes of underlying the unfavourable situation the media finds itself in such as non-compliance with the legislative framework or the unethical and unprofessional conduct. Moreover, the experts suggest that the entire media scene is overwhelmed by the dominant political system and culture. In addition, not only have the media in Serbia been determined in the course of the last decade by the decisions of the ruling party, but their fate has almost been determined by the will of a single person.

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*“The media scene confuses citizens and diminishes their ability to be aware of their responsibilities and obligations and in any way engaged in the society. It’s turning them into people susceptible to manipulation by the government. **Media are absolutely controlled by the government.** (...) I mean, what laws? There are no laws. **Vučić is the one that says what’s to be investigated and what’s not, who will be arrested... he says it himself.** It started with seemingly banal stories about what exactly are his competencies, and we ended up here, he decides quite literally everything, when will a law be enforced, will this video make it to court or not, and so on. I asked him once, when he was here before the Clinical Centre opening, because there was a great delay and he kept saying “I put my foot down, I did this...”. I mean it was a journalistic question, he was Prime minister at the moment: “Excuse me, you are the Prime minister, is that right? Are you in charge of every construction site in Serbia? Where are the institutions? Where is the system? Do you decide everything?” He took this question as a compliment, and said that he has to do everything himself.”*

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An additional indicator that politics has entirely taken the media over is the weakening of the power of the business elite and its influence on the media. As one of the experts noted, prior to 2012 when the Serbian Progressive Party (Srpska napredna stranka /SNS) began to consolidate its dominance, the influence of the business elite in the media sphere was far more noticeable and stronger with the distribution of power being most visible within the ownership structure. In other words, the media ownership structure shows that the political influence was much weaker than the influence of business elites. However, the moment the dominance of SNS on the Serbian political map has been established, the media began to be affected as well.

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*“It seems that with the change in balance of power in politics the same happens in the media, because, and I need to repeat myself, **that business power used to be much stronger during DSS (Democratic Party of Serbia) and DS (Democratic Party).** Even though politics was strong, powerful businessmen were influential and if not stronger, then equally strong. We used to have Mišković as one of the central figures that could influence certain social activities and what not, and I think that **after 2012 political***

*elites gained absolute control, first and foremost the ruling SNS, and those businessmen are now in their service.”*

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Of course, as emphasised by the experts, the political control of the media was not characteristic of the current government alone. The pressure on the media has started in one way or another before the current government. Still, it has become more severe with the current, which different international and domestic indices of democracy and media freedom confirm.<sup>30</sup> One of the prime examples of the close ties between politics and media is the unchanged position of RTV Pink on the media market regardless of the regimes governing the country. This is the case because each of the political currents, no matter their ideology, has found this media outlet to be an asset that can be effectively utilised to achieve various political interests.

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*“It actually starts with the **individuals that achieve certain goals through institutions**, but it seems to me it’s not something that’s characteristic for the 21<sup>st</sup> century, it’s been around for decades, I can’t say centuries, but decades yes, that MO has been around. Citizens have fully accepted it, but it definitely comes from the representatives of the government, and from people who are powerful in the financial and other senses. **Primarily, those are the political officials in Serbia.**”*

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Nonetheless, the informants have reached the agreement that in spite of the existing pressures by the politicians following the democratic changes in the year 2000, the “islands of freedom” on the media stage had existed.

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*“The only difference was that some small specks of freedom remained and some opposition was present in the media, it’s not like there wasn’t a variety of opinions. Opposition does not have to be taken in the sense of politicians, **just a different opinion and criticism that are now absent from the mainstream media.**”*

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With the succession of the state governance by the SNS party, the methods employed for the control of the media have gained in variety and sophistication. The media funding is recognised as one of the most frequently employed and most effective methods for media control (as shall be seen in the Chapter VI). Equally, the media ownership is often used as a means of the political control of the media (Chapter VII).

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*“Yeah, okay, we can say it like that – let’s say that in the 90s the media was stifled physically, right? Water’s in the coaxial cable or they ban Čuruvija’s newspaper or the printing house. That was done, for example, in the print media – the printing house somehow never has the slot to take that newspaper to print and it was literally physical... **These things have become subtler, there was a realisation that brute force won’t do it anymore, so financial obstruction was the next step and it seems it’s much more efficient and devious. So financial control of the media followed by intimidation – on the one hand I intimidate you, on the other I’ll withhold information from the independent media, I won’t issue statements, I won’t appear in your programmes, I won’t invite you to events, and I won’t give you any money, so you make do.**”*

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Furthermore, the badgering of the media, the denial of access to information, the establishment officials’ refusal to appear in politically “unsuitable” and “disobedient” media are just some of the examples of political pressure on the media. One of the informants, the former employee of Blic (a daily tabloid newspaper), testifies to the many ways of exerting political pressure on this media outlet. For instance, he noted that it has been the case that a half of the entire amount of the newspaper’s issue would be discarded prior to the distribution “because someone did not like something that had been written”. The intervention of the ruling party can go so far as for a newspaper, Blic Žena in this case, to have to not only withdraw but also destroy all the printed copies simply because the horoscope section conjectured the possibility of president Vučić’s death.

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*“What I saw from my position, when **there’s pressure it wasn’t unusual that half of the paper made in a print run are thrown away, when someone wrote something, someone else didn’t like it, and in the middle of the night – a phone call, stop the presses, throw away the print run, destroy it, no copy can see the light of day. A whole new content arrives and it’s never spoken about again. It even happened that issues that were packed and ready to ship throughout the country were returned. The distribution of all the other issues is also running late, all because somebody didn’t like something. That expense was marked in the books as a trial or something, those are not huge amounts, but that’s not important, I mean the***

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30 Kleut, J. “Media and Democracy”, *Undermining democracy*, Crta, 2021, <https://link.crta.rs/q> (accessed September 22<sup>nd</sup>, 2021).

financial losses, what's important is that that something doesn't get published. For me, that is enormous pressure. You print something that's already gone through some kind of official control and who doesn't like it? Did the top government officials really look at the front pages at 1 or 2 in the morning or something and stop the presses right away? (...) There was a situation with the horoscope. I don't know if you were there when the horoscope in Blic Žena said that Vučić is going to be killed. An astrologist foresaw Vučić's death, an assassination, I mean it's no wonder, she's been insisting there's going to be an assassination for years. Once a month, Informer announces that there's going to be an attempt on the President's life. So, maybe then that wasn't his strategy, so that was huge then, the expenses were humongous. Everything was already done, horoscope packed in cellophane with some cards, a really expensive issue, the print was over 50 dinars, and you printed 100.000 papers times 50, and you throw all that away, destroyed, print something new from scratch, and nothing. (...) **The trial was done, when those new Kurir and Informer came, a trial was done and that was like 10-20.000 dinars and then you have "a trial" that costs 1-1,5 million, 800.000, or whatever, but definitely much, much more expensive than a real trial and you book it as a trial, and it goes to this invisible cost centre, I mean it's not invisible but it's not specific for an issue and I really wondered how do they get away with it. I mean come on, what trial? All trials range from 100 to 200 euros, and now you have one that costs a few grand. And they get away with it. You asked how do they do that – well, if they're ever asked, they probably say "the quality of print wasn't satisfying" or something like that. At some point, they started to object in written form on the quality of print, but I believe that was just a cover, just so they can say they objected when they get the approval. We never responded to those objections.**

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Likewise, the same informant has stated that political control is also being exercised through a printing house owned by the Ringier Axel Springer, a company which holds a leading position in the tabloid media markets of a number of Central and Eastern European countries.

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*"The mere acquisition of that printing house... there was a rumour going around that that was bought and that a specific machine was supposed to be bought, but some other was instead that wasn't even brand new and everybody, all our partners, wondered (even then print media was dwindling down and you could see the future is not bright) – "Why is so much money being invested in a printing house, in something that is slowly dying?" (...) After a few years, it was clear it was made as a hub for creating his newspapers, because you could tell everyone else was relocated. Let's jump a bit forward – you appoint a commercial director in that spot, give him a ludicrous salary and he does not bring any business, all that is done by the CEO who just says "Tomorrow you have Kurir coming, tomorrow you have Srpski Telegraf, the day after that Sport, etc." – that's all intertwined with the government. You get a price that is the maximum price for their print. All those media are being printed at full capacity, I mean that wasn't even full capacity, the printing house could have printed more, so Blic and Informer also come overnight, they just tell you "Informer" is coming. It's not literally overnight, but it was said that Informer was coming, that paper is being prepared for it, that it is going to be printed here. And all that is not arranged by the commercial director whose job that actually is, he's just told by the CEO that it's happening. Everything is purely political, and then you see that every newspaper except Politika and Novosti is printed at your printing house, the printing house you invested in, and then it's clear why the printing house is made. (...) At that moment there's Informer, Blic, Alo, 24 sata, Srpski Telegraf, Kurir and Sport who all together have a circulation of maybe 500.000, and at that moment you have less than 300.000. You print much less, but still you don't have a slot for Nova. You don't need a new shift. Those same people can do it – I don't know what's the print run of Nova, it doesn't say, today's the release of the first issue, maybe they had a strong start, but I don't think it's more than 30-40.000, and even if it were 50 or even 100, it could have been easily done. You print Kurir, Telegraf, Informer, they get great time-frames, sometimes even better than your own issues. They don't follow through with deadlines, there are penalties for that in the contract, which you of course don't make them pay. End of the month, end of the year especially, the printing house gets an order "Give an approval to Informer for this much millions", and not only Informer, Kurir, Srpski Telegraf as well – an approval on the books... (...) When I worked, Blic had a really big downfall, and Informer didn't. It was later discovered that Informer had high returns and that they don't want to deal with that. **I also saw people buying three copies of Informer at once, I saw that all the time at Maxi in New Belgrade because the printing houses were there. I'm on my way to buy breakfast and he's out shopping, and he's out shopping in a wheelchair and I see him take three copies of Informer every time. Everybody knew that their "SNS army" had to buy 2 or 3 Informers every morning. They had huge print runs.***

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As the interviewed expert has noticed, all the pro-regime tabloids are printed there under more economically favourable conditions, while the newspapers' circulation itself was being increased and maintained owing to the SNS supporters who were obliged to buy several copies of the newspaper per day.

*Consequences.* The consequences of the prevalent atmosphere in the media are numerous, multidimensional and severe. They affect both the quality of the media products and the position of the media workers, as well as the entire community. As a consequence of the decrease in the number of employees (mostly due to the poor employment conditions and the endangered security of the journalists) the newsrooms have been reduced to operating only with a handful of employees. Such limited capacities, in turn, result in the inability of the media to deliver quality and relevant content. As a direct consequence, the citizens are not able to obtain information of public importance through the media, which makes the purpose and the role of the media even more meaningless. In order to survive on the market, many media outlets use a very sensationalist approach, often also spreading misinformation, malinformation and unfounded claims, violating on the way all the ethical and professional codes of conduct. The unprofessional reporting has led to the fatal consequence: distrust among the audience.<sup>31</sup>

On the other hand, the media still attempting hard to resist such pressure resort to a strategy grounded in the principles of impersonality and neutrality – the complete absence of a critical approach in reporting, as well as of “unwanted” questions. Such media, while “waiting for better times to come”, go into a state of “hibernation” in which they take only those actions that are deemed necessary for the bare survival on the media market, “not resenting anyone”. A limited number of media outlets that do try to adhere to the professional and the ethical standards are often labelled as “foreign mercenaries”, and are equally often the victims of malignant threats and blackmail.<sup>32</sup> Considerable number of these media outlets have also been explicitly punished for their disobedience or ineligibility – they have suffered major salary reductions and their room for critical thinking and freedom of expression had been restricted. As the experts have summarised, the media workers are not allowed to do their job.

Furthermore, the interviewed experts suggested that the final outcome of the “vicious circle” the media in Serbia has been caught up in is paving the further path for the undemocratic society. On the one hand, such a society delivers frightened and obedient citizens unable to approach the media content critically, due to which they are easily manipulated. On the other hand, this society is driven by powerful individuals who abuse the institutions in order to achieve their personal interests or the interests of the political group they belong to.

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*“Most of the journalists, including me, from the 90s are no longer in journalism, they set off into other professions that provide for a better life, easier workload, etc. So we basically have **numerous top-tier journalists that fled journalism**, leaving the newsrooms decimated. They are decimated because they cannot afford to get enough people and there is no one to work with young people in those newsrooms. (...) A certain media owner in a certain town, I can't name names, who had a very neutral news policy, he attacks no one, tries not to step on anyone's toes, gets money from project financing... He told us “We are in a state hibernation and we do what we must, we are waiting for all this to pass so we can go back to work.”*

*“That is a very, very long process, **the process of creating a monolithic system of information or disinformation**, depends on which segment are we talking about at that moment, and unfortunately it seems to me that some kind of – maybe too harsh a word but I will use it anyway – **exile of quality journalism is underway**. (...) Non-critical consumption of media content is a huge issue, maybe less so for those who have access to quality media content, but nevertheless it's there. That is what is creating a problem, because you have to get to that level of understanding what media is and that does not happen overnight, it's a long lasting process.”*

*“Generally speaking, I would say we are moving **backwards** even though we see that the state is taking an interest in solving certain issues through certain decisions, steps, work groups but those are all superficial solutions. We have three groups – Permanent Work Group for Safety that showed its limitations in a very obvious way, not being able to appease journalistic associations and journalists in a way they expected, and I believe it led to the establishment of two new groups. Firstly, Work Group for creating a Platform for recording pressure, and attacks, and a second Work Group that was founded, at its suggestion, by the Prime minister of Serbia and that gathers all those irrelevant participants that couldn't be part of the two other work groups in some other way. It seems that **the goal is that the international public is shown that a certain problem is being solved**, just take it off the list, “we did something”. They think that is enough, but there is no less attacks, no better prosecution, no more condemning verdicts, no less crimes... Meaning **the number of those who freely express their opinion by swearing, insulting, attacking, threatening in a way that can't be qualified as a criminal act is growing bigger by the minute.**”*

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31 For the detailed account of the phenomenon see the following research study conducted by CRTA: <https://link.cрта.rs/j>

32 “Vučić's bulletin – Srpski telegraf in the campaign against professional media, Cenzolovka, August 24<sup>th</sup>, 2021. <https://link.cрта.rs/u> (accessed September 22<sup>nd</sup>, 2021).

In conclusion, the experts appear to converge on the point that tabloid pro-regime media benefit the most from such a situation on the media market. Likewise, media outlets trying to maintain a professional standard are regularly attacked by those same tabloid pro-government media. Accordingly, such a media environment perpetuates the system where the non-professionals are rewarded and those who try to maintain independence and professionalism are punished.

### Positive aspects

Although the list of the positive aspects of the current position the media in Serbia finds itself in is noticeably shorter compared to the list of the shortcomings and unfavourable aspects, *the fact that the experts could specify any positive points at all leaves hope for improvement in the future.*

Both the media and the legal experts singled out the **satisfactory level of quality of the legal framework** that regulates the media sphere. Even though there is still a lot of space for the improvement of the legal acts and procedures, the informants have emphasised that the existing framework could lead to favourable outcomes if judiciously applied.

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*“In my view, the current legal framework is not bad. There is of course a lot of room for improvement, but the legal norms are not bad. The trouble is they are not enforced. For example, the Public Prosecutor’s Office has the right to prohibit the distribution of content that contains elements of hate speech, national and ethnical hate, threats, etc. That is clearly defined by the law, and it never happened.”*

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In addition, singled out as the positive aspect are the noteworthy **results of a few independent professional media that have managed to raise the quality and professionalism bar** despite the aggravating conditions in which they operate. Moreover, although the experts’ assessments suggest the professional media are marginalised and have a limited reach, they are convinced that there is still space for citizens to turn to the professional media for information of the utmost importance (e.g. pandemic or the recent protests and riots in Serbia).

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*“The fact that people here are interested in sensationalism and not in information is easily abused. They can play with that, but when something serious comes up, **then the breaking news on N1 are the most watched programme in Serbia. During the Coronavirus crisis Južne vesti, a local news portal, had millions of readers and that’s for us...** because we’re a local portal. Even the professional media blossomed because **people needed reliable information.** So, **when it’s important people turn to serious media and not the tabloids** – they avoid them. When your life is in jeopardy you do not prioritise fun, you prioritise real information that can save your life, that’s what’s important to you. Now they’ve realised that, even though for a while they thought that the fact that 20% of citizens of Serbia follow professional media is irrelevant, that they have complete control. In times like these professional media still have an influence and the truth spreads, one way or the other...”*

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As one of the experts suggested, this is, first and foremost, a signal that citizens are oversaturated with misinformation and sensationalist reporting, and that they want verified sources of information. Secondly, this can also be seen as an indicator for the professional media that their struggle for truth and their courageous pursuit for the truth can still have an impact on the public space regardless of the factual incongruity and the informational noise in the current public discourse.



# IV LEGAL AND INSTITUTIONAL FRAMEWORK

## Key chapter insights

- The **legal framework** is generally estimated as **satisfactory**.
- The existing media laws are **not enforced** and the **violations** of these laws altogether **lack any sanctioning by the authorities**.
- **Regulatory Authority of Electronic Media (REM)** has been completely **degraded due to political control**.
- REM is **not an autonomous body**, particularly due to the fact that the **REM Council members are appointed by the Serbian Parliament**.
- **Commercial TV stations with national coverage** (especially TV Pink and TV Happy) **generally do not meet the legal requirements** (**none** of these media outlets **have been adequately sanctioned** by the authorities).

## Strategic framework

On January 30<sup>th</sup>, 2020, the Government of Serbia adopted the Strategy for the Development of the Public Information System in the Republic of Serbia for the period 2020-2025 (Media Strategy). The action plan for its implementation was adopted with a nine-month delay, on December 3<sup>rd</sup>, 2020.

The previous Media Strategy, adopted in 2011, expired in 2016 leaving a strategic gap of four years. The process of adopting the new strategy was turbulent. Representatives of media and news associations left this process in 2017, dissatisfied with the way the working group for drafting the strategy worked. In the middle of 2018, with the support of the international community, a new working group was formed, including the representatives of professional associations. On February 1<sup>st</sup>, 2019, the Government published the text of the Draft Media Strategy and began conducting a public debate on this Draft. However, in May 2019, the Government sent a draft strategy to Brussels, for the opinion of the European Commission, which differed significantly from the one agreed earlier in the working group. New pressures from the public, members of the working group from the ranks of media professionals and newspaper associations, and international actors, resulted in the reunion of the working group held in October 2019. This led to the finalisation of the text of the Strategy, which received a positive opinion from European Commission experts.

The strengths of the new Media Strategy are precise recognition of problems that media experts have been warning about for years and anticipation of effective measures to solve all identified problems. Nevertheless, even in the absence of a strategic document in Serbia, there was a solid legal framework for improving the media scene. During the period of validity of the previous Media Strategy, a set of media laws was adopted, which are largely harmonised with the *acquis communautaire* and international standards of media freedom. However, numerous problems in their implementation have contributed to the state of media freedoms in Serbia which receives negative assessment from both international and domestic experts.

## Legal Framework

The extensive legal framework governing the media sphere in Serbia is based primarily on the fundamental human rights guaranteed by the Constitution – freedom of opinion and expression, freedom of the media and the right to information. The three core media laws adopted in August 2014 (Law on Public Information and Media, Law on Electronic Media, Law on Public Service Broadcasting) elaborate in detail the manner of exercising guaranteed rights, taking into account other constitutional principles (such as protection of competition). These three laws will be the primary subject of analysis in this report, with the Law on Public Information and Media and the Law on Electronic Media being singled out in this chapter. The relevant provisions of the Law on Public Media Services will be discussed separately, in Chapter V. Certain provisions of the other laws listed below will be analysed within specific topics in the report.

- Constitution of the Republic of Serbia (“Official Gazette of the RS”, No. 98/06);
- Law on Public Information and Media (“Official Gazette of the RS”, No. 83/14, 58/15 and 12/16 – authentic interpretation);

- Law on Electronic Media (“Official Gazette of the RS”, No. 83/14 and 6/16 – other law);
- Law on Public Service Broadcasting (“Official Gazette of RS”, No. 83/14, 103/15, 108/16 and 161/20);
- Law on Ratification of the European Convention on Transfrontier Television (“Official Gazette of RS – International Agreements”, No. 42/09);
- Law on Temporary Regulation of the Manner of Collection of Fees for Public Media Service (“Official Gazette of RS”, No. 112/15, 108/16, 95/18, 86/19 and 153/20);
- Law on Advertising (“Official Gazette of the RS”, No. 6/16 and 52/19 – other law);
- Electronic Communications Law (“Official Gazette of the RS”, No. 44/10, 60/13 – Constitutional Court, 62/14 and 95/18 – other law);
- Law on Free Access to Information of Public Importance (“Official Gazette of the RS”, No. 120/04, 54/07, 104/09 and 36/10);
- Law on Personal Data Protection (“Official Gazette of the RS”, No. 87/18);
- Law on Protection of Whistle-blowers (“Official Gazette of the RS”, No. 128/14);
- Law on Local Self-Government (“Official Gazette of the RS”, No. 129/07, 83/14 – other law, 101/16 – other law and 47/18);
- Law on the Capital City (“Official Gazette of the RS”, No. 129/07, 83/14 – other law, 101/16 - other law and 37/19);
- Law on National Councils of National Minorities (“Official Gazette of the RS”, No. 72/09, 20/14 – Constitutional Court, 55/14 and 47/18);
- Law on Marking the Day of Mourning on the Territory of the Republic of Serbia (“Official Gazette of the RS”, No. 101/05 and 30/10);
- Law on Privatisation (“Official Gazette of the RS”, No. 83/14, 46/15, 112/15 and 20/16 – authentic interpretation);
- Law on State Aid Control (“Official Gazette of the RS”, No. 73/19);
- Public Procurement Law (“Official Gazette of the RS”, No. 91/19);
- Criminal Code (“Official Gazette of the RS”, No. 85/2005, 88/2005 – amended, 107/2005 – amended, 72/2009, 111/2009, 121/2012, 104/2013, 108/2014, 94/2016 and 35/2019) and others.

Institutions primarily responsible for enforcement of laws governing the media are:

- Ministry of Culture and Information;
- Provincial Secretariat for Culture, Public Information and Relations with Religious Communities;
- Regulatory Authority of Electronic Media (REM);
- Regulatory Agency for Electronic Communications and Postal Services (RATEL);
- The Serbian Business Registers Agency (APR; maintains the Media Register).

### **Law on Public Information and Media**

The Law was adopted in 2014 and the subject of its regulation are the manner of exercising freedom of public information, as well as the principles of public information, public interest in public information, providing and allocating funds for public interest, defining the concept of media, imprint and identification, publicity of media data and the Register, protection of media pluralism, position of editors, journalists and representatives of foreign media, distribution of media, etc.

#### a. Freedom of public information

The Law on Public Information and Media regulates the manner of exercising freedom of public information. Freedom of public information is achieved through freedom to collect, publish and receive information, freedom to form and express ideas and opinions, freedom to print and distribute newspapers and freedom to produce, provide and publish audio and audio-visual media services, freedom to disseminate information and ideas over the Internet and other platforms, as well as the freedom to publish media and conduct public information activities<sup>33</sup>.

#### b. Restrictions on freedom of expression

The Constitution of the Republic of Serbia stipulates that the freedom of expression may be restricted by law, if necessary to protect the rights and reputation of others, preserve the authority and impartiality of the court and protect public health, morals of a democratic society and national security of the Republic of Serbia<sup>34</sup>. Restriction is therefore allowed if it is pre-

<sup>33</sup> Law on Public Information and Media, Article 4

<sup>34</sup> Constitution of the Republic of Serbia, Article 46, para 2

scribed by law, aimed at preserving the basic values of a democratic society, and if it is proportionate to the goal it seeks to achieve. In that sense, the Law on Public Information and Media sets certain rules that aim to be a barrier to abuse of rights. These restrictions include: **respect for the presumption of innocence, publication of information related to criminal proceedings, prohibition of hate speech, protection of minors and prohibition of public exposure to pornography**<sup>35</sup>.

In addition to the stated restrictions, freedom of expression also moves within the limits set through the manner in which the publication of personal information is regulated (**protection of personal dignity and the right to authenticity; private life and personal records**)<sup>36</sup>.

A person to whom information relates, whose publication is prohibited in accordance with the law, and who suffers damage due to its publication, has the right to compensation for material and non-material damage in accordance with general regulations and provisions of the Law on Public Information and Media, regardless of other legal means. The Law exhaustively lists cases in which a journalist, editor-in-chief and publisher will not be liable for damages.

c. Right to reply to information and the right to correction of information

The Law specifies the exercise of the constitutionally guaranteed right to reply to information as well as the right to correction of information<sup>37</sup>, and in particular deals with the right to publish information on the outcome of criminal proceedings<sup>38</sup>.

d. Media, media publisher and media imprint

The Law on Public Information and Media provides for three constitutive elements of the media:

- editorially formed information, ideas, opinions and other content;
- transmission of such media content by word, image or sound;
- the purpose of these contents for public distribution and an indefinite number of users.

In this way, the Law distinguishes between the media and other forms of communication, especially through the Internet, thus legally separating editorially formatted content (media) and user-shaped content (various forms of communication via the Internet).

The Law also defines what is and what is not a medium. **The medium especially includes:** daily and periodical newspapers, news agency service, radio and television programmes and electronic editions of these media, as well as independent electronic publications (editorially designed websites or Internet portals) that are registered in the Media Register.

On the other hand, the Law clearly states that the **medium is not:** a book; a movie; audio and audio-visual content carrier (CD / DVD), scientific and professional journal intended primarily for informing or educating a certain professional group, other printed publications, catalogue containing exclusively notices, advertisements, and market information or bulletin and similar publications intended for internal information; electronic publication of state bodies and organisations, institutions, public enterprises and companies; electronic publication of entrepreneurs and their associations; official gazettes; printed matter such as leaflets, posters and similar media, other publications in terms of regulations governing publishing; search engines and aggregators; platforms, such as Internet forums, social networks and other platforms that allow free exchange of information, ideas and opinions of its members, as well as other independent electronic publications, such as blogs, web presentations and similar electronic presentations, **unless registered in the Media Register.**

The media do not have the status of a legal entity, but its publisher has that capacity. In this sense, the media publisher may be a legal entity or a natural person, provided that they are registered to perform activities. **Publishers may not, directly or indirectly, be established by the Republic, an autonomous province and a unit of local self-government, as well as an institution, enterprise and other legal entity that is wholly or partly state-owned, or wholly or partly financed from public revenues,** except in the case of public services, informing the population in Kosovo and Metohija and informing national minorities.

The right to publish media is in legal circulation, which means that each individual media can be transferred to another publisher without ownership changes on the part of the publisher and the change of publisher is entered in the Media Register and acts against third parties from the date of registration.

General information about the medium in the form of **imprint, abbreviated imprint and identification** (for the media service of television and radio) must be published in each medium. The imprint must be fully and visibly published and clearly separated from the rest of the media content

35 Law on Public Information and Media, Articles 73-78

36 Ibid, Article 79-82

37 Ibid, Article 83-100

38 Ibid, Article 107

e. Public interest in the field of public information and mandatory privatisation of publicly owned media

The Law introduced the definition of the public interest in the field of public information. The public interest in the field of public information includes: truthful, impartial, timely and complete informing of all citizens of Serbia, members of national minorities in their mother tongues, informing the Serbian diaspora in Serbian, as well as informing the foreign public in foreign languages when it is in the interest of the Republic Serbia; preserving the cultural identity of the Serbian people and national minorities; informing persons with disabilities and other minority groups; support for the production of media content that contributes to the protection and promotion of human rights and democracy, rule of law, free development of personality, education, including media literacy as part of the education system, cultural and artistic creation, science, etc; improving media and journalistic professionalism<sup>39</sup>.

Public interest in the field of public information is, according to the law, achieved **exclusively** through: establishment of public services at the republic and provincial level, in accordance with the Law on Public Media Services; establishment of an institution that will inform the population on the territory of the Autonomous Province of Kosovo and Metohija; enabling national councils of national minorities to establish institutions and companies, as well as foundations, which may, under legal conditions, be publishers of media in the language of a national minority; project co-financing and individual subventions, which become the exclusive ways for public authorities to participate in the financing of the media.

**Beyond these four exceptions, public authorities cannot interfere in the field of public information.** Accordingly, the Law provided for the mandatory privatisation by July 1<sup>st</sup>, 2015 (later extended to October 31<sup>st</sup>, 2015). In 2021, there are still some media whose privatisation has not yet been completed (more on this in Chapter VII)

f. Project co-financing in the field of public information for achievement of public interest

Simultaneously with the introduction of the ban to finance the media from the budgets of all levels of government (republican, provincial and local), the Law has established a mechanism for co-financing projects in the field of public information in order to achieve the public interest. **In that sense, all three levels of government are obliged to determine the funds and announce a public competition for the allocation of funds, based on the principles of granting state aid and protection of competition, without discrimination. In addition, part of the funds is distributed through allowances.** This is a method of fund distribution which does not require a public tender. The head of the body that distributes these funds can make a decision to distribute, with individual benefits, only 5% of funds allocated through public competition. It is not possible to accumulate these funds with other forms of state aid.

The essence of project co-financing is that it does not serve to finance the entire activity of the media, but only particular media content, and only when that content is suitable to achieve the public interest in the field of public information. The evaluation of projects, i.e. their compliance with criteria from the Law and the call for financing, is performed by special commissions, which are formed for each competition by the public authority that announces it. The majority of members in these commissions are appointed on the proposal of journalists' and media associations, if such a proposal exists and if the proposed persons meet the conditions prescribed by the Law. The decision on the distribution of funds, in the form of a decision, is made by the head of the body that opened the competition, based on the reasoned proposal of the commission.

The funds allocated by public entities must be entered in the Media Register, and only media registered in the Register can receive funds under the state aid principles.

Public entities are obliged to ensure transparency, non-discriminatory treatment of the media, and that their actions do not affect the market (to respect the protection of competition). These general provisions are in fact a kind of guidelines on how each individual provision of the Law related to project co-financing should be interpreted. Interpretation of existing provisions by invoking the principles of non-discrimination, transparency and objectivity would be sufficient for the system to function smoothly. Still, practice has shown that the absence of certain provisions leads to incorrect application of the Law, which will be discussed in more detail in Chapter VI.

g. Media Register

With the purpose of providing the public with relevant information on the media, the Law established a Media Register which is maintained by the Business Register Agency. Registration in the Register is not mandatory for the media, i.e. it is not a precondition for performing a media service. However, **unregistered media are prevented from participating in project co-financing and public entities** (Republic, Autonomous Province, local self-government, institution, company or other legal entity that is predominantly publicly owned) **are prohibited to advertise in such media.** More information about the Register will be provided in Chapter VII.

<sup>39</sup> Law on Public Information and Media, Article 15

#### h. Protection of media pluralism

Protection of media pluralism is provided through restrictions on the consolidation of property and management rights in two or more media in order to prevent the emergence or strengthening of a predominant influence in the field of public information. The Law provides for two cases of prohibited horizontal integration (integration between providers of the same type of media service) and one case of prohibited cross-integration (integration between providers of different types of media service), while vertical integration (integration between distribution and media publishers) is allowed through an affiliated legal person. The issue of media concentration limits will be elaborated in Chapter VII.

#### **Law on Electronic Media**

The Law on Electronic Media regulates the organisation and work of the Regulatory Authority of Electronic Media (REM), conditions and manner of providing audio and audio-visual media services, conditions and procedure for issuing licenses for providing audio and audio-visual media services, as well as other issues of importance for the field of electronic media.<sup>40</sup>

One of the main reasons for the adoption of the new law was the harmonisation of the domestic normative framework with the EU Directive 2010/13 / EU on audio-visual media services<sup>41</sup>. Nevertheless, after the European Parliament and the Council in 2018 adopted EU Directive 2018/1808 amending the 2010 Directive, Serbia has not harmonised the provisions of the Law on Electronic Media or any other relevant legal framework with these amendments.

## **Institutional framework – Regulatory Authority of Electronic Media**

The REM is defined as an independent and autonomous regulatory institution with the status of a legal entity, which performs public authority in performing its activities and which is functionally and financially independent from state bodies and organisations, media service providers and operators.

The REM's income consists of funds generated from the fee paid by the media service provider for the right to provide media service. The financing of the REM is done in accordance with the financial plan adopted by the Council for each year. Financial plan is subject to the approval of the National Assembly.

The bodies of the REM are the Council and the President of the Council. All issues within the scope of work of the regulator are decided by the Council, while the President of the Council is in charge of representing the REM, managing the work of the Council, signing Council decisions and taking care of their implementation, being responsible for the business and legality of the regulator's work, and performing other tasks determined by law.

The Council has nine members who are elected among eminent experts in areas that are important for performing tasks within the competence of the REM (media experts, economists, lawyers, telecommunications engineers, etc.). A member of the Council cannot be a person who performs a function in a political party, but membership in a political party is not incompatible with membership in the Council.

The members of the Council are elected by the National Assembly, after a public competition, from a list of candidates proposed by authorised nominators. Two candidates are proposed by the competent committee of the National Assembly and one candidate each by the competent committee of the Assembly of the Autonomous Province of Vojvodina; universities accredited in Serbia; electronic media publishers and journalists' associations; associations of film, stage and drama artists and associations of composers; associations whose goals are the realisation of freedom of expression and the protection of children; national councils of national minorities; churches and religious communities. The Law specifies the conditions for acquiring the status of proposer, as well as the manner of determining joint candidates.

A member of the Council is elected if the majority of the total number of MPs voted for their election. The term of office of a member of the Council is five years and may be re-elected no more than once. A function of a member of the Council may be terminated only for the reason and in the procedure envisaged by the Law on Electronic Media.

Experts agree that the Regulatory Authority of Electronic Media is not an autonomous body, particularly due to the fact that the REM Council members are appointed by the Serbian Parliament.

<sup>40</sup> Law on Electronic Media, Article 1

<sup>41</sup> Law on Electronic media, <https://link.crta.rs/v>

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*“The law is clear in that sense, so the problem is not with the law. It gives the possibility to journalists’ organisations, and artists, and religious communities, it gives everyone the option to recommend candidates, that’s not the issue. **The issue is that the parliamentary majority decides on those recommendations.** When we say that the REM is an independent regulatory body detached from external influences we have to keep in mind that the REM is accountable to the Assembly. There is a contradiction there, that **the members of the REM Council are chosen by the Assembly, and that is political...** Only the naïve can believe it’s not.”*

*“If you control the Parliament, and you do, there’s no way you don’t control the REM as well. Not even a change of personnel in REM, i.e. in the key, decision-making body in REM, wouldn’t change much because the control mechanism of the parliament would come into play and make sure that the REM continuous its work unchanged.”*

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Another expert pointed out that even the process of proposing the Council members is subject to manipulation:

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*“I would have to refresh my memory, but if I remember my research correctly I think that the NUNS left that whole procedure of appointing a member of the RRA, now the REM. **GONGOs were a thing even then, and they were allegedly representing certain... maybe the media community or whatever, but instead they pushed their own candidates.** One of them was Mitrović with his Media Association, or whatever it was called. So a body was made that was controlled. And then that body gave away national frequency under the influence of that control, and situation couldn’t be changed till the renewal of those frequencies, and then you could’ve done whatever you wanted to because the media were thankful.”*

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Thus, regardless of the changes and improvement in the REM’s internal organisation and structure, the political establishment will have a final say in the decision-making, which concerns the allocation of the national frequency, media licencing, as well as the sanctioning of those who do not adhere to the prescribed media standards.

### **Professional service of the REM**

Professional service is in charge of the performance of professional and administrative tasks. The rights and duties of employees in the professional service of the REM are regulated by the regulations governing the rights and obligations of civil servants.

Even though the interviewed experts have agreed in their general assessment that this regulatory body does not adhere to the procedures, they do not share the same opinion in terms of the actors most responsible for the REM’s unprofessional conduct. More specifically, the two interviewed legal experts look at this problem from different angles. The main point of their disagreement is the interpretation of the competencies of the two services of the Agency – the Council and the Professional Service. On the one hand, one legal expert has suggested that all the final decision-making power is invested in the REM Council. Furthermore, he has emphasised that the members of the Council are often people whose credentials do not render them suitable for such a position. A similar viewpoint has been suggested by another media expert who has noticed that the REM Council has always been under political influence. The same applies to its decisions and recommendations.

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*“As for the REM, **on paper that’s all well organised and good.** I need to split it in two parts: people in Professional Services Department and those that are members of the Council. There is a huge difference because the people in Professional Services Department do their job, however they do not make final decisions. Final decisions are made by people who have no credibility and that shouldn’t occupy the places they occupy, and that’s the difference. On the other hand, **there isn’t adequate control,** like it’s not technically there, and as a result you have someone who does whatever they want, **openly taking sides of certain media.** (...) When a complaint is filed with REM, when it’s something the viewers, citizens, media associations noticed, and that’s violating the law on electronic media in the sense of rights of minors protection, media pluralism and other things, and you see that the REM monitors those things ex officio, records but doesn’t react, and on the other hand doesn’t react on complaints by citizens, de facto there isn’t a processing momentum, no solving the issues, and it’s clear the REM is taking sides of Pink, Happy, whoever.”*

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On the other hand, the member of the REM Council itself has pointed out that REM’s Professional service is the one “pulling the strings”, while the Council is just “the tip of the iceberg”. More specifically, she has noted that the work of the

Professional Service has never been brought into question by the Council since this service is “protected” from the day it has been founded. In addition, she has explained, this service is constantly shirking its responsibilities by not making any recommendations with the media analysis submitted to the Council.

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*“The Professional Services Department is a protected species in the eyes of most of the members of the REM, it’s something reverently respected and never questioned... Even if you changed all the members of the Council, that mammoth would still be an issue, the Professional Services Department has been there forever and that’s simply how it works. When you look a bit beyond the service and see who’s there, it’s astonishing. The least of all problems is the Council, I understand everything, I don’t condone but I understand. My grievance lies mostly with the Professional Services Department. They are the tip of the iceberg, and the PSD operates in the background. (...) It’s a narrative made by the PSD “That’s it, they fulfilled the conditions” – done. **No comprehensive legal reasoning, only one that can be adjusted as needed.** How do I describe it – not once but during every single one of those regular sessions when we meet there is a million arguments for making serious decisions, but when the vote comes, of course only one member presents the arguments, the others keep quiet, and that’s it. (...) What’s the point – the point is that the PSD does that and presents it, and okay, those are the facts, but when you take a closer look you see that **the PSD cleverly avoids the next level, they never submit drafts of decisions or recommend anything, they just present the facts and the analysis and that’s it.** That is a huge problem. I posed questions regarding that – what now? What have we established from this? **The answer I got is that the PSD has nothing to do with it, the Professional Service Department just presents the facts and it’s on the Council to interpret that and do with it whatever it wants.** No word on the decisions i.e. concrete sanctions that would follow when somebody violates the law for years at a time. On numerous occasions, I asked for an exact answer on whether the Council can do something about it, and the answer was – no. However, **the law stipulates a sanction and literally obligates the REM to react to this sort of situation.** (...) Our obligation is to persevere, to point fingers, shout, do what’s needed to shed light on that problem. **How do they violate the law? They do it all the time, even for me it’s getting boring to invoke the law. I mean, how many legal professionals are in the REM Council? Except me, two more. Three legal professionals out of nine members, right, currently there’s eight of us. And other hand you have the Professional Services Department that is called the Professional Services Department. They know well to what extent they’re violating the law.”***

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### The scope of the work of the REM

The Law on Electronic Media provides an exhaustive list of the REM’s competencies, and the most important among them, as well as the previous performance of the REM in their implementation, will be presented below.

- a. Proposing strategy for the development of audio-visual media services in Serbia

The Law on Electronic Media gives less powers to the regulator in the area of adopting this strategy compared to those that the regulator had under the previous Law on Broadcasting. Namely, in the previous legislative framework, the regulator was in charge of adopting this strategy with the consent of the government. In accordance with the current Law on Electronic Media, the REM prepares a proposal of strategy and forwards it to the Government for adoption.

The Law stipulates that the Strategy, depending on technical possibilities, market analysis and needs of the population, especially regulates the type of media content, also taking into account other criteria set out in announced public tender.

The Law stipulates that the validity period of the strategy is seven years, but does not define deadlines for the adoption of the strategy. **In 2015, the REM drafted a strategy for the development of radio and audio-visual media services, conducted a public debate on this document and submitted it to the Government for adoption. Still, the strategy has not been adopted to date.**

- b. Adoption of the Statute and other general acts of the REM

The Council adopts the Statute, the Rules of Procedure of the Council and other general acts of the REM. The National Assembly gives its consent to the Statute of the REM. The REM still uses the statute of the former the RRA, because **the National Assembly has not yet approved the new statute, which the REM adopted in October 2014.** Since it was adopted in accordance with the former Law on Broadcasting, the Statute is not harmonised with the provisions of the Law on Electronic Media.

c. Adoption of rules, instructions and recommendations

In order to implement the Law on Electronic Media more efficiently, the REM issues rulebooks, instructions and recommendations.

The Rulebook elaborates certain provisions of the law in more detail. Instruction regulates in more detail the manner in which the REM applies the provisions of the law or other regulations related to media obligations regarding the content of the programme. Recommendation, which does not bind media service providers, is issued by the REM in case of uneven permitted practice of media in applying law provisions to their programme content.

The Rulebook and instructions are published in the “Official Gazette of the Republic of Serbia”, and the recommendation is published on the Regulator’s website. In the process of preparation of a bylaw directly related to media service providers, the REM conducts a public hearing procedure.

d. Issuing broadcasting licenses

The Law stipulates that media service (audio-visual-TV, radio and on demand) is provided:

- on the basis of the license;
- on the basis of approval;
- without previously obtained approval or permission.

Without prior approval or permission, media services could be provided only by public broadcasters, by the media that provide their services exclusively via the Internet (which are obliged to apply for registration in the Register of Media Services maintained by the REM) and by the media that rebroadcast the programme in the Republic Serbia, in accordance with the provisions of the European Convention on Transfrontier Television.

The license is an authorisation to provide a media service via an electronic communications network, and is issued following a previously conducted public competition for digital or analogue terrestrial broadcasting or on the basis of a request (for all other types of media service distribution).

For terrestrial analogue broadcasting, the REM issues licenses for national, regional and local coverage. The permit is issued for a period of eight years and can be extended. When it comes to the number of licenses for broadcasting with national coverage, the council of the former RRA (now REM) determined back in 2005 that there can be a maximum of five commercial TV broadcasters in analogue broadcasting in Serbia.<sup>42</sup> The first licenses were granted in 2006 to TV Pink, jointly to TV Košava and TV Happy, FoX television, B92 and TV Avala.<sup>43</sup> TV Avala’s license was revoked in 2009, while the other four televisions (i.e. their legal successors) still have licenses for broadcasting with a national frequency<sup>44</sup>. The license that was vacated when TV Avala’s license was revoked was never granted to another television. From 2013 to 2019, REM announced a competition for the allocation of frequencies four times. Still, the decision was not to grant a license to any of the participants in the competition.

Experts paid special attention to the issue of allocation of the national frequency. After TV Avala lost the national frequency in 2012, the REM has not handed a national television frequency to any media. The reasons behind such a decision have not been elaborated, but the informants suggest that they are yet again political.

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*“It’s obvious that **the puppet master that holds all the political strings won’t let one more spot be assigned in any way.** I assume that that’s Nova S or someone that could be a candidate, but N1 for example is an informative media and chances are slim it could get that spot, but **I definitely do believe that’s it all about politics and control of the media.**”*

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Another controversial decision of the REM is related to the issuance of broadcasting licenses to companies owned by Telekom Srbija. The Law on Electronic Media explicitly forbids licensing of a company, institution or other legal entity whose assets are wholly or partly in public ownership, i.e. which are founded by the Republic of Serbia, Autonomous Province or a local self-government unit. Telekom Srbija is a company in which 58% of shares belong to the state and which owns two companies that were issued broadcasting licenses by the REM. Most recently, Telekom-owned Adria News Channels gained the license for broadcasting Euronews. This issue will be further discussed in chapter VII.

e. Control on the operation of media service providers and imposition of measures

Likewise, the experts have indicated that commercial TV stations with national coverage (especially TV Pink and TV

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<sup>42</sup> Regulatory Authority for Electronic Media, “Strategija razvoja radiodifuzije u Republici Srbiji do 2013. godine” (“Broadcasting Development Strategy in the Republic of Serbia until 2013”) <https://link.crta.rs/x>.

<sup>43</sup> Regulatory Authority for Electronic Media, Odluka o izdavanju dozvola za emitovanje radio i televizijskog programa (Decision on issuing licenses for broadcasting of radio and television programs), <https://link.crta.rs/y>.

<sup>44</sup> In 2009, TV FOX changed its name to TV Prva; TV Košava bought TV Happy in 2010 and continued to exist under the name TV Happy, after which it uses the frequency independently.



Happy) generally do not meet the requirements. This concerns in the first place the content of the programme scheme. For instance, one of the legal experts engaged at the REM has pointed out that the REM's analysis of the annual report has shown that about 70% of the programme content of the most influential TV stations, TV Pink and TV Happy is disputable as it does not meet the standards otherwise prescribed by law. Furthermore, despite the violation of the media standards, none of these media outlets have been adequately sanctioned by the authorities, i.e. by the REM itself.

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*“In the REM there's currently an analysis of the annual report on programme content, and do the providers of media services abide by, first and foremost, their own study which they applied with for a national frequency, and secondly, the law. And we came by this incredible datum, referring to commercial TV channels, TV Prva, B92, Pink and Happy – when speaking about commercial TV I will focus on the two last ones because they have the biggest influence and are obviously political favourites. When you take a look at that programme content it's easy to see that there isn't anything scientific, educational, artistic, cultural there, there isn't any programme suitable for children, and all of this are very important segments according to the law – so they are obligated by law, those are some minimal standards that have to be fulfilled in their programme content, and they're not. The programme content of both Happy and Pink consists from around 40% (38,80% exactly) of reality shows and 30% informative programme. When you take a look at that informative programme, it's clear that's also a reality show. There is around 70% of highly questionable content in one annual report of these TV channels that have great influence since they air nation-wide and all of that reaches every single citizen of Serbia, a there isn't any balance made by a public media service like RTS or RTV. These commercial TVs are obviously under great political pressure which you can see in their informative programme, and reality shows clearly serve something illegal because article 47 paragraph 3 of the Law on the Electronic Media, I think, says that media service providers are obligated to contribute to cultural and educational development of citizens that are consumers of said services. (...) In a year, Pink was only sanctioned once and it was only a warning. Happy four times, and you know what kind of programmes they aired. How many times were both of them subject to questioning? Very few, because in that case there is a chance they get a fine – simply not true! So, they will never get a fine, but it's a way of keeping them on a short leash.”*

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## **Experts assessment of the legal framework**

The legal framework is generally estimated as satisfactory. As the interviewed experts have highlighted, the problem arises due to the fact that the existing media laws are not enforced, as well as that the violations of these laws altogether lack any sanctioning by the authorities. The interlocutors have referred to the absence of an adequate response by the prosecution and the police. Yet, the expert assessment also reveals that there is always room for the improvement of the media law. This, in the first place, applies to the procedures regarding the competitive co-financing system, as well as to the legal framework that regulates advertising in media outlets (e.g. the issue of the lack of transparency of Media coverage contracts). Likewise, certain definitions are too broad in scope and, thus, need to be formulated differently. This is the case with the definition of public interest, as explained in the fifth chapter.

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*“I think that **present legal framework is not that bad**. There is a lot of room for improvement, and provisions are not that bad; the problem is non-implementation. For example, the prosecution has the right to ban the distribution of content containing elements of hate speech, national and ethical hatred, threats, and others. So there are clear legal definitions, but this has never happened, we know that.”*  
*“As far as media regulations, in general, are concerned and the regulations governing the actions of the Regulatory Authority of Electronic Media, **those regulations as such are not that bad**. A large part of European directives and European rules have been included, however, **the problem lies in the selective application and the fact that specific parts of regulations are applied**. (...)...Just imagine that we have a prosecutor who would take up and prosecute all of the people who are not doing their job to prove that in such a way they are abusing their position to adopt decisions which are beneficial for third persons, thus causing huge damage to the Republic of Serbia – this would create a major change.”*

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# V PUBLIC SERVICE BROADCASTERS

## Key chapter insights

- Public service broadcasters are the main source of information for the majority of citizens.
- The public service media are not independent.
- **Negative assessment** of the work of the public service broadcasters prevails among experts.
- **Always in the service of the ruling party**; participate in the creation of the voting machinery and the promotion of political officials.
- **Pluralism of opinion is not sufficiently represented.**
- **Censorship and self-censorship** of editors-in-chief.
- **“A place for domiciliation of political comrades”**; too many employees.
- The combined funding model is not implemented in the spirit of the law.
- The crisis in 2020 has shown the **public service media absolute dependence on state aid.**

In Serbia, there are two public service broadcasters (PSBs): Radio-Television of Serbia (with nation-wide coverage) and Radio-Television of Vojvodina (with regional coverage). The scope for public service broadcasting is determined by the Law on Public Service Broadcasters (2014), which defines a public media service as an *independent and autonomous legal entity that, by performing its main activity, enables the realisation of public interest in the field of public information*. The law provides a sufficient basis for the independence of public broadcasters, and sets out the principles governing their activities (independence of editorial policy; independence from funding sources; prohibition of any kind of censorship and illegal influence on the work of public service broadcasters, editors and reporters). *Stable financing, which satisfies the needs of the public service*, stands out as an important precondition for editorial independence and institutional autonomy of media services.

## Funding of public service broadcasters

As the primary way of financing the main activity of public media services, the Law provided for the collection of fees<sup>45</sup>. Temporary financing from the budget was envisaged for financing in 2015 as a transitional solution, until the establishment of the fee collection system. However, the temporary character of this measure turned out to be a permanent solution: the amendments to the Law first enabled budget financing until the end of 2016, and later amendments to the budget extended financing of the main activity of PSBs until the end of 2021. The funds that will be allocated to the PSBs each year are determined every December by the Budget Law, but the criteria on the basis of which their amount is determined is not predefined in advance.

The Law stipulates that the decision on the amount of the fee is to be made by the both RTS and the RTV management boards at a joint session, but that the fee cannot exceed 500 Serbian dinars (RSD) or 4 euros. In June 2015, the two management boards made a decision that starting from 2016, a fee will be charged in the amount of 500 RSD. This decision was never implemented, due to the adoption of the Law on Temporary Regulation of the Manner of Collecting the Tax for PSB at the end of 2015. Through this Law, the state deprived the management boards of one of their key competencies and created a model which enables collection of payment through households' electricity bills. Thus, starting from 2016, PSBs have regular tax revenues. At the time when the Law was adopted, the fee amounted to 150 RSD, and ever since it was gradually increased. At the end of 2020, the Law was amended again, determining the fee in the amount of 299 RSD. The distribution of income between RTS and RTV is done in such a way that the entire income outside the territory of Vojvodina belongs to RTS, while the income from taxpayers on the territory of Vojvodina is divided so that 30% belongs to RTS and 70% to RTV. PSBs are obliged to pay the electricity distributor 3% of the amount of monthly collected fee revenues for the billing service.

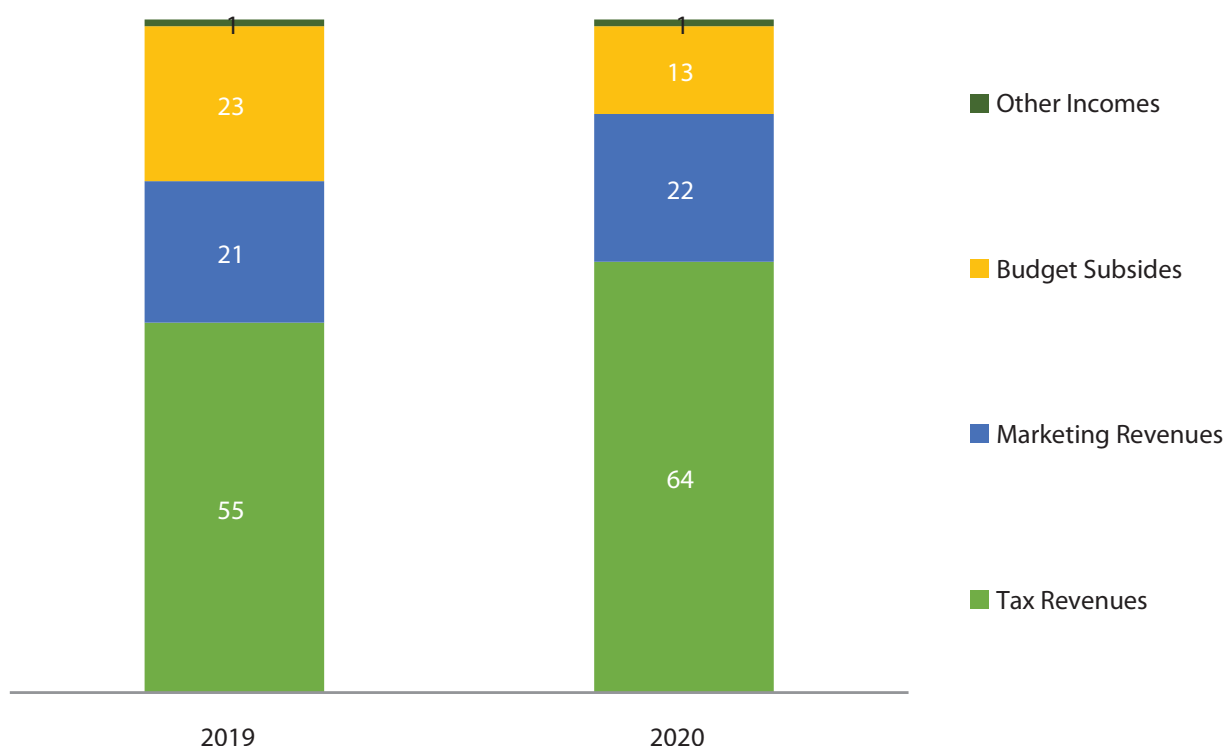
Prior to the introduction of tax collection through electricity bills, the subscription billing rate was low. In the period 2003-2014 the debt of citizens in the name of unpaid subscription to RTS reached 500 million euros. These receivables

<sup>45</sup> The taxpayer is any natural and legal person who is the user of electricity metering per residential unit, i.e. business premises. Taxpayers can be exempted from paying the tax, and RTS exempted 80,699 citizens from the obligation to pay the tax for public media.

are still practically uncollectible. RTS states that court proceedings in this matter would be useless, as their cost would be much higher than potentially collected receivables.<sup>46</sup>

The total revenues of RTS in 2020 amounted to 13.5 billion RSD (around 114.4 million euros), which is 100 million RSD less than in 2019. It is noticeable that the structure of RTS revenues in 2020 has changed significantly compared to previous years. The Law on Budget for 2020 subsidised RTS with 2.1 billion RSD (around 17.8 million euros). Due to the COVID-19 pandemic, the subsidy was reduced and 1.7 billion RSD (around 14.4 million euros) were paid to RTS, which is 13% of RTS revenue in that year. Tax revenues amounted to 8.6 billion RSD (72.9 million euros) or 64% and marketing revenues to 2.9 billion RSD (24.6 million euros) or 22%, while the remaining revenues represented 1% of revenues in 2020. In comparison, in 2019, budget subsidies amounted to 3.1 billion RSD and covered 23% of total revenues, while tax revenues were 7.4 billion dinars or 55% of total revenues (Chart 6).

Chart 6: RTS Income Structure in 2019 and 2020



It is important to note that RTS is a large debtor of the state: at the end of 2019, the debt amounted to about 4.3 billion RSD (36.4 million euros). The Debt Payment Agreement concluded with the Government of Serbia determined in December 2019 to pay off one billion RSD, while in the next nine years, every year part of the debt will be paid in an amount of 366 million RSD.<sup>47</sup>

The experts interviewed for the purpose of this report estimate that public service broadcasters' financial dependence is the reason for their benevolent attitude towards the ruling party. Furthermore, it has been suggested that RTS has always been in the service of the government and that this is something that has never changed, regardless of the regime in power. Therefore, it can be deduced that RTS's "autopilot" is set to the "always pro-regime" mode. However, their assessment implies that RTS would not survive under the current conditions of the media market without the state aid, just as is the case with many other commercial media.

<sup>46</sup> RTS, "Odgovor redakciji "Objektiva": RTS je predlagao otpis duga, zakon to ne dopušta" ("Answer to the editorial board of "Objektiv": RTS proposed writing off the debt, the law does not allow it"), February 16<sup>th</sup>, 2021, <https://link.crt.rs/z>.

<sup>47</sup> RTS, Izveštaj o poslovanju RTS-a za 2020. godinu (RTS 2020 business report), May/June 2021, p. 110, <https://link.crt.rs/11>.

## Organisation and governance

As a guarantee for the institutional independence of public broadcasters, the Law defines the procedures for the selection of governing bodies – the Management Board and the Director General. The Public Service Management Board is the main governing body that has a very important supervisory role, and has 9 members. The members of the Management Board are appointed and dismissed by the Council of the Regulatory Authority of Electronic Media (REM), in a procedure requiring a two-third majority vote. The mandate of the Management Board members lasts 5 years and the same person can perform the function of a member for a maximum of two consecutive terms. Laws from 2014 expanded the competencies and responsibilities of the Board, and now this body as part of its competencies can adopt strategies for the development of public broadcasters, the concept of programme content, business plans, control financial operations, monitor the transparency of decision-making and overall business. While performing its competences, the Management Board can now more strictly control the work of the Director General and others who perform management functions within the public media. Such legal solutions should have increased the responsibility of the Board. The responsibilities of the Director General are operational in nature. According to the Law, the Director is elected by the Management Board, by a two-thirds majority vote, for a five-year term from among the candidates who have fulfilled all the formal requirements for this position.

Also, the Management Board is a body that elects the members of the Programme Council on the proposal of the competent board of the National Assembly or the Assembly of AP Vojvodina. The Programme Council is an advisory body whose competence is to take care of the interests of listeners and viewers in terms of programme content and it is envisaged that it organises at least once a year a public debate on the quality of programme content, which should result in the adoption of recommendations to the Director General and the Management board. Although the legislator's intention is clear in this way to enable the participation of citizens in the creation of programme content of public media services, public hearings are not held regularly nor is there any real impact on the design of programmes of public media services.

However, despite the fact that the Law empowered the Management Board, it remained largely marginalised. The last, very vivid example of the marginalisation of the Management Board dates from the first half of 2021, when, due to the delay of REM to appoint members, the work of PSBs' boards was completely interrupted for more than three months.

Another problem related to the Management Board is its structure. The legal provision that prescribes that “members of the Management Board are appointed from among eminent experts in the field of importance for performing the work of public media service institutions” in the field of media, culture, management, law and finance”, is rather superficial. Practice shows the tendency of the REM Council to elect for its members mainly experts in social and humanities education, rather than those with the expertise in the field of management, finance, and law.

Allegations of political interference in the election of members of the Management Board can often be heard in public.<sup>48</sup> It intensified especially when at the beginning of 2016, as an outcome of the process of electing members of the RTS Management Board, as many as six of the then eight members of REM Council appointed the same 9 names. Insufficiently transparent election process was repeated in September 2017, when the remaining two members of the RTS Management Board were elected, and then again in 2021 when, after several months of delay, 6 new members of the RTS Management Board and 5 members of the RTV Management Board were elected.

The Media Strategy for the period 2020-2015 clearly states that “*In the system of electing members of the Management Boards, which is appointed and dismissed by the REM Council, the key to the organisational independence of public media services is the independence of REM. If REM is not independent enough, neither the management boards nor the director general or the programme council, will be independent*”

At the end of 2020, RTS employed 2619 employees and about 300 more on a contract basis. The number of employees has been reduced by almost a quarter since 2014. Nevertheless, interviewed experts note that the number of employees in PBS still exceeds rational needs. This is also seen as a direct result of political influence. The interviewed legal expert commented that the public service broadcasters have transformed into “a place for domiciliation of political comrades”:

*“They have a huge number of employees that don't do anything, nobody knows what exactly their job is, what their workload is and how useful they really are. And that's that possibility of permanent employment, you can't just get rid of a certain amount of employees, because if you make someone redundant you have to think of a whole other position in order to employ someone new, and on the other hand, like any other public service, public institution, public company, it's absolutely a place for the political comrades to land a cushy job, receiving a salary for pretty much nothing.”*

<sup>48</sup> Istinomer, “Posle godinu dana REM dostavio listiće sa glasanja za članove UO RTS” (“After a year, the REM submitted ballot papers for members of the RTS Management Board”), January 20<sup>th</sup>, 2017, <https://link.crta.rs/12>

## Public interest in public broadcasting – key insight of interviewed experts

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Specific indicator of the poor state of the media is also the presence of the predominantly negative attitudes and opinions of the experts concerning the work of the public service broadcasters. The experts point out that both the citizens and the professional media public expect high standards of RTS and RTV in terms of the quality of the programme content, as well as the way business activities are conducted<sup>49</sup>. However, as the informants suggest, the public service media are, unfortunately, not immune to political pressures. This is manifested in and by their editorial policy by far the most. RTS is characterised by the highest viewership and, thus, with the greatest potential to influence the formation of public opinion. However, it does not provide political plurality within its content and programme schemes. As the experts also emphasise, this is likewise not representative of the public interest at large.

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*“The public media service is **an embarrassment to this country**, and that’s as clear as day. **Public interest has completely left that place**, and the public media service is someone that is supposed to raise the standards and be an example for all the other commercial media because it’s not supposed to be overwhelmed with revenue issues. **Some research showed that the stronger the public media service is, the stronger the democratic system in a country is...**”*

*“I feel terribly sorry for the public media service and the people who work there. It’s neither here nor there. (...) In the 21<sup>st</sup> century we still have daily news revolving about what the president did today. It used to be what the president or the Prime minister did, this minister, that minister, and now it’s only the president, what he did, what he said, where he went, whom he met, then maybe something about some minister, and that’s it, end of programme. (...) And the fact that they try not to comment, not to show only the opinions of institutions, that’s also a great responsibility. What if you didn’t have institutions at all, what [would happen] then? They feign objectivity which is actually extremely damaging because it’s their responsibility to create public opinion, and what they do is create **a voting machinery for ruling parties** and that is really scary. Instead of doing their jobs and push the citizens to think, evaluate by giving them real information, they just keep doing what they’ve always done – create **a voting machinery for the ruling party whichever that party is at the moment**. RTS never moved an inch away from that MO.”*

*“The public media service is **impersonal and always in the background**, it abides by the law bureaucratically so you can’t really pin point what is wrong with the programme content, by you can simply feel that there is something deeply wrong with it.”*

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The absence of a pluralistic way of thinking and of different political views, on the one hand, but also the existence of political favouritism, on the other hand, which includes self-censorship and censorship, are some of the main objections of the interviewed experts concerning the public service media.

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*“The public media services, foremost RTS, but also RTV in Vojvodina, do not fulfil their purpose, and that’s serving those who pay them, citizens themselves. (...) ... They **create publicity for the government and the ruling parties, especially for the public officials**. We saw that on that notorious occasion when one of the editors of RTS appeared in *Insajder Debate* alongside Sloba Georgiev, and I believe, Vlada Radomirović, where he stated – and I’m paraphrasing here – that they’re not reporting on Krušik etc. because they are waiting for a confirmation from the institutions. Meaning that they can report on something only when they get an official confirmation, which is of course absurd. (...) They **find excuses for themselves, distance themselves from the subjects they do not want to report on**. For Krušik and similar subjects it makes more sense that they’re breaking news on RTS than on any commercial TV that can have news, but the focus can be for example the music programme. (...) We had **protests right in front of their building, when they aired the daily news like nothing was happening**. Those are some of the absurd situations that auto-censorship leads to, and when you have this apprehension whether you’re allowed to do something or not, you just end up doing something stupid.”*

*“Ten years ago I thought it **unthinkable that an editor allows that a press conference of a president or a Prime minister is aired without editorial intervention**. I lived to see it at the public media service, I watched on the public media service of the autonomous province a **presidential address without editorial intervention – you can’t see that anywhere else! That’s below any standard!** Not even in the USA where the president addresses citizens through press conferences very often.”*

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49 Danas, “Istraživanje Demostata: Čak 39 odsto građana ne veruje RTS-u”, (“Demostat survey: As many as 39 percent of citizens do not trust RTS”), September 6<sup>th</sup>, 2021, <https://link.crta.rs/13>, (accessed October 8<sup>th</sup>, 2021).

# VI MEDIA FINANCING

## Key chapter insights

- The **lack of transparency** on financing systems is one of the main characteristics and challenges of Serbian media.
- The Serbian market is underdeveloped and economically weak. Most of the media market is dependent on state co-financing projects. Consequently, the **financing systems** are the **main method for media control in Serbia**.
- **Co-financing projects in the public information sector in order to realise public interest – the system of competitive co-financing:** the dependence of the media outlets on state aid transforms the media market into a manoeuvring space for those holding political and economic power; funds are allocated only to those media that have been previously identified as “politically eligible”; abuse of the definition of public interest; the decision concerning who can be a commission member is arbitrary; GONGOs (government-organised non-governmental organisations) participate directly in grant decisions; the greater portion of the funds that are acquired at state competitions ends up directly in the pockets of the political parties.
- **Advertising and financing other media services:** media sustainability is not possible just from advertising; this financing method is more characteristic of the media outlets known to be closer to political authorities; advertising as a method for the control of media; non-transparency of the Media coverage contracts between the local media and public companies; advertising abuse in the case of state agencies and institutions; the political establishment exercises pressure on both the entrepreneurs and the media; political party’s attempt to lease the entire advertising space.
- The case of the **debt write-off** as well as of the **loan prolongation** in the case of certain media outlets known to be close to the ruling party.
- Government agencies fund the “politically-suitable” media outlets.
- **Television holds the largest share of the advertising market** for years, while print is in the greatest danger, losing its share to the internet.
- **Print media depends** on advertising investment coming **from public companies**. More specifically, public operator **Telekom Srbija** is **the main source** of advertising investment in printed dailies.
- The most significant share of **political advertising** was recorded on **TV Pink** on television and **Kurir** in printed dailies during the election campaign. However, **political parties did not promote themselves in political weeklies**, which should be the relevant media outlet for political promotion.

The analysis of the collected data suggests that the financing systems should be considered as the main method for political control over media in Serbia. Accordingly, the paradigms and the mechanisms employed for funding-based media control will be the focal point of this chapter. Due to their direct significance, certain issues related to media ownership and media concentration as well as to legislative procedures and the issue of media sustainability shall be considered as well.

## Main methods of financing the media from public sources

Main methods of direct and indirect financing from public sources of those media whose founder is not the state<sup>50</sup> can be classified into several categories<sup>51</sup>:

1. Co-financing projects in the public information sector in order to realise public interest on the basis of the rules on state aid – through public competitions and by way of allowances in accordance with the Law on Public Information and Media;
2. Financing media services and advertising of public authorities either in the public procurement procedure or circumventing the rules on public procurement
3. Granting tax exemptions as a form of financing.

<sup>50</sup> As it has been elaborated in relevant chapters, public broadcasters are funded directly from a state budget; Radio-Television Kragujevac has been receiving subsidies from the budget of the City of Kragujevac.

<sup>51</sup> The list contains key methods of allocating funds. However, it does not exhaust all means of financial support the media earns from public entities.

## 1. Co-financing projects in the public information sector in order to realise public interest

For fulfilling public interest in the public information sector, the Republic of Serbia, Autonomous Province and local self-government unit shall provide from their budgets part of the funding, in accordance with the principles of non-discrimination and the rules for state aid allocation and protection of competition, and shall allocate the funds either on the basis of public competitions (competitive co-financing) or by way of allowances.

As already mentioned in Chapter IV, public competitions for co-financing projects in the field of public information for the purpose of achieving public interest, the body in charge of public information affairs of the Republic of Serbia, autonomous province and local self-government unit annually announces tenders for co-financing projects for media content production, as well as projects of organising and participating in professional, scientific and appropriate gatherings as well as improving professional and ethical standards in the field of public information.

### **The definition of the public interest**

The Law on Public Information and Media defines the public interest in public information, exhaustively listing in Article 15 what is considered public interest (see chapter IV). Nonetheless, there is no consensus that the Law has adequately defined the notion of public interest. For instance, the interviewed legal expert has underscored the **continued abuse of the definition of public interest**. He estimates that the definition is too broad and, as such, leaves too much room for different interpretations. That enables the media outlets that do not meet the official application criteria to still be the recipients of the state aid.

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*“...I think that **the definition of public interest is no good and it’s abused**... I think it’s too broad so that, for example, according to you, public interest can be a completely irrelevant information that in fact doesn’t have anything do to with public interest. So citizens’ interest from a specific local self-government, airing a session of its assembly does not mean that you really fulfilled public interest because you are not dealing with the subjects that are crucial for a life in a small place. So I really do believe that it’s set too broad and that is heavily abused. Then we have public competition co-financing where Informer, Alo, and other media in service exclusively of the government and the ruling party, profit greatly. That’s one of the ways they pull the money out. (...) We’re definitely in a situation where you like do what’s in the public interest, but that public interest isn’t really the interest of the people in a small setting and that’s especially visible when looking at the means allocated to local self-governments. That represents some sort of influence on the media who are assigned means because **that more often than not represents the key amount of means that actually allows you to work and be less dependent on the market and the financial situation. Year 2020 showed that a lot of media, especially local ones, cannot make it without help from the state.**”*

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### **Contest participants**

A media publisher who is registered in the media register has the right to participate in the public competition, as well as a legal entity or an entrepreneur engaged in the production of media content who submits proof that the co-financed media content will be realised through the media.

### **Commissions for conducting the competition**

The Law stipulates that the decision on the distribution of funds in the public competition is made by the head of the body that announced the competition, at the reasoned proposal of the expert commission. Expert commissions have 3 or 5 members and must be mostly composed of candidates nominated by journalists and media associations, who have been registered at least three years before the date of the competition. Additionally, the media experts interested in engaging as the commission members can apply independently.

The formation and the work of commissions, including the criteria for members of expert commissions that decide on the allocation of funds, has been recognised in the new Media Strategy as one of the key problems in the implementation of the competition<sup>52</sup>.

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52 Strategija razvoja sistema javnog informisanja u Republici Srbiji za period 2020–2025, Službeni glasnik RS, broj 11 od 7. februara 2020. (Strategy for the Development of the Public Information System in the Republic of Serbia for the Period 2020–2025, “Official Gazette of the RS”, number 11 dated February 7<sup>th</sup>, 2020.), <https://link.cрта.rs/14>.

Interviewed experts also point out this problem, indicating that the lack of clearly defined criteria for the so-called ‘independent media experts’ leaves room for abuse, by the political actors in particular. Thus, the experts suggest, the decision concerning who can be a commission member is arbitrary.

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*“There are no clear criteria. We talked a lot about that in the Coalition for the Freedom of the Media and we did a mini-analysis of this year’s public competition, just a quick analysis with a few examples. For forming the competition commission, it says “media experts” and that’s it. **Who those experts are is decided completely arbitrarily...** (Who decides that?) It’s decided in the ministry. You apply, I apply, and there’s no clear criteria that says “at least five years of experience there and there”, no list of points, no list of criteria that candidates have to fulfil, no disqualification criteria. (...) In two different commissions in the ministry there was suspicion of conflict of interest. Since the ministry holds 10 or 12 public competitions, it has as many commissions and of the commission where this suspicion arose the person, elected to be a member, was thrown out, I mean a decision was made that they can’t be part of it. And in the other case of the same sort, they withdrew from the vote regarding the specific project where they could have conflict of interest, but they continued to decide on other projects, you see? There simply are no clear criteria.”*

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Moreover, the experts have elaborated on, as well as illustrated in detail, the identified mechanism for media control. Since media experts can apply independently for the membership in the commission, it is often the case that the so-called GONGO organisations nominate their candidates. Due to the lack of criteria for the election of the commission members, the opportunity to participate directly in grant decisions is given to the representatives of the above mentioned GONGO organisations.

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*“Unfortunately, simultaneously with the quasi or GONGO media scene we’re creating GONGO media i.e. GONGO organisations. It means that **the state, i.e. political actors, has made the effort to create an alternate reality in Serbia, which started from creating a parallel media system where the main actors are connected with and lenient towards the governing structures. At the same time, a parallel system of NGOs was built, i.e. GONGOs and that’s what we currently have.** Many people coming from those GONGOs are running to be members of those commissions, boards, both on the republic, autonomous and the local level and they directly decide how much money each media organisation gets, and which won’t get a cent. During that decision-making there’s often politics involved i.e. they come to represent certain interests, not to decide based on quality but based on partial interests of certain groups. It means that **public money, and I repeat this year that is just about 2,58 million euros, that money goes through those GONGOs to GONGO media.** (...) The first step is to establish an organisation that essentially isn’t an NGO but an organisation that merely claims it’s an NGO, when what it actually is, is a certain political party’s satellite. That NGO exists for three years, and after the third year it earns the right to participate and recommend people for the commissions. They get elected and become members of those commissions that allocate means. That commission, after a debate if there is one, decide which project will get financial support, i.e. I, as a media close to the ruling party, will submit 3 projects or 1, it doesn’t really matter, depends how many competitions am I a part of, and I’ll ask for 3 million dinars for something. Then that GONGO that has a seat in the commission will say “A-ha, this media has to get the money. Why? Because it has to.” And then that media gets the money, the money that essentially comes directly from the budget.”*

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Furthermore, the analysis of the collected data has shown that this mechanism is more present at the provincial and the local level. The lack of an adequate monitoring system of the media competition process, as well as the more conspicuous political clientelism, and the possibility of exercising more direct political pressure, all contribute to the reduced control of state aid allocation at the local level. One of the media experts has provided an illustrative example of how the mechanism functions on the level of the Autonomous Province of Vojvodina:

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*“The autonomous province is completely out of the public eye, simply because they elect solely people from GONGOs. I’ll tell you now, NDNV, not only at the local level, but the autonomous as well, didn’t have a single representative, not a single one. I’m looking at it now, Subotica, all the local GONGOs got a spot in the commission and not only there’s no NDNV, but **there’s no UNS or NUNS**, so no relevant organisations, only those that were founded three years ago and just barely fit the form. And they’re quite active when it comes to pure form, but when it’s something of the essence they’re nowhere to be found, and it shows... They had a meeting in March, if I’m not mistaken, with the minister who said that she would do anything in her power that relevant organisations be included in all processes. So now, for ex-*



*ample, they got an invitation to take part in a work group, and we'll see the outcome, in the work group for changing the Law on Public Information and Electronic Media. I'm dying to see what that'll look like. (laugh) That's simply... **When it comes to public financing, locally, it's something uncontrollable. We try to send our representatives, but as I said, for many years we haven't had a single representative in a single municipality, in a single local commission. Let me just remind you that our organisation has been around for more than 32 years.***

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### **Decision making and the possibility of challenging the competition**

The Law stipulates that the decision on the distribution of funds is made by the head of the authority that announced the competition, based on the reasoned proposal of the commissions. The decision is final and an administrative dispute can be initiated against it. This presupposes filing a lawsuit before the Administrative Court. Administrative disputes in Serbia last on average more than two years<sup>53</sup>, thus this method cannot be accessed as adequate to efficiently protect contestants.

The legal expert has also provided a commentary where he emphasises that administrative dispute is the only legal remedy within the system of competitive co-financing. He concludes that in the case of abuse, beside the administrative dispute, there is no other legal way to nullify an irregular contest.

*“For example, **let's say, with co-financing in competitions there is just administrative dispute as a traditional legal remedy, no other level of protection, no complaints or any other form of objection which some institution could use to stop the procedure, to solve and then restart the procedure for re-application and get a new decision, the only option is the administrative dispute not even meant to delay the realisation of the competition. When something is realised, then it is over.**”*

### **Transparency of data on allocated funds**

The Law on Public Information and Media stipulates which information on financing from public sources must be entered into Media Register:

- 1) Information on the amount of funds granted to the medium as state aid;
- 2) Information on the amount of funds received from public authorities, including state authorities, the authorities of the territorial autonomy, the authorities of local self-government, organisations vested with public powers, and legal persons founded or funded, fully or mostly, by a state authority<sup>54</sup>.

As it has previously been indicated, media publishers who are registered in the media register and legal entities/entrepreneurs engaged in the production of media content can equally participate in public competitions. However, those funds that have been allocated to the media publisher are entered in the APR Media register. In order to achieve the publicity of this information, the body that allocated the funds (local self-government unit, province or the Ministry of Culture and Information) shall submit to the APR the information that it had transferred the funds to a certain media publisher. These data are only partially complete: by comparing different databases the research team concluded that not all funds awarded to media publishers were entered in the only official database (APR Media Register). An even bigger obstacle to achieving transparency is the fact that there is no legal obligation to register funds allocated to a legal entity/entrepreneur engaged in the production of media content, whose content must be realised through the media. These funds inevitably reach the media implementing the project, but are not publicly visible in the Media Register.

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<sup>53</sup> Upravni sud, Godišnji izveštaj o radu Upravnog suda po materijalima za period od 01. januara 2020. godine do 31. decembra 2020. godine (Administrative Court, Report on the work of Administrative court for 2020), 3, <https://link.crta.rs/15>.

<sup>54</sup> Law on Public Information and Media, Article 39.

## Competitive co-financing in 2020 – The research findings

Aforementioned lack of full transparency of registered data on funds allocated to the media in the system of competitive co-financing, made it impossible to conclude the total value of state funds allocated to the media in 2020. Additionally, it is even harder to recognise and map all mechanisms of misuse of the state funds in the area of financing media projects.

Still, by using three different sources of information (The Serbian Business Registers Agency<sup>55</sup> the Journalists' Association of Serbia (UNS)<sup>56</sup>, Centre for Sustainable Communities<sup>57</sup>) and having in-depth interviews, the primary grant users and mechanism for grant allocations are identified. The presented data in the following table refers, where possible, to the individual media or to media publishers or owners (Table 1).

Table 1: Value of state co-financing projects allocated to the media in 2020

| Owner  | Granted Media   | Total in RSD | Total in Euro |
|--|---|--------------|---------------|
| Radoica Milosavljević                        | TV Pirot, RTV Brus, TV Požega, RTV Pančevo, RTV Kruševac, RTV Caribrod, TV Leskovac, SOA kanal plus, RTV Bačka Palanka                                | 78,914,056   | 671,253       |
| RTV Novi Pazar doo                           | Radio Novi Pazar, Televizija novi Pazar   | 52,560,000   | 447,082       |
| Aleksandra Martinović                        | Novosadska TV, VTV television   | 47,089,200   | 400,546       |
| Zvezdan Milovanović                          | K:CN Raška, TV K::CN1, K:CN Jug, K:CN Istok, TV K:CN Zapad, Radio Sezam 91,3, TV Sezam, Radio Šid 104,6, KCN TV Jagodina, Radio Jagodina, K: CN Sever | 35,280,000   | 300,096       |
| Saša Blagojević                              | Alo, Radio Studio B, TV Sudio B   | 27,680,000   | 235,449       |
| Aleksandar Vinčić                            | Sremska TV and Delta TV   | 26,500,000   | 225,412       |
| Vidosav Radomirović                          | TV Belle Amie and Radio Belle Amie  | 23,900,000   | 203,296       |
| Nikola Gašić                                 | Zona plus d.o.o. Niš  | 19,900,000   | 169,272       |
| 50% Vidosav Radomirović, 50% Slađana Ostojić | Niška televizija d.o.o.   | 16,450,000   | 139,926       |
| Igor Žeželj                                  | Kurir, Espresso, Elle, National Geographic  | 13,299,620   | 113,128       |
| Dragan Vučićević                             | Informer  | 6,800,000    | 57,842        |
| Boban Rajić                                  | Večernje novosti, Radio Novosti   | 6,580,000    | 55,970        |
| Dan graf doo                                 | Danas   | 6,400,000    | 54,439        |
| Vladana Čitović                              | Televizija Happy  | 3,287,000    | 27,960        |
| Novinsko preduzeće Vreme doo                 | Vreme   | 1,400,000    | 11,909        |
| Ringier Axel Springer                        | Blic, NIN   | 1,400,000    | 11,909        |
| Unknown owner                                | Pečat   | 1,250,000    | 10,633        |
| Ljubomir Dabović                             | Srpski telegraf   | 1,100,000    | 9,357         |
| Nadežda Gaće                                 | Novi magazin  | 950,000      | 8,081         |

Due to the unregulated and, thus, volatile media market but also underdeveloped and unfavourable market, especially for small and economically weak local media outlets, the system of competitive project financing is often the main funding source for many media outlets. As the interviews indicate, without it they would not be able to survive on the market. Viewed in this manner, almost the entire media market in Serbia relies on state aid and depends on the state budget. Therefore, the dependence of the media outlets on state aid transforms the media market into a manoeuvring space for those holding political and economic power. Accordingly, the experts assess the entire process of the competitive co-financing to be an unfair process, where funds are allocated only to those media that have been previously identified as “politically eligible”. The most significant part of state funds was granted to local media. The available data shows that the

55 Serbian Business Register Agency, All Status Registers at One Place, <https://link.crta.rs/16>.

56 UNS, Baza finansiranja medija, (Journalists' Association of Serbia, Media financing Database), <https://link.crta.rs/17>.

57 Project co-financing of the media in Serbia, Center for Sustainable Communities, <https://link.crta.rs/18>.

largest grant receivers were owners or publishers of local media. Radoica Milosavljević<sup>58</sup>, who owns ten local TV stations, four local radio stations and 60% of recently opened cable TV Tanjug, was granted 0.7 million Euros in 2020. Publisher TV Novi Pazar received 0.5 million Euros. The owner of Novosadska TV and portal srbijadanas.com, Aleksandra Martinović, gained 0.4 million Euros. While Srđan Milovanović's<sup>59</sup> brother, Zvezdan Milovanović earned 0.3 million Euros for local TV and radio stations in southern Serbia. Sasa Blagojević, who bought "Alo!", daily tabloid, from Ringier Axel Springer Serbia, and radio and TV "Studio B" from the Krdžić family, got 0.2 million Euros from state funds. The similar amount, 0.2 million Euros, was awarded to Aleksandar Vinčić, the owner of Sremska and Delta and Vidosav Radomirović the owner of TV and radio Belle Amie. Nikola Gašić, the owner of Zona plus and a son of Bratislav Gašić<sup>60</sup>, the Director of the Security Intelligence Agency (BIA), received 0.17 million Euros (Table 1).

## 2. Financing of media services and advertising of public authorities

In this part of chapter VI, it will be indicated which forms of contracting public authorities use to allocate funds to the media. The focus of this part of the chapter is to identify the methods of contracting that authorities use to circumvent the imperative norm that prohibit public entities of financing the media. Special attention will be paid to advertising of public entities in 2020, in the separate part of this chapter, under the title Advertising.

### *Media service financing through the public procurement procedure*

Pursuant to the rules on public procurement, the authorities procure time rental services from the media for the purpose of transmitting parliamentary sessions; services for the production of promotional material for public authorities; advertising space for advertising, which is a legal obligation of the body (in cases when the authority is obliged to publish a public competition in the print media), as well as advertising space for commercial advertising of public entities and publicly owned entities.

The above-mentioned services could be considered a justified need and their procurement in a transparent procedure is not a disputable point of application of the Law on Public Procurement for the needs of procurement of services from the media.

The provision of Article 12 of the Law on Public Procurement stipulates that the law does not apply to the purchase of time for television or radio broadcasting, nor time for broadcasting programme content, from media service providers. The interpretation of the Ministry of Culture and Information states that the exceptions in which it is possible for the media to receive money through public procurement exist only in cases of broadcasting assembly sessions, printing local government bulletins and holding their internet presentations. However, in practice, in addition to these services, public authorities tend to purchase the services of media coverage of their activities or events they organise through public procurement procedure, which is particularly problematic keeping in mind that media content created in this way is broadcast within the media news programme, and that it is rarely made obvious that it indeed is a method of advertising.

One of interlocutors further elaborated that the article 12 of the Law on Public Procurement leaves plenty of room for non-transparent financing:

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*"I think that the most money spent in media in Serbia amounts to 5%, more or less, of the budget of the Republic of Serbia. If let's say the budget is 10 billion, about 500 million will be spent, which is about 5%. Out of 500 million, I am not sure, some 20% of the resources will be used transparently, for example, via public procurement. It is a huge problem, since in the Law on Public Procurement, Article 12 exempts production and broadcasting of specific TV shows from the application of the law, if those are purchased, i.e. procured by the contracting entity, the institution in the Republic of Serbia – it could be a public enterprise, local self-government, any institution designated as a contracting entity, and that is a huge problem. It is not generally a problem, I think, but you can avoid transparent financing in this way. We have many of direct contracts between local self-government and specific media, but you cannot see how they were concluded, what the basis is and what the result is exactly. (...) The second method is lowering those sums exactly beneath the thresholds, which refer to public procurement since public procurement represents the basic way to spend resources from the Republic of Serbia budget. To spend money in any other way, you have to have specific reasoning. The first thing to do is to allocate it to someone through project financing. Since this is not regulated properly, it is much easier to allocate that money to someone deliberately, will-*

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58 See Chapter Media Ownership and Concentration.

59 See Chapter Media Ownership, paragraph "The Case of Srđan Milovanović".

60 Bratislav Gašić, Istinomer, <https://link.crta.rs/19> (accessed August 20th 2021).

*ingly and by means of control since there is no specific way to control how it works. (...) On the other hand, since procurement is the basic way, when you disregard 60-70% of funds that are distributed through calls for proposals, you have some media services left or a way to advertise or have someone carry out a service for you and inform the public on how you are doing that. **So if you keep all that under the annual limit for public procurement, which amounts to million dinars under the new law from 2019 and that all things procured are of common type, for example, some things cannot be purchased separately, purchased when it suits you, you have to procure products by inspecting if they are of the same type, features, or same scope of work as if you are buying a pencil and an eraser. Thus the threshold gets decreased, and funds for purchasing items are below the threshold, so everything remains below the public's radar. You cannot see how this is done.***

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### **Media service financing circumventing the rules on public procurement**

In the transparent public procurement process, only a part of the funds for the purchase of media services is distributed. First of all, services whose value does not exceed 1,000,000 dinars can be procured without conducting a public procurement procedure. Besides, some companies, such as Telekom Srbija<sup>61</sup>, are not covered by the Law on Public Procurement and conduct their procurement in procedures that are not available on the Public Procurement Portal.

In addition, in practice, agreements on business and technical cooperation are often concluded with media publishers and legal entities or entrepreneurs engaged in the production of media content, which do not fall under the obligation to conduct public procurement and are not subject to any public or competitive process and rely on discretionary assessment of the head of the institution that concludes them. These contracts usually cover the whole range of services that the media provides to the authority within the agreed cooperation – publishing business ads and various notices, but also activities that by their nature belong to the regular work of the media such as reporting on issues of public interest<sup>62</sup>.

Finally, funds are allocated to media publishers in the form of donations and sponsorships by public authorities and public enterprises, public institutions and other enterprises majority owned by public authorities. The legal nature of the donation agreement and the sponsorship agreement is different (donation contracts are gratuitous and do not imply a counter-service to the recipient of the donation, while sponsorship contracts are burdensome and imply an obligation to provide some kind of counter-service to promote the donor). In practice, both types of contracts imply the obligation of the media to which the funds have been allocated to produce and publish media content on behalf of the donor<sup>63</sup>.

In all described ways, public entities are once again taking on the active role of financing numerous (mostly local) media.

The interviewed experts have pointed out that, especially on the local level, the established mechanism of exercising political control is through public company advertising. Experts have also singled out the prevalence of the non-transparency of the Media coverage contracts between the local media and public companies, the abuse of these contracts included. More specifically, large public companies enter into Media coverage contracts and invest heavily in the advertising of the certain, “politically eligible”, local media. Therefore, the selection of the advertising media is made neither on the basis of the predefined criteria or in accordance with the advertiser’s needs, nor in accordance with the media market logic. Rather, the choice of the advertising media outlets is a result of political control and pressure. By bringing the media under control, the interest groups and individuals construct for themselves a public space characterised by a complete absence of critical assessments of their work.

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*“EPS or a similar local company closes a contract with a local media, where the local media has the obligation to report on the activities of that company, which boils down to copying verbatim the announcements that public company makes, not getting too much into their business, frequenting their press conferences, some events they organise... and that’s what’s paid. (...) Of course, **that kind of contract won’t be offered to an independent local media that is a sore spot for that same company because it questions its public procurements. That’s just another way of appeasing the media and pacifying what is being written.** Without a shadow of a doubt. (laugh) That’s a way of influencing, way of control, and those contracts are completely unavailable to the public, you can’t get to them not even using the mechanisms of the Law on Free Access to Information of Public Importance, you can’t know how much money is at stake or what’s it really about.”*

61 Amendments to the previous Law on Public Procurement in 2015 achieved that, among others, Telecom was exempted from the obligation to conduct public procurement. The same provision was included in the new Law on Public Procurement from 2019.

62 An example of a contract on business and technical cooperation, conducted between municipality of Brus and local TV station in 2017 is available at: <https://link.crta.rs/1a>.

63 “Report on the Possible Impact of Public Sector Institutions on Media, through Financing of Advertising and Marketing Services”, Anti-corruption council, Belgrade, 2015, p. 61.

*“To this day we don’t know how much Telekom spends on advertising in different media, but we can see those commercials in numerous media that are state controlled, and very few in the media that are critical towards the government.” (...) So I think that money is behind it all, and if it wasn’t for those commercials, if it wasn’t for that state money, there would be no control, i.e. it would have to be more direct, like parties establishing their own media.”*

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Moreover, the conversations with the experts further reveal the cases of the agreements between public companies and non-existent advertising media. What was indicated is that there were also the cases where certain media outlets had received the money for public company advertising without the ad ever being produced and shown.

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*“Money goes to agencies and media that do not exist, that don’t have content. We had for example a public company from Niš that paid advertisements to the media and programmes and interviews were planned, but nothing was ever done.”*

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In addition to the abuse of state-owned company advertising, the experts have also cited examples of advertising abuse in the case of state agencies and institutions. For instance, one of the interlocutors has described the case of advertising of the Office for Kosovo and Metohija in the newspaper outlet Blic.

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*“I’ll give you some specific examples. Something was being done, let’s say Blic had a series, we were giving away Kosovo posters, maps of monasteries in Kosovo, that had 4 or 5 sequels... and I read the contract – I’m not 100% sure but I think that **Office for Kosovo and Metohija sponsored that series**, their logo was there – and the contract said that we will publish that map of monasteries in Kosovo, they’ll finance it as partners, it’s important for Kosovo, for Serbia. The contract said they’ll pay us per copy. That was the first time I had seen how much a print issue, or a poster, costs, for example for Blic that much – I really don’t remember, ballpark maybe 1,5 dinars – where a realistic price is 0,8 dinars times the print run 180.000, and at that moment the print run is 120.000. I think that at that point Blic was in this audit where you could easily see the data, pay the print run for it, and you don’t do that but **you pay 50% more than what’s actually being printed**. To me it was a sign that the state was pouring money there. **I mean, you’re stealing from the state, with the state as a willing participant**. 50% of the print run it’s no small amount to be taken away from them. That’s something that can be checked with a simple phone call, but then again you can pay and find out how big the print run is, you take from the state 50% more and don’t print as much, and charge them anyway because you profit from nothing printing plus the difference in the print price. Something similar happened with the Serbian Clinical Centre and it makes you wonder how good our health protection is when your state institutions need advertising, and not just any but through ads in Blic or through a series about health. We got a leaflet where everything was superficially written, like what you find on the first page of Google e.g. you type in “a stroke”, you don’t even have to click on the website, the preview is what was written. **They also give a lot of money on that, for a print run that’s of course bigger in the contract than in reality**. To me, that was proof that you’re in cahoots with the state and that you get money through state institutions, like the Office for Kosovo and Metohija, or the Clinical Centre, that’s a state facility, and whose clinics are falling apart, you don’t have toilets... You could fund a renovation, but instead you give the money to the media where your experts write.”*

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The informant has pointed out that the advertising material in this case has been largely overcompensated which further practically indicates the abuse of public funds. Furthermore, he has noticed the paradox of this mechanism to be the fact that the state itself continuously participates in the acts-of-theft of its own resources.

One of the informants referred to contracts concluded between the local governments and the independent production companies, which are not part of the public procurement system. A contract directly concluded between the local government and the media outlet, he has added, also leaves room for abuse:

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*“The abuse of production contracts. The independent productions avoid public procurement system but someone working in local self-government will manage them, as a specific production which is realised outside, through the direct contract without any procedure before so thus only a specific type is realised but as a media service – this are all media performing some media service. **As I assume, this money, based on a sample I have, is extracted from the system to either pay someone or the money is taken and then returned to the system.**”*

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### 3. Granting tax exemptions as a form of financing

Certain forms of tax relief are determined by law and as such are available to all media that the relief covers under equal conditions. For example, all daily newspapers are exempt from the general VAT rate of 20% and their VAT is taxed at a special rate of 10%.

On the other hand, there are no clear criteria for determining the media that approve special tax conditions or debt re-scheduling. In its report, the Anti-Corruption Council estimates that “the closer the media owners are to the politicians in power, the greater the range of opportunities to enjoy various benefits and avoid and prolong obligations to the state.” – the case of TV Pink’s tax debt reprogramming.

The interviewed experts have identified the case of the debt write-off, as well as of the loan prolongation in the case of certain media outlets known to be close to the ruling party. For instance, the state granted TV Pink<sup>64</sup> (one of the major tax debtors) an option to repay approximately 1.52 billion dinars of tax debt in instalments. Since the exact postponing terms and the criteria adopted by the Tax Administration remain unknown, the experts interpret this as the case of the rewarding of the pro-regime media outlet for its current loyalty.

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*“For example, we had that article about Pink and the release of debts and even the Council for Fight against Corruption, when doing its report, found that not only is it impossible to reschedule debt, which would be in interest of state, that through rescheduling they get some money out of the company before it goes bankrupt or whatever, but the agreed upon instalments haven’t been paid on time. **Imagine what would happen to a regular citizen if they didn’t pay their taxes on time, and look at what’s happening to Željko Mitrović right now.**”*

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Zooming out to see the bigger picture, as pointed out in the previous section, this was the same pro-regime media outlet that had granted a 90% discount on political advertising to the SNS party. As the experts’ analysis of such everyday practices suggests, “a quid pro quo” system is more than present in the Serbian media domain. In this sense, such instances also explicitly reveal how closely related the political establishment and the media outlets have become in Serbia.

The second example relates to the instances where the government agencies fund the “politically-suitable” media outlets. This is, again, the case with the previously mentioned pro-regime medium – TV Pink. As a matter of fact, since 2014 TV Pink has received more than €10 million in the form of various loans as well as guarantees from the state-owned Serbian Export Credit and Insurance Agency (AOFI). One of the interlocutors, an editor at the Centre For Investigative Journalism Of Serbia (CINS), has referred to the CINS’s investigation findings<sup>65</sup> regarding this case. He has emphasised that, in the first place, it remains unclear on what criteria has a government agency, specifically in charge of the export issues, granted the loan. As further evidence in support of his claim, he quotes CINS’s investigation, which has shown that one of the qualifying criteria for a loan by AOFI is that the company is tax debt-free.

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*“We also saw that **Pink got a lot of help from the Serbian Export Credit and Insurance Agency, which makes you wonder why Pink gets that help when it’s usually given to exporters? It turns out that Pink exports its programme to Montenegro and whatnot, which begs the question how it got help while owing tax money... How can that be tolerated? If we were to mention this to someone who never watched Pink, they would be confused, but after watching a programme or two on that television they would understand – it’s clear there are some interests there. So, it’s in my interest that Pink perseveres, that it thrives, that it broadcasts its programme because in that way my message is being broadcasted, I am being promoted as a politician, on the other hand Pink is okay with that because it profits, the owner has a nice life, the journalists are ok there and that’s that, that’s the way it works.**”*

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In addition, as this expert concludes, the specified system, in fact, enables both sides to profit. He has also added that granting a loan to TV Pink, despite its failure to adhere to the regulations and meet the prescribed requirements, is an unambiguous sign that the government has specific interests in assisting TV Pink in sustaining itself on the media market.

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64 “Data on tax debts must be public”, CINS, February 22<sup>nd</sup>, 2018, <https://link.crta.rs/1b>.

65 “Pink extended loan by AOFI again”, CINS, January 24<sup>th</sup>, 2018, <https://link.crta.rs/1c>.

### Forms and cases of public funds abuse

- *Abuse of the co-financing competitive system: funds are allocated only to those media that have been previously identified as “politically eligible”;*
- *Abuse of the definition of public interest enables the media outlets that do not meet the official application criteria to still be the recipients of the state aid;*
- *The lack of clearly defined criteria for the so-called ‘independent media experts’ leaves room for abuse by the political actors;*
- *The lack of criteria for the election of the commission members enables the representatives of GONGOs to participate directly in grant decisions;*
- *Advertising abuse in the case of state agencies and institutions;*
- *Abuse of Media coverage contracts between the local media and public companies;*
- *The case of the debt write-off as well as of the loan prolongation in the case of certain media outlets known to be close to the ruling party;*
- *The cases of the agreements between public companies and non-existent advertising media;*
- *The cases where certain media outlets had received the money for public company advertising without the ad ever being produced and shown.*

## Advertising

Similar to other aspects of the media market in Serbia, the available data do not provide a comprehensive insight into the advertising market in Serbia. Accordingly, the general information that will be presented in this section come from different sources and methodologies. Advertising data are available for the televisions with national coverage and cable TVs, the biggest printed dailies and radio stations. At the same time, there are no sources or methodologies for monitoring the online advertising market and media on the local level. The main reason is that the media market in Serbia is very small and economically too weak to bear the costs of the methodology for monitoring the advertising investments on the Internet and in local media, even though the Internet market records a significant increase in advertising investment for years. The latter conclusion exists only as an estimation of advertising investment in online media based on bulk data of media buying agencies. Furthermore, the media publishers, as well as the state, do not show interest in improving the market's transparency in this regard.

Provider for TV advertising monitored data with national coverage and cable TVs in Serbia is Nielsen Television Audience Measurement, while Ipsos Serbia does this for print and radio data. Data on advertisement offers information about advertisers' investments in different media by the official rate cards. Data, however, does not include any discounts or other sorts of agreements between interested parties (media, media buying agencies or advertisers). It should be noted here that collected data from advertisement monitoring reflect only the official prices, and does not include discounts which are often extremely large.

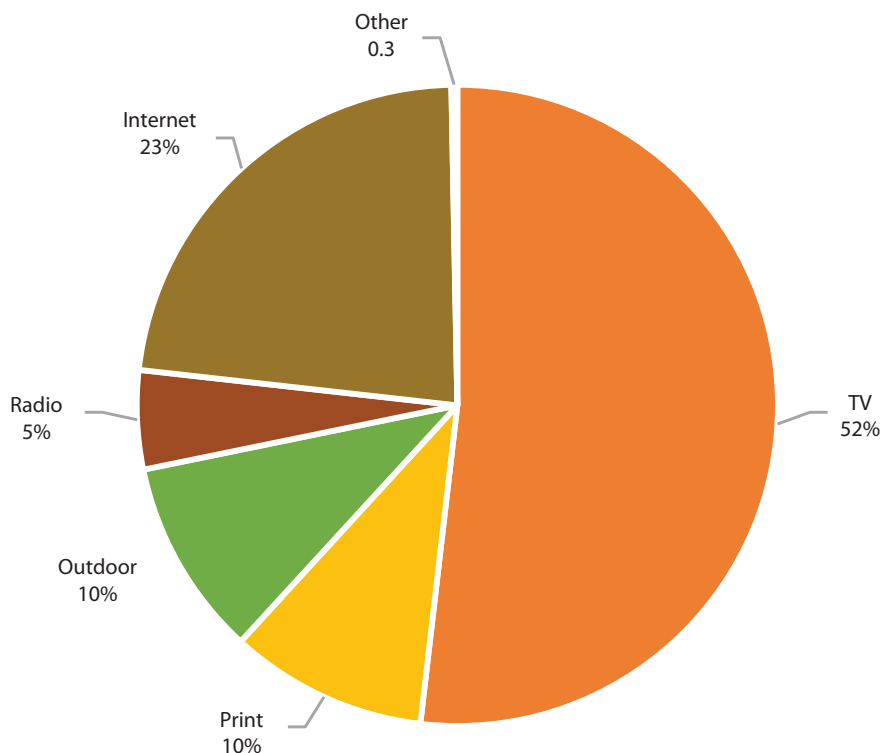
Nielsen Television Audience Measurement also provides annual information about the estimated, realistic value of the advertising market, without discounts and any other types of agreements between interested parties, which will also be explained in the following paragraphs. This estimation is the only realistic data about net advertising value on the existing market and is another element that shows how non-transparent the Serbian media market is.

The estimated net value of the total advertising market in Serbia was 197.7 million Euros in 2020. Since the 2008 world economic crisis and up until 2019, the value of the market has been in a state of decline or stagnation for 11 years. In 2019, the worth of the market finally recorded a slight recovery reaching 209.7 million Euros. Due to COVID-19, the total market again records a decrease of 6% in 2020, compared to 2019.<sup>66</sup>

Television had the largest share in 2020 advertising market, with 52.1% (103 million Euros). Internet advertising participated with 22.8% (45 million Euros), while both outdoor campaigns and print had an equal market share of 10.1% (20 million Euros). Radio participated with 4.7% in 2020 advertising market (9.2 million Euros), while other advertising forms participated with 0.3% (0.5 million Euros) (Chart 7).

66 [Nielsen Television Audience Measurement](#), 2020

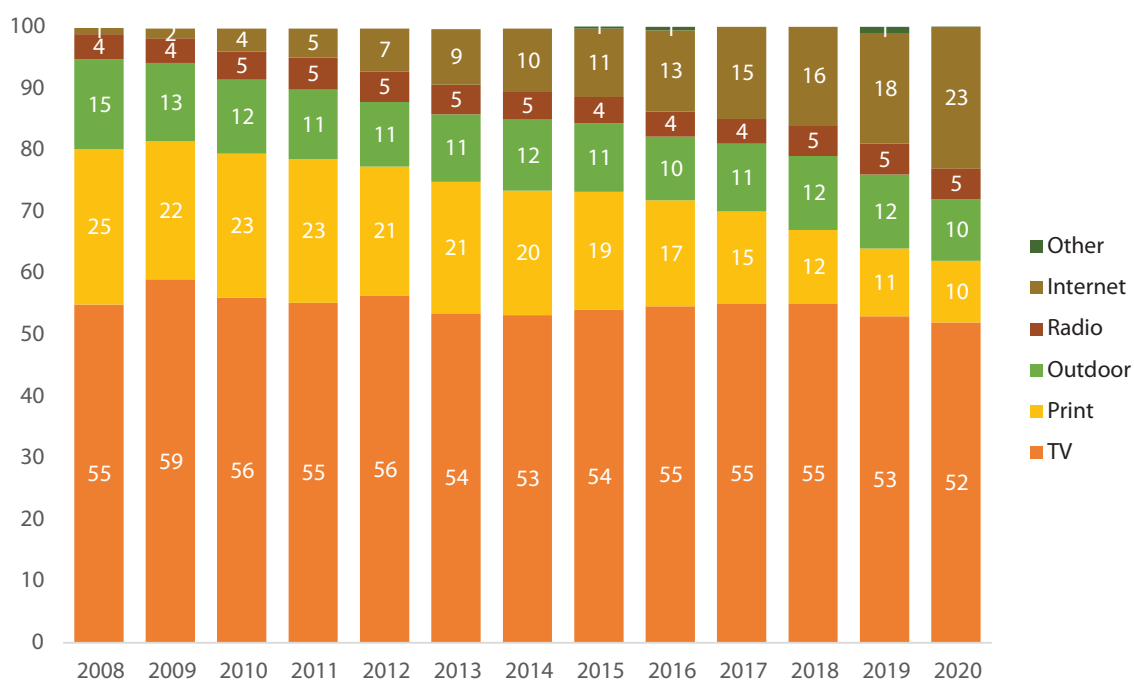
Chart 7: Estimated advertising market share in 2020, split by media type



Analysis shows that television remains the main channel for advertising investments for the past 11 years. Television share has been stable for years and amounts to approximately 55% of total advertising. Nonetheless, the first significant decrease was recorded in 2019 (53.4%). A further drop to 52% occurred in 2020 when the total television advertising market was worth 103 million Euros.

Furthermore, while share in the advertising market remained stable for radio, i.e. between 4% and 5%, market share of advertising in print suffered the most significant decrease, dropping from 25% in 2008 to 10% in 2020. The Internet is the only type of media that experienced a substantial increase in market share from 1% in 2008 to 23% in 2020 (Chart 8).

Chart 8: Estimated advertising market share 2008 - 2020, split by media type



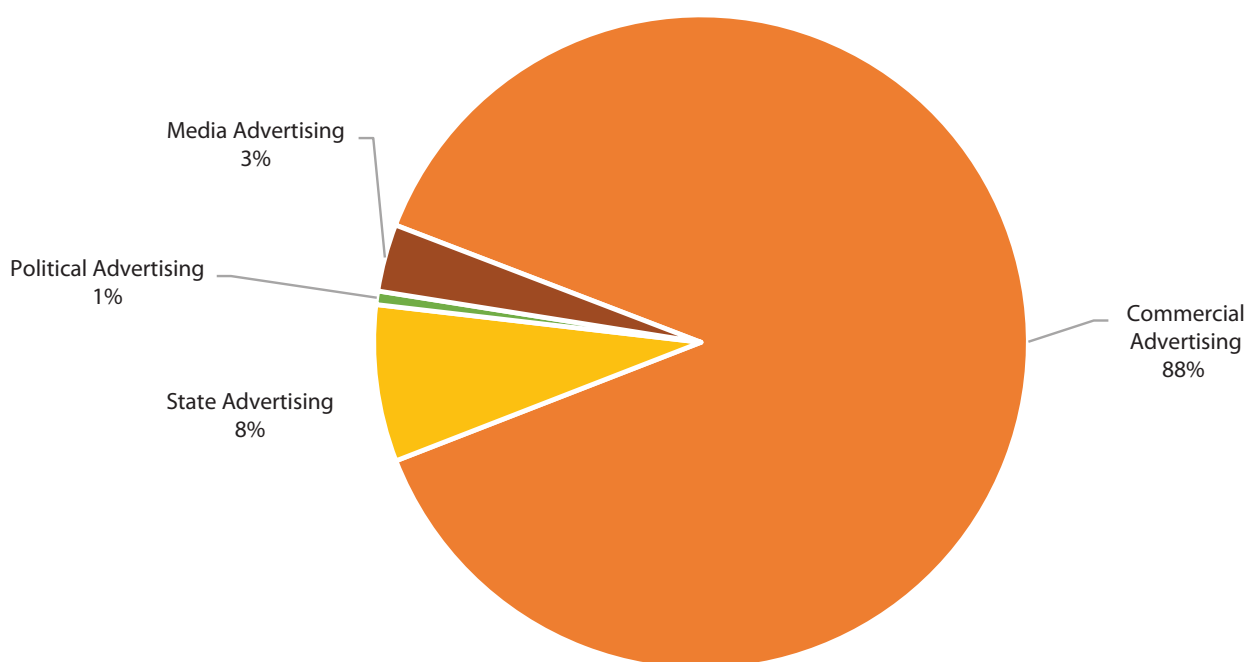


Since the estimation of the realistic net value of the advertising market, without discounts and any other types of agreements between interested parties, is available only on a general level (for the media type), more detailed analyses by media outlets needed to include the official data of investments in advertising. The analysis of the investments made by different advertisers is based on the data collected by Nielsen Television Audience Measurement, which monitors the official rate cards of televisions with national coverage, and the data collected by Ipsos for printed dailies, weeklies and radio stations.

According to these data, in 2020, 736 million Euros was dedicated to televisions with national coverage<sup>67</sup>, 25.6 million Euros to printed dailies, 2 million Euros to printed weeklies and 18 million Euros to the sample<sup>68</sup> of radio stations.<sup>69</sup>

The most significant share of 2020 advertising at televisions with national coverage had commercial advertisers, with 88% (649.6 million Euros). State advertising had a share of 8% (56.9 million Euros) while media advertising<sup>70</sup> participated with 3% (24.4 million Euros). In June 2020, parliamentary elections were held in Serbia; hence, a certain amount of advertising investments came from political parties participating in elections. Political advertisement in 2020 participated with 1% (4.9 million Euros) in the total annual advertising investment in televisions with national coverage (Chart 9).

Chart 9: Share of advertising investment on televisions with national coverage, 2020 (736 million Euros)



The situation with printed dailies was utterly different in 2020. With the significant progress of the Internet market, print is the media that has been suffering the loss of both audience and advertising share the most. An additional impact to the already difficult situation came with the COVID-19 crisis. Considering that no financial data explains different sources and shares of revenues in printed media, it is unclear how significant advertising investments are in printed media. Hence, these data can be presented singly. When it comes to sources of advertisement in print media, commercial advertising is also dominant, but its share is significantly lower in comparison to the situation with national coverage television, and amounts 50% (12.7 million Euros) of the total advertisement in printed dailies. Strikingly, almost 1/4 of share in total print advertisement, i.e. 24% (6.3 million Euros), comes from state advertising. A total of 6 million Euros, 23%, was dedicated to compensation between media – media advertising. An additional 3% came from political advertising due to parliamentary elections held in June 2020 (Chart 10).

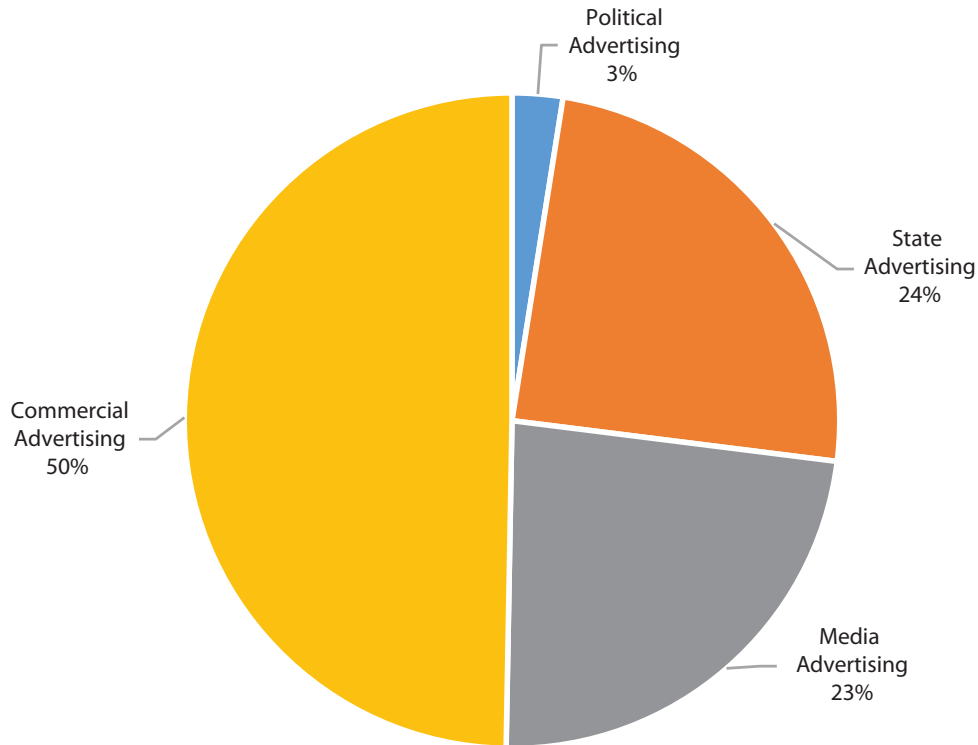
67 [Nielsen Television Audience Measurement](#), 2020.

68 Sample of radio stations consists of five radio stations with national coverage and eight radio stations with local coverage. The sample was made in a consultation with media buying agencies while lately some radio stations recognised the benefit of advertisements monitoring and joined the measurement on their own will.

69 [Ipsos Serbia](#), 2020.

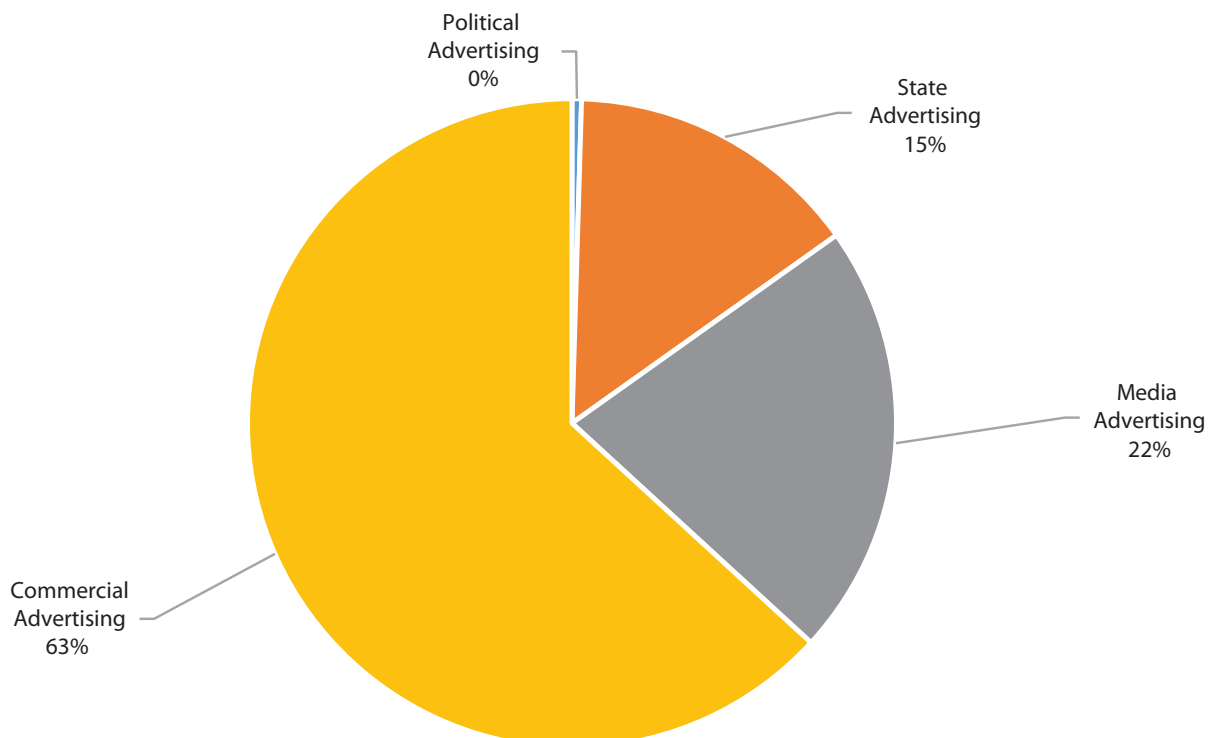
70 Media advertising does not present the real money in the media market but compensations between different media hence it will not be analysed further.

Chart 10: Share of advertising investment in printed dailies, 2020 (25.6 million Euros)



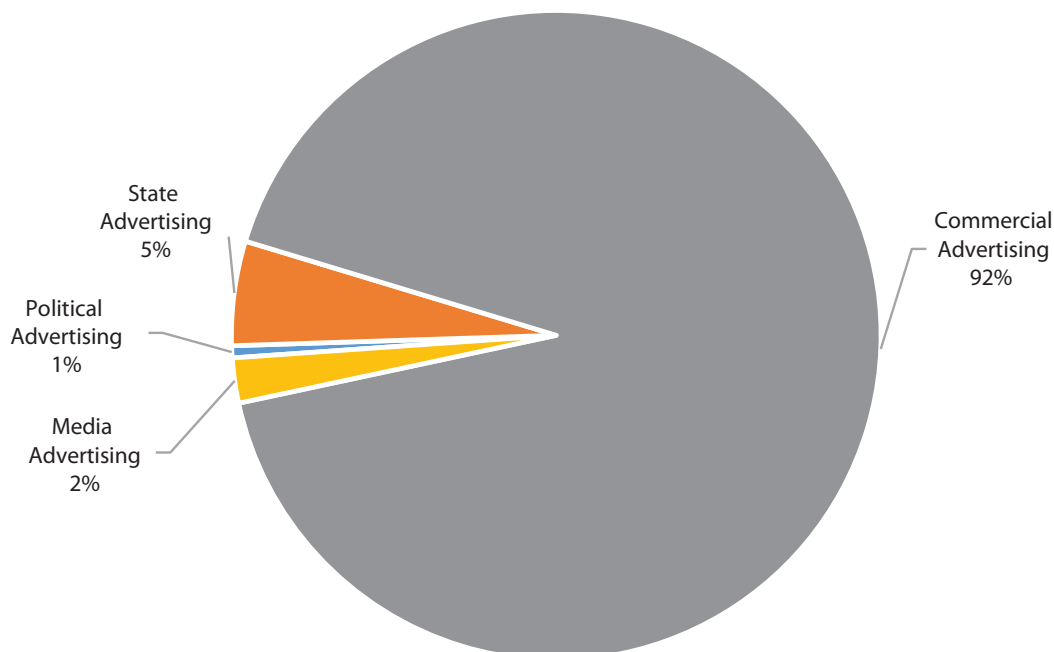
The smallest advertisement budget in 2020 was dedicated to political weeklies in Serbia, i.e. Nin, Vreme, Novi magazin, Ekspres, Nedeljnik and Pečat, which received only 2 million Euros from advertising. Political weeklies earned the most from commercial advertising, 63% (1.3 million Euros). Share of media advertising follows with 0.4 million Euros, while the state is the third largest advertiser in political weeklies in 2020, with 15% (0.3 million Euros). When it comes to political advertisement in political weeklies, although it would be rational to expect it to be higher in the election year, **only four advertisements were published during the election campaign in weekly political magazines**. Thus, 9.600 Euros from political advertising was not enough for even 1% of total advertising investments in this segment (Chart 11).

Chart 11: Share of advertising investment in printed weeklies, 2020 (2 million Euros)



Radio is a media channel that depends almost entirely on commercial advertising, which reached a share of 92% (16.7 million Euros). The rest came from state advertising, 5% (0.9 million Euros), media advertising, 2% (0.4 million Euros) and political advertising, 1% (0.1 million Euros). However, it should be noted that the data of advertising investment comes from an appropriate sample of five radio stations with national coverage and eight radio stations with local coverage (Chart 12).

Chart 12: Share of advertising investment in radio, 2020 (18 million Euros)



Experts have made three main observations concerning advertising as the media financing method. Firstly, the interlocutors agree that media sustainability is not possible just from advertising, given the unfavourable media market conditions at work. Secondly, they suggest that this financing method is more present in media outlets known to be closer to political authorities.

*“The circumstances have somehow changed – okay let’s talk about how all media should be financed by marketing. That is not possible here, we don’t have a market. **The share from marketing is much bigger for the media that are close to the government because there is great control there.** But, a piece of that cake reaches the other media, but it’s really really hard to, without anything, without people, with a content created by 2-3 people in small newsrooms... to come to a level that you, as a medium, are perceived as a good option for advertisers.”*

The third main observation refers to **advertising as a method for the control of media**. As the continuation of this section will illustrate, the mechanisms for the control of media are identified in all three of the discussed types of advertising: public company advertising, commercial advertising and political advertising.

### State advertising and advertising of public companies

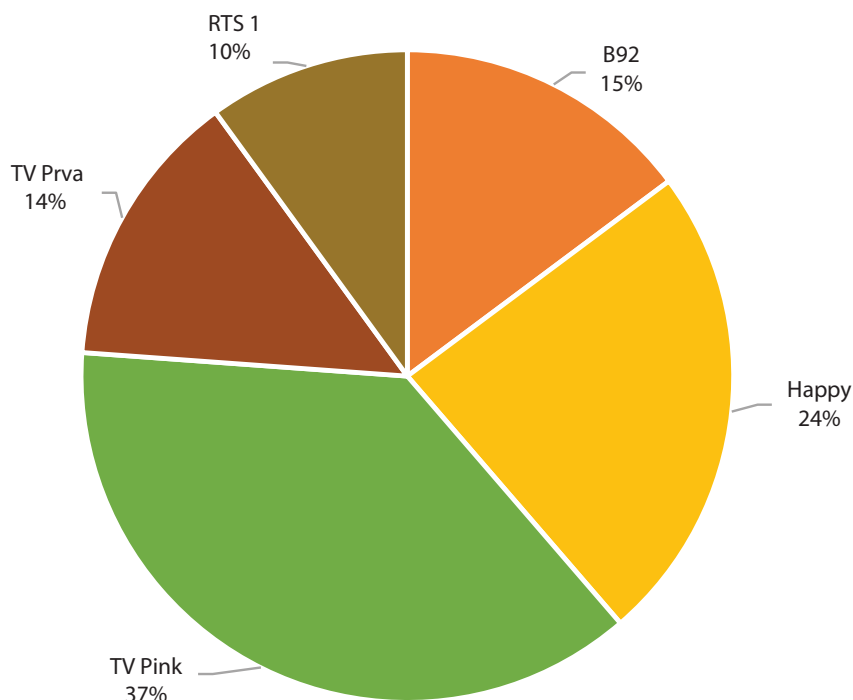
In Serbia’s weak media market, which has not fully recovered since the 2008 global economic crisis, advertising of public companies preserves a significant role in total media advertising in Serbia. This role is especially notable in those media that are most affected by the considerable progress of the Internet, less advertising investments in 2020, COVID-19 crisis, etc. One of those media is print, more specifically, printed dailies.

With 24% (6.3 million Euros) of advertising investment coming from public companies, printed dailies are the most dependent from this source of financing. When it comes to state advertising on televisions with national coverage, 8% of total advertisement 2020 may look insignificant enough. However, in absolute value, this advertising investment amounted 56.9 million Euros<sup>71</sup>.

71 [Nielsen Television Audience Measurement](#), 2020.

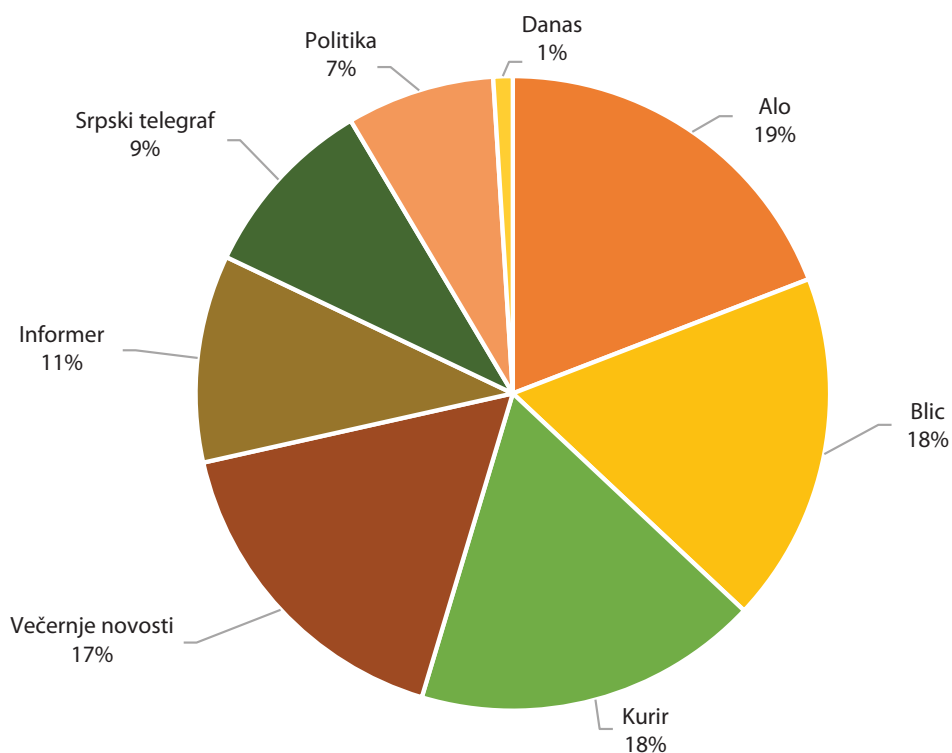
Out of the total amount of state advertising on televisions with national coverage in 2020, the largest portion or 37% (21,3 million Euros) went to TV Pink. TV Happy had 24% (13.6 million Euros), or 1/4 of all state advertising investment, while B92 had 15% (8.4 million Euros) and TV Prva 14% (7.9 million Euros). The public broadcaster, RTS 1, gained 10% worth 5.7 million Euros (Chart 13).

Chart 13: Share of state advertising investment on television with national coverage, 2020



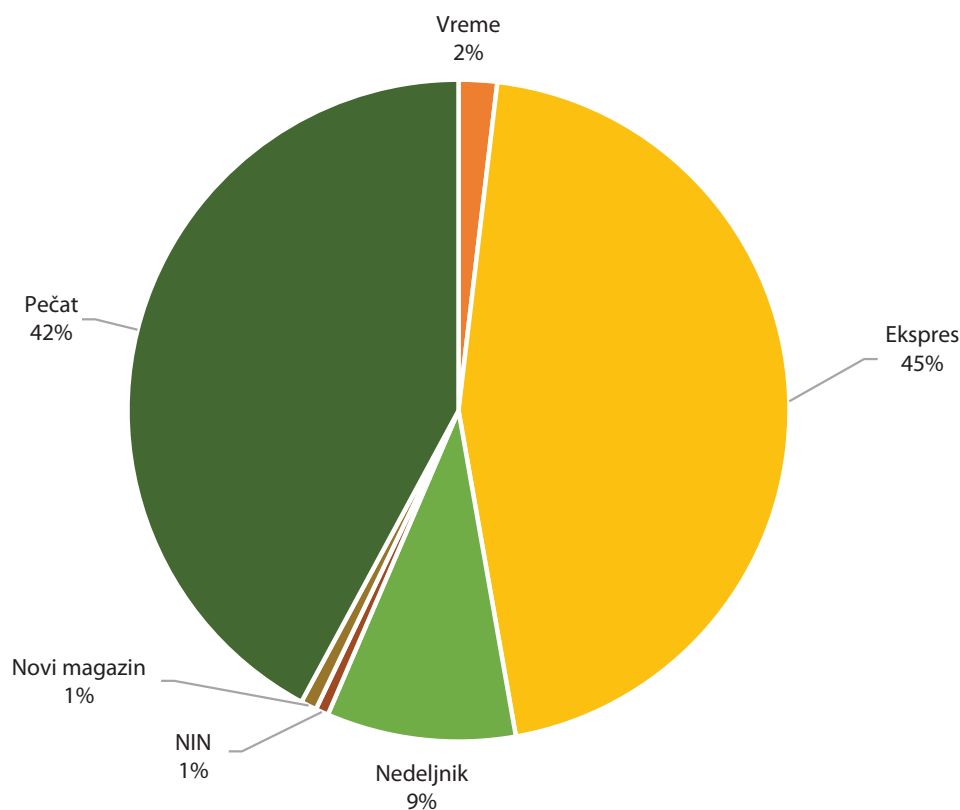
State advertising that was worth 6.3 million Euros, represents 24% of total investments in printed dailies in 2020. The fifth most-read daily, Tabloid Alo, gained the most from public companies advertising investment, 19% (1.2 million Euros). Dailies Blic and Kurir gained 18% (1.1 million Euros each), Večernje novosti 17% (1 million Euros), tabloid Informer 11% (0.7 million Euros), Srpski telegraf 12% (0.6 million Euros), Politika 7% (0.5 million Euros), while daily Danas 1% (0.07 million Euros) (Chart 14).

Chart 14: Share of state advertising investment in printed dailies, 2020



Even though it has 15% of 2 million Euros dedicated to printed weeklies, the distribution of state advertising investment was rather disproportional. Two weekly magazines, Ekspres with 45% and Pečat with 42%, hold together almost a total state advertising market, 85% of the total market (Chart 15).

Chart 15: Share of state advertising investment in printed weeklies, 2020



Telekom Srbija is what both print and television have in common when it comes to state advertisement, as this public company is the largest (for print) and among the largest (for television) state-owned advertisers. With the biggest share among all advertisers, which amounts 17%, Telekom Srbija has the central role in keeping printed dailies functioning in 2020.

When it comes to television with national coverage, Telekom Srbija was the second largest advertiser in 2020, with 5.1% in total advertising, and the largest state-owned advertiser, with 66% (37.8 million Euros) in total state advertising. Apart from Telekom Srbija, there are 70 public companies and institutions which invested in advertising on television with national coverage. In this context, particular attention should be given to Telekom's advertising strategy. Telekom distributed its investment (37.8 million Euros) in a manner which mirrored the distribution of the total state advertising to televisions with national coverage. For example, TV Pink received 37% of the total state advertising on national televisions, which included 38% of Telekom's total investment. In the same manner TV Happy received 24% of total state investments, which included 24% of Telekom's, and so forth to RTS1 which received 10% of total state investments in 2020, including Telekom's 10%. This indicates the well organised state strategy in the matter of advertisement on televisions with national coverage, which does not follow usual criteria for successful investments in media markets, such as audience reach. Namely, audience reach is the largest on RTS1, which received the smallest amount of state advertising investment, then on TV Prva. TV Pink and TV Happy, being the largest receivers of state advertising, occupy third and fourth place (see Chapter III).

The same happened with print media, where Telekom Srbija was by far the largest advertiser, with 17% in total advertising, and 71% in total state advertising. The importance of Telekom for print media reflects in the fact that for six out of eight dailies (Alo, Večernje novosti, Blic, Kurir, Informer and Politika) it is the largest of all advertisers. Nevertheless, almost one fourth of its investment (23%) was dedicated to tabloid Alo, the fifth most-read daily newspaper, 18% to Večernje novosti, 17% to Blic and Kurir, mirroring the distribution of total state investment in these media, as well.

## Commercial advertising

Commercial advertising is another field of the media market in Serbia with insufficient and non-transparent data. Depending on the type of media, there is exclusively one provider of the data, which means that the data are not verifiable. There is no such independent body, like JIC (Joint Industry Community), who would be involved in media audience measurement or auditing of media audience measurement. For internet media, there is no data on advertising investment. There are two reasons for this situation on internet media: a) The Serbian media market is too small and economically too weak for monitoring advertising investment on the internet; b) But equally, an important reason is that publishers are unwilling to develop further and make the market more transparent. Additionally, there is no data on audience measurement nor advertising investment for local televisions. At the same time, the advertising investment data for radio exists only for those radio stations which are interesting for media buying agencies and advertisers.

Nielsen Television Audience Measurement is a provider for television audience measurement and advertising investment, Ipsos Serbia being for print and radio. Since there is no data for the internet media outlet, local televisions, and some radio stations, this paragraph focuses on television with terrestrial coverage and print dailies.

The share of advertising investments in televisions with national terrestrial coverage does not fit their estimated share of the total population in 2020. Since the commercial televisions with national terrestrial coverage are allowed to broadcast 12 minutes of advertisements in one hour while public service broadcasters have six minutes, the comparison between these two is impossible. Still, even if we, hypothetically, doubled the advertising investment for RTS 1, pretending that it is also allowed to broadcast 12 minutes of advertising per hour, the audience share of 45% of total population, which is the significant one, would not fit the share of advertising investments of 13%.

Additionally, when comparing the data for four commercial televisions with terrestrial coverage, the situation is similar. The television with the highest audience share in total population, TV Prva with 38% of audience share, is not the one with the highest advertising investment share. On the contrary, TV Pink, which holds 38% of the advertising investment share, has 49% share of the advertising market. At the same time, TV B92, which has 26% audience share, has almost similar advertising investment share as TV Prva, 20% (Table 2).

Table 2: Audience and advertising share on commercial televisions with terrestrial coverage in 2020

| Commercial televisions | Audience share | Share of advertising investment |
|------------------------|----------------|---------------------------------|
| TV PRVA                | 38%            | 18%                             |
| TV PINK                | 36%            | 49%                             |
| TV B92                 | 26%            | 20%                             |
| TV Happy               | 24%            | 13%                             |

The situation with printed dailies is similar to televisions with terrestrial coverage. Although advertisers can develop their advertising strategies according to many different indicators, it is evident that the dailies with low readership have a higher advertising investment share. Kurir, the fourth most-read daily, holds 1/3 of the total advertising investment share, while Srpski telegraf ranked as the seventh most-read daily, holds 12% of the total advertising investment share. At the same time, although Informer is the most-read daily in 2020, it has 8% of the total advertising investment share (Table 3).

Table 3: Average rating and advertising share of printed dailies in 2020

| Printed dailies  | Average rating in 2020 | Share of advertising investment |
|------------------|------------------------|---------------------------------|
| Informer         | 215,309                | 8%                              |
| Blic             | 178,428                | 29%                             |
| Večernje novosti | 165,610                | 13%                             |
| Kurir            | 158,961                | 31%                             |
| Alo              | 117,821                | 3%                              |
| Politika         | 95,632                 | 2%                              |
| Srpski telegraf  | 88,355                 | 12%                             |
| Danas            | 62,854                 | 2%                              |

The list of the top ten largest advertisers also demonstrates how fragile, unstable and government dependent the daily market is. One of the ten largest advertisers in the daily press is the state-owned company Telekom, which has 17% of the total advertising in the daily press<sup>72</sup>. Five out of ten largest advertisers are other media outlets exchanging advertising

<sup>72</sup> See paragraph above, *State advertising and advertising of public companies*.

space without real monetary compensation holding together 19% of the total advertising investment in the daily press. In contrast, only four out of the ten largest advertisers are real advertising investors, holding together 13% of the total advertising investment in the daily press.

Experts also recognised commercial advertising as a potential instrument for the exercise of political control. In this case, the media deal with the direct pressure from the business elite and the local entrepreneurs, the background of this pressure is again political in nature. Therefore, the close ties with political elites enable business elites to effectively exercise pressure on the media. This is manifested in the form of big companies investing in the advertising of their products, but only in those media outlets known to be “politically suitable”. Viewed this way, the political establishment exercises pressure on both the entrepreneurs and the media. But, again, the independent local media suffer most by far in terms of consequences since such a general climate makes it close to impossible for them to continue operating.

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*“There’s a town with let’s say 100.000 citizens, 10 local media and 4 televisions, I mean it’s really impossible that they survive, the local business are not able to offer sustainability through advertising i.e. lease of advertising space. So that’s the first thing, it’s impossible. And in places where the local businesses could and would advertise in a local independent media, they’re afraid of doing that because a business that advertises like that will suffer the consequences in the form of various inspections. In a few towns in Serbia a few owners of local independent media told us that local business men come to them, give cash and say: “Don’t you dare run the commercial or tell anyone I gave you money”. (...) What I’m saying, **the money flow is controlled, it doesn’t matter if it comes from public or private sources.** That’s a vicious circle because an independent medium that is trying to nurture the public interest is practically left without revenue.”*

*“Even those media that are controlled by the government are partly financed by someone commercial, **whether that’s a public company or a company controlled by the state** like for example Telekom or sometimes it’s even a private company pressured by politics to advertise in those media.”*

*“Big advertisers, since rarely will you find an advertiser who is unwilling to advertise in some media because they do not approve their reputation. [...]. Even if they find it problematic, **as a rule, these are media politically close to the government, and then big advertisers, in order not to annoy the government, distribute one part of their budgets there to be safe and at peace, and it turns out they are indirectly paying the racket to buy peace.** So this is the situation really.”*

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### **Political advertising**

In June 2020, parliamentary and local elections were held. Political parties that participated in elections ran their campaigns on different types of media. Eight political parties ran their campaign advertisements on televisions with national coverage. The most significant portion of political advertising was recorded on TV Pink (44%), which was twice as much as on RTS 1 (23%), then comes TV Prva (18%), TV Happy (11%) and B92 (4%). Serbian Progressive Party (SNS), being the largest political advertiser, with two thirds of total political advertising investment, was the strongest political actor, which gained 60.65% of votes and 75% of seats in the Serbian Parliament.<sup>73</sup> SNS advertised the most on TV Pink (44%), and RTS 1 (21%). The Socialist Party of Serbia (SPS) was the second largest political advertiser, with 21% of total political advertising. It advertised the most on TV Pink (46%) and RTS 1 (22%).

Thirteen (13) political parties campaigned in printed dailies. The most significant share of political advertising went to Kurir, 23%. Blic received 15%, tabloids, both Alo and Informer received 14%, followed by Politika with 13%, Srpski telegraf with 11% and Danas with 1%. Almost one half of all political advertising in dailies came from SNS, 47%. SPS had 20%, Serbian Radical Party (SRS) 14%, and others less than 10%. SNS took the largest advertising space in Kurir (23%), then in Blic (18%), Večernje novosti (15%), Politika (13%), Informer (11%) and in Alo and Srpski telegraf (10%). SPS campaigned the most in Kurir 37% and Informer 15%. Almost one half of SRS advertisement went to Informer (41%), additional 32% to Politika and 27% to Alo.

Furthermore, as mentioned before, political parties did not find the interest to promote in political weeklies. Only two weeklies (Nedeljnik and Pečat), published five political advertisements during the election campaign.

Building on the insights of the media and the legal experts, it is possible to identify several mechanisms that allow for the

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73 Izbori (2020). Republički zavod za statistiku, RS, (Election (2020), Statistical Office of the Republic of Serbia, June 2020), <https://link.crta.rs/1d>.

exercise of political control over the media by means of political advertising. All of the following examples, to be elaborated on in continuation, are particularly characteristic of the pre-election period.

One of the most prominent examples of the common mechanisms is the political party's attempt to lease the entire advertising space within the advertising space owned by the designated medium. The interviewed editor-in-chief of the internet portal *Južne vesti* has confirmed that such exact pressure has been exerted on this very media outlet. *Južne vesti* has managed to resist all the instances of such pressure, but with considerable sacrifice. The case<sup>74</sup> of the most extensive tax control of a media outlet in Serbia, which lasted for almost 4 years, has shown that the consequences of resisting political pressure can be exhausting in every respect.

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*“Južne vesti adopted a special Advertising Rulebook right before the election, **just because the SNS that wanted to lease all of the advertising space and then there would be only SNS...**”*

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An additional example of the advertising-based political control of media, identified by the interviewed experts, is the granting of advertising discounts to the political parties. One of the experts notes that those discounts can be as high as 90% of the total sum to be paid. This was the case with TV Pink<sup>75</sup> and TV Happy<sup>76</sup> (both media outlets have national frequency), which have granted a towering discount to the ruling party (SNS) that goes beyond any market logic.

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*“I wrote quite a few articles that touched on that, but there was a great one I wrote for Cenzolovka and it's about how **Pink and Happy gave 90% discounts on political advertising during the elections**, I think it was the end of 2013 when elections were being held in Zemun. (...) How can it possibly be in the interest of a commercial television to approve such a huge discount? (...) Why would I as a media owner give someone a 90% discount, close off my television i.e. my advertising space because of what I gave that party, I can't sell it in any other way, I close my advertising space, and instead of profiting I give someone 90% discount. And instead of paying 100 million they pay around 10. **How is that in my interest? I mean it's not, unless it's some kind of favour.**”*

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This informant has, likewise, noted that the political parties and the advertising media enter into informal agreements, based on the rendering of specific services. For instance, the party will be granted an advertising discount or debt write-off in return for the media outlet's protection. In this way, instead of the straightforward economic capital both sides actually profit in terms of the symbolic capital, which ensures them benefits in the longer run, primarily, those that concern the accumulation and the maintenance of power.

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*“We had another example (...) of parties advertising in the media and owing them money, and **then those media, dragging those debts in the next elections**. That shows us that the media scene is being controlled, because there is no market logic to what they're doing, in order for someone to do something there has to be another reason, another interest why it's being done. And that reason is, it seems to me, first and foremost **doing favours**, because if I help you with elections you're help me later, maybe when you're in power, or you get seats in the Parliament, or whatever, or if you let me do this and that, I'll help you with the elections so and so. **It's all about interests, control and doing favours.**”*

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## **Media sustainability challenges**

### **Financial uncertainty**

Taking into consideration all the observations provided by the interviewed experts, it can be concluded that financial sustainability of the media in Serbia is close to impossible, especially without the various types of aid or support. First and foremost, the experts have singled out the dependency of the media on state aid. This particularly applies to the small local media, as well as to the so-called pro-regime media. In addition to the dependency on different state aid schemes (such as the competitive co-financing system), financing through the state-owned company advertising has also been recognised as one of the main financing methods. Other media financing models that were discussed with the experts include donations and project-based financing. As

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74 “Slučaj najobimnije poreske kontrole nekog medija konačno završen, u “Južnim vestima” sve po zakonu” (“The case of the most extensive tax control of a media outlet is finally over, in “Južne vesti” everything is according to the law”), *Južne vesti*, June 4<sup>th</sup>, 2021, <https://link.crta.rs/1e>.

75 “Savršena prevara: Slučaj besplatnog oglašavanja SNS-a policija ne može da reši” (“Perfect scam: The case of free SNS advertising cannot be solved by the police”), *Cenzolovka*, June 9<sup>th</sup>, 2017, <https://link.crta.rs/1f>.

76 “Prevara na TV Hepi: Ostalo neplaćeno 500.000 evra za reklame Srpske napredne stranke” (“TV Happy scam: 500,000 Euros unpaid for advertisements of the Serbian Progressive Party”), *Cenzolovka*, 20.02.2017, <https://link.crta.rs/1g>.



the experts have emphasised, donations are usually insufficient to enable an independent medium to achieve self-sustainability on the media market. However, due to the media market conditions being mainly related to political influence, many independent media outlets are limited to this specific financing model.

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*“I am not really sure how many media outlets would have survived and how sustainable their funding would have been if it also weren’t, in addition to the newspaper sales applicable to the likes of the press too, for the state as the advertiser or the funding party of some sort or the funding supporter in general.” (...)* If we talk about the NGO media, the only way of financing is, of course, by way of donations.”

*“Donor support is a must, particularly because at this moment there aren’t any mechanisms that would ensure the needs of the editorial board have been satisfied via the media market in such a way as to ensure the proper functioning. Such a dysfunctional market corners you all the way to the point where you are no longer able to cover the fixed media costs, simply because you are not on “their side”, i.e. on the side of the mainstream at the given moment. For this reason alone, it is crucial for us to reinforce those other means, other funding sources that can aid you, the donor funds included.”*

*“... Self-sustainability of a professional media outlet is absolutely impossible. There is absolutely no market whatsoever. The market that does exist is designed to exterminate the professional media. It is simply impossible, just impossible... We are lucky to be a part of an IT company, so we can survive so to speak. This, however, leads to the people employed at Južne vesti sharing the same fate as the citizens in the South of Serbia. We do not earn the wages, we get served the average salaries, modest salaries, which are well below the average for the south of Serbia proclaimed by Vučić.”*

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One of the experts has resorted to the term “vicious circle”, so as to provide a faithful portrayal of the media market illustrates, precisely, the unfavourable position media are in. Furthermore, this expert has highlighted that the more concrete and systematic support from the international community may be the key, especially in providing a long-term solution for the independent media sustainability.

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*“Again, this is a vicious circle, because in this case, we have the independent media that is trying to foster public interest and report on public interest practically without income. Perhaps it depends on some loose, small donations that keep it going, donations from EUR 5,000 to 10,000, but then they do not have the capacity to cover all relevant topics in the city. They are not relevant enough because they cannot cover all relevant topics in that city and lack sufficient technical capacities to reach the audience. Due to that, a local businessman does not find them interesting for advertising, so this is a vicious circle. The small media we have talked to, I do not know precisely how many of them, but dozens for sure, they are really passionate about their profession and have told us that they will find it amazing, and they would be very functional with an annual budget of EUR 10,000. Then, everything is built on some volunteer basis, so they are getting by on what they have. (...) I have talked incessantly, trying to convince donors from the international community, only for those media to survive, until this is all over, so they would get essential support precisely for the production of content. But real support. The international community is very much familiar with the media scene and the problems, a lot has been told about this, including safety, regulation and self-regulation, but the real help somehow slips – I cannot say it is not there entirely, of course, there is help, and some media have managed to survive only through this – yet what is needed is this systemic support for media to produce content, since the content is their product. They have nothing else, and you cannot push them to invent some products, such as café business or developing games or God knows what, because it distracts them from their product.”*

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Nevertheless, the web portal Južne Vesti has been singled out as a unique case with respect to the adopted financial strategy. Since this medium is owned by an IT company, it does not depend directly on other sources of funding. Therefore, the financial strategy of Južne Vesti includes a combination of donations and funds from the IT company. However, as the experts have remarked, a financing model such as this is not applicable to other local media, given that the web portal Južne Vesti is a regional medium and has a larger audience than the majority of the local media in Serbia.

### Other factors

The experts have pointed out that the lack of funds is not the only challenge the media (independent professional media particularly) face today in terms of sustainability. For instance, the lack of adequate education of the media workers has also been

singled out as an obstacle to a successful business. The experts refer here, in the first place, to the media managers that are insufficiently educated and professionally trained to keep up with continuously evolving trends on the media market. Consequently, media are often not able to apply for foreign donations as they either do not meet the formal requirements or they lack the skills needed to write a competitive project proposal. Moreover, the experts have noticed that the editors-in-chief themselves often take on the role of both marketing managers and project managers. Doubtlessly, the experts suggested, this can affect the media's capacity to operate effectively, but it can also be a potential threat to editorial independence. In addition, a special focus should also be placed on the more intensive and dedicated work with young media workers and journalists.

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*"...When we talk about management or media, we talk about media with one, two, three, five members. When we say management, we think of RTS or N1 as they have 150 people only in administration. We talk about media which one man owns. Who is both editor-in-chief and field reporter and correspondent, so 3 in 1? (laugh) We have to be real when we talk about those media."*

*"I think that for media sustainability – I would rather not say media – but for the sustainability of news information in some near future, working with youth and education should be really important and there we have a serious problem".*

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One of the participants has given special attention to the issue of the various possibilities for media support in Serbia. He has emphasised that the media workers require assistance in the form of hubs or media associations that would provide the services to media workers tailored to their specific needs. For instance, they could assist the media outlets in project write ups or with direct application for external funding. Moreover, he has also noted that such hubs already exist. And, additionally, the indications are that the results and effects of their professional support are already visible.

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*"...I think that **the key would be not to burden them (media workers) to adopt new knowledge about project financing, as it would be better to get them to know the process, but for them to have some form of hubs or support for creating those projects.** (...) Speaking about the NDNV experience, we have created a hub that helps such media and results are visible. What seems to be the problem here, if you present that as an idea that requires money, they usually say, "Oh, you are making an agency for project writing" – it is not my mandate to make a profit because that is serious money. I want to help colleagues in the local environment. There is a misunderstanding here. Also, I know at the same time, from donor's circles, that they often say. "Yes, but we cannot indefinitely finance the media projects" – that is true. It is not beneficial to have a large percentage of money coming from donors since your idea is not sustainable. But we also have to keep in mind all the time that we have a non-functional market. We talk about a completely non-functional market, and you cannot expect the media which are not on the same wavelength as the mainstream politics to be sustainable."*

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Finally, as the interviews show, citizens perceive institutions to be usurped by the elites, media institutions included. That is why it is necessary for the media in Serbia to reinvigorate its community ties, i.e. to rebuild and restore the citizens' trust in this informational outlet. In this way, the citizens would have the motive to support the media and the media could have a chance to rely on other financing models such as crowdfunding or citizen donations (e.g. monthly subscriptions).

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*"In this situation, it is hard to talk about self-sustainability, but at the same time, I think that **part of the solution lies in constructing new ties with the community.** Those connections systematically deteriorated for the last X years, and that is the link between newsrooms with citizens, and this is the story we have to insist on. The NDNV has an experience with local media how **good and high-quality media and journalists have received financial support from citizens through donation campaign, crowdfunding, subscription, and various forms of readers clubs or membership.**"*

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However, all the interviewed experts are concordant in that none of the financing models, or any improvements within the media sphere for that matter, would secure media sustainability as long as the media scene is under the control of politics.

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*"This story is a scene of crossing between political interest and organised crime, where a large share of funds, irrelevant of their origin, is either corporative or public... In fact, a large share ends up in private pockets, and huge funds are used to buy peace or maintain and strengthen the system directly in government service, as a promotion or a fist to fight the opponents. Systems are impermeable, with the serious role of agencies and media buyers. They are closed, you cannot get to them. You cannot make direct contact with a big advertiser since they will redirect you to the agency, and they will stall you, since, in addition to protecting advertiser's interests, they are protecting their own. **This will not stop as***

*long as the government treats media as their means, which was the case with the previous group in power, this group has made the system perfect to the maximum, unprecedented so far. As long as the media are treated as the means, the situation will not be clear as regards content, business, ownership, or money flows. Even if we would have the best laws in the world... Finally, when these three laws were adopted in 2014, they were considered a real success. The media community in Serbia, European Union and OSCE considered these laws a huge success, even the government praised them. In practice, we have seen that the best novelties, not that they are not implemented, but are really abused, transformed into their opposites, creating an effect that is completely opposite to what the legislator had in mind when adopting some of those solutions. Similarly to any other area, this one is of utmost importance, since it directly impacts the quality of people's life by keeping them uninformed or misconceived so that they would make a decision directly related to their lives, based on erroneous understanding, incomplete information, misconceptions, awareness and other; or they could be informed by being provided with enough elements that irrelevant of their level of education, or lack of education, of it all, they will still have some understanding what is going on so they could make up their mind. In the environment we live in, a huge part of the public is anesthetised and make their decisions as if they are in an induced coma and not really sane and aware. In the end, **everything is dependent on political will. As you can see system's set-up is pyramidal, so decisions are made in one staff room at one place and then distributed and spread through a capillary system, multiplying this sort of political will, interpreted as if in a military or even worse than originally intended since those under want to be more Catholic than the Pope, right?**"*

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Thus, as the experts suggested, *no matter what the change within the structure of the media field would be*, without political will and consensus this field will neither reach the satisfactory level of autonomy, nor will the media market climate change for the better.

# VII MEDIA OWNERSHIP AND CONCENTRATION

## Key chapter insights

- The major change in terms of media ownership has taken place at the same time as the changes on the political scene.
- The state is unwilling to withdraw from ownership over media completely.
- The **media concentration** has become a particularly **common** occurrence **under the SNS regime**.
- **Media polarisation**: pro-regime media owned by the politicians from the ruling party vs. media that are critically oriented with respect to the government.
- The media **polarisation has become all the more evident with the entrance of the telecommunication operators** on the media scene.
- The **publicly available data cannot provide sufficient insight** into the domination of the political structures within the media sphere.
- There is a lack of transparency of data concerning media ownership in the Serbian market. Still, the most controversial **state-owned media structure** is noted at a **state company Telekom Srbija**, the **owner** of twelve sports channels (**Arena Channels**), one cable news channel, and its internet portal (**Euronews Serbia**).
- The **close ties between the media and the political structures** are **not** considered a **taboo** anymore. Even **highly ranked public officials** such as the head of the Security Intelligence Agency (BIA) are connected to the media through close family members.

As indicated above, one of the key mechanisms of media control includes the procurement of media ownership. Particularly with respect to the previous chapter, the focus of the following chapter will be to elaborate in more depth the issue of the media ownership structure as well as of the media ownership transparency in Serbia.

## Legal framework

### Media ownership

According to the Law on Public Information and Media, media publishers can be any natural and legal person registered to perform activities in the relevant register of the Business Registers Agency (register of companies, register of associations, register of entrepreneurs). The state can be the founder of public media broadcasters only, but neither the state nor any lower level of government, organisation or legal entity financed from public sources can be a publisher of any other type of media. An additional guarantee of the independence of the media from political interests is provided by the Law on Electronic Media, which prohibits the state and all legal entities financed by it, as well as political parties, from being holders of broadcasting licenses.

### Registration

Registration of media is not obligatory. However, the rights and obligations deriving from the Law on Public information and Media are reserved exclusively for the media registered in the Media Register maintained by the Serbian Business Registers Agency (APR). For example, only registered media have the right to participate in a public competition for project co-financing. Public entities (the State, Autonomous Province, local self-government units) nor the companies whose majority shareholder is the state or which are entirely or predominantly funded from public revenue, may not co-finance projects of or in any other way allocate state aid to a medium or a publisher not entered in the Register nor may they advertise in or use other services of the unregistered media.

The Register has two primary functions: to disclose data on public funding of the media and to disclose data on media ownership. Thus, among usual business information, the Law obliges each media to register:

1. Information on its publisher (Business name/title, address and Company Number);
2. Document containing the information about the natural and legal persons that directly or indirectly have more than 5 % share in the authorised share capital of the publisher, the information about associated persons as de-

financed under the law governing the legal status of companies, and the information about other publishers in whose authorised share capital these persons have more than 5 % share;

3. Information on the amount of funds granted to the medium as state aid and;
4. Information on the amount of funds received from public authorities (state authorities, the authorities of the territorial autonomy, the authorities of local self-government, organisations vested with public powers, and legal persons founded or funded, fully or mostly, by a state authority).

Transparency and accuracy of registered data has been a subject of criticism ever since the register was established<sup>77</sup>.

The informants have noted that the publicly available data cannot provide sufficient insight into the domination of the political structures within the media sphere. To gain detailed insights into the media ownership transparency, as the experts have added, to be considered are also the additional criteria such as who the editor-in-chief is, what the companies and other media outlets connected to a medium in question are, and what the main topics that a medium focuses on are. Also, the money flow tracking represents an additional means for determining the exact nature of the media ownership.

## **The state as the owner of the media**

Even though the legal framework clearly states that neither the state nor any other public authority or legal person funded by the state cannot be a media publisher, there still are exceptions that demonstrate the reluctance of the state to fully withdraw from the ownership over media.

### **Privatisation**

At the time of the adoption of the Law on Public Information and Media in 2014, there were 73 state-owned media, 50 of which entered the privatisation process, which, in accordance with the provisions of this Law, was to be completed by October 31<sup>st</sup>, 2015. The procedure has not yet been fully completed: the state still owns shares in a company that publishes the daily *Politika* and City of Kragujevac exercises founding rights over this local broadcaster Radio-Television Kragujevac.

### ***The case of the daily Politika***

The publisher of the daily *Politika* is the company *Politika novine i magazini*, in which “OOO East Media Group” registered in Russia has a 50% stake, while the remaining 50% is owned by the joint-stock company *Politika a.d.* in which over 90% of shares are owned by the Republic of Serbia, the city of Belgrade and other public authorities and organisations. Although the founding act of the publisher of *Politika* stipulates that the company has two directors, the director who would represent the Russian co-owner has not been appointed, and the company is solely managed by a director appointed by the majority state owned *Politika a.d.*<sup>78</sup>

At the same time, *Politika* is an example of non-transparent ownership due to the fact that official data on ownership of “OOO East Media Group” is not available in any register in Serbia<sup>79</sup>. Behind the Russian company, at the time when it bought a stake from the German WAZ in 2012, there was Miroslav Bogičević. In that period, Bogičević was close to the Democratic Party (DS). After the DS lost power, and Bogičević was arrested for financial embezzlement, he turned against the DS in his public appearances. In 2018, CINS announced that the procedure of closing down “OOO East Media Group”, which was still registered with the APR as a co-owner of the publisher *Politika*, had begun in Russia.

### ***The case of the local Radio-Television Kragujevac (RTK)***

The RTK was first privatised in 2015, but the Ministry of Economy annulled the privatisation in January 2017 due to non-fulfilment of the buyer’s contractual obligations. The buyer in this case was Radojica Milosavljević, who became the owner of publishers of 13 local media throughout the country in the process of privatisation. In accordance with the Decree amending the Decree on the transfer of capital without compensation to employees of media publishers, the transfer of shares from the Register of Shares and stakes to the city of Kragujevac occurred on June 27<sup>th</sup>, 2017. In January 2018, the Ministry of Economy announced a public call to collect letters of interest for participation in the privatisation process,

<sup>77</sup> The Alternative Report on the Implementation of the National Anti-Corruption Strategy 2013-2018 and the Action Plan at an early stage of using the Media Register notes that it is impossible to determine whether information on a particular media is reliable and up-to-date, and that there is no information that whether all media still exist. (p.193) Similar criticisms are contained in the Media Strategy adopted in 2020, which states: “The existing legal framework and scope of data entered in the Media Register does not provide for the collection of all information necessary to achieve the goals for which the register was established. Also, there is no mechanism for the collected data to be up-to-date, to be networked with the data kept in other registers and to be easily accessible and searchable to users.” (p.14).

<sup>78</sup> See Media Ownership Map for *Politika novine i magazini* (*Politika Newspapers and Magazines*).

<sup>79</sup> Law on Public Information and Media prescribes (article 39) that document containing the information about the natural and legal persons who directly or indirectly have more than 5 % share in the authorised share capital of the publisher, the information about associated persons as defined under the law governing the legal status of companies, and the information about other publishers in whose authorised share capital these persons have more than 5 % share shall be entered into Media Register. Searching through the APR Media Register, the research team noted that in the case of *Politika*, only a document containing information on funders of a publisher, but not on their affiliated persons etc. <https://link.crta.rs/22>.

but this privatisation has not been completed yet and the city continues to exercise its founding rights over this medium. The city of Kragujevac allocated a total of 237 million RSD to RTK in the period between 2015 and 2020<sup>80</sup>. In 2021, RTK received another 50 million RSD from the city budget<sup>81</sup>.

In the Financial Report of the RTK for 2020, it is stated that in 2020 the RTK earned a total of 51 million dinars – about 9 million came from activities and 42 million were allocated as a subsidy from the city budget<sup>82</sup>, meaning that the share of budgetary subsidies in the total incomes of the RTK was 81%. In the Business Plan for 2021, RTK it is stated that the total planned income for 2021 is 67.7 million dinars – 50 million from subsidies and the remaining 17.7 million from the sale of products and services<sup>83</sup>.

### *The case of Tanjug News Agency*

After the failed privatisation in 2015, based on the law and the relevant decision of the Government, Tanjug formally ceased to exist in November 2015. During the next five years, the director of Tanjug did not fulfil the legal obligation to submit to the Business Registers Agency an application for deletion of Tanjug from the Register of Business Entities. Thus, in the period 2015-2020 Tanjug continued working in an unclear legal form, being often accused of being biased and reporting in favour of the ruling party.

Since it stopped being officially supported by the Government in 2015, a significant amount of information about the incomes, expenses and debts of Tanjug became hidden from the public eye. According to CINS's report, the state gave more than 76 million RSD from the budget to shut down this agency, and then continued buying services from it. According to the same report, from October 2015 to September 2019, the state paid Tanjug about 52 million RSD on the basis of various commercial contracts. It remains secret how much money Tanjug received from different public entities on the basis of sponsorships and the like.

Finally, on March 9<sup>th</sup>, 2021, Tanjug was deleted from the Media Register and the Business Entities Register. Prior to deletion, on November 14<sup>th</sup>, 2020, the Property Directorate of Serbia (as the owner of all Tanjug properties) made a public call<sup>84</sup> for a ten-year lease of four trademarks of Tanjug news agency, including four logos and the slogan "Tanjug. Tačno." The company "Tačno", allegedly the only bidder at the auction, was not registered by the APR before November 17<sup>th</sup>, 2020. 60% of shares of the newly established company belong to "Radio Television Pančevo", local television owned by Radoica Milosavljević who bought a total of 13 local media in the privatisation process while another 40% of the shares belong to "Minacord" (owner of another 3 TV stations)<sup>85</sup>. As media reports, Milosavljević is a member of Socialist Party of Serbia (SPS) but also has a connection with Bratislav Gašić.<sup>86</sup> Many employees from RTV Pančevo lost their jobs after the privatisation because they were forced to choose whether to give their support to the party (in this case, the Serbian Progressive Party) or leave their jobs<sup>87</sup>. In September 2020, the REM issued a warning to "Radio-Television Pančevo" for providing a privileged position to the electoral list "Aleksandar Vučić - Za našu decu" during the 2020 election campaign. On November 14<sup>th</sup> 2020 the Property Directorate of Serbia made a public call for the ten-year lease of four trademarks of Tanjug news agency, including four logos and the slogan "Tanjug. Tačno." The call was published only on the web page of the Directorate and in the tabloid newspaper "Srpski Telegraf". Following the signature of the agreement between Tačno and the Directorate, the Director of Tanjug submitted an application for removing Tanjug from the Register of Business Entities.

After the deletion of News Agency Tanjug from APR register, company "Tačno" started using the trademark and name "Tanjug", and registered its own media under that name.

Assessing the transparency of the whole procedure an interviewed expert noted:

*"The government published an advertisement in the daily Srpski Telegraf. However, this ad was written in such a way that only someone who was familiar with that or was informed beforehand was able to understand what it referred to. (...) The description was written in detail that this related to some*

80 "Since 2015, Kragujevac has set aside an incredible 237 million dinars for the restructured RTK", Danas, December 25<sup>th</sup>, 2020, <https://link.crta.rs/1h>.

81 Arhiva službenih listova za 2020. (Official Gazette of the City of Kragujevac), No. 39/2020, December 29<sup>th</sup>, 2020, 85 <https://link.crta.rs/1i>

82 Finansijski izveštaj RTK za 2020. godinu (Financial Report of the RTK for 2020), 11 <https://link.crta.rs/1j>.

83 Business Plan of the RTK for 2021, 37-39 <https://link.crta.rs/1k>.

84 Javni oglas br. 26, O sprovođenju postupka za ustupanje iskorišćavanja drugih imovinskih prava u svojini Republike Srbije prikupljanjem pisanih ponuda (Public announcement no. 26, On conducting the procedure for transferring the use of other property rights owned by the Republic of Serbia by collecting written offers), <https://link.crta.rs/1l>.

85 See Media Ownership Map for Radoica Milosavljević

86 Radoica Milosavljević, Istinomer, <https://link.crta.rs/1m> (accessed August 20<sup>th</sup>, 2021).

87 "Vladimir Đoković: Urednik TV Pančevo tražio da se učlanim u SNS. Pošto sam odbio, nije mu produžen ugovor" ("Vladimir Đoković: The editor-in-chief of RTV Pančevo asked me to join the SNS. Since I refused, my contract was not extended"), Cenzolovka, 22.12.2015, <https://link.crta.rs/1n> (accessed August 20<sup>th</sup>, 2021).

*4 trademarks referred under numbers which were registered under numbers in Intellectual Property Office. So only those who wanted to research the records of the Intellectual Property Office could have discovered that the numbers of those trademarks are actually 4 logotypes of Tanjug and that the government had announced and/or advertised that it was renting Tanjug brand. (...) The state has rented the name Tanjug for EUR 580,000 to that company for 10 years, and they are creating television on that platform.”*

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### **State-owned cable operator as the owner of the media service provider**

Telekom Srbija is a joint stock company whose majority shareholder is the Republic of Serbia with 58.1% of shares. With a 100% stake, Telekom owns Arena Channels Group, which has been issued 13 cable broadcasting licenses by the REM to broadcast predominantly sports channels. In addition, Arena Channels Group owns Arena News Channels Ltd<sup>88</sup> – a company that has received a license to broadcast Euronews in Serbia, which started in April 2021.

### **Controversial issuing of broadcasting licenses to companies owned by Telekom**

The issuance of licenses for broadcasting Arena channels has been controversial since 2011 when this company (then called HD WIN) first applied to the then RRA for a license to broadcast Arena Sport channels. In the period between 2009 and 2011 four Arena Sport channels were broadcast without license. In August 2011 Telekom Srbija announced that it acquired ownership of 51% of the capital of HD-WIN, the founder of four Arena Sport channels.

The Broadcasting Law that was in force in 2011 provided that the holder of a broadcasting license shall not be a company, institution or other legal entity founded by the Republic of Serbia or an autonomous province, except for public service broadcasting institutions<sup>89</sup>. The RRA Council determined the problematic ownership structure of the HD WIN: 51% of the ownership at that time belonged to Telekom Srbija, while 40% belonged to a natural person and 9% belonged to the Cypriot company Sportadd Limited.

At that time, the state had as much as 80% of shares in Telekom Srbija, which means that even then it primarily influenced the decision-making of the company that owned a 51% stake in HD WIN. The RRA Council stopped the licensing procedure and at the beginning of 2012 and requested the opinion of the Ministry of Culture and Information. In mid-2012, the Ministry submitted an opinion that granting an HD WIN license would not be in accordance with the Law. However, after Telekom management argued that the founder of HD WIN was a natural person, and that Telekom was only the majority owner of the company, the RRA stopped the procedure and once again addressed the Ministry. When the RRA informed the Ministry that it had unequivocally established that the Republic of Serbia was not the founder of HD WIN, the Ministry withdrew its earlier opinion and issued a statement to the RRA in November 2012 that “there is no legal obstacle to issuing a license<sup>90</sup>”.

With such an interpretation of the Law by the REM, HD WIN has become a media service provider. However, the Anti-Corruption Council members warned that “*such decision violated the Law on Public Information at the time, as the State was prohibited from owning media either directly or indirectly. Authorities at the time did not prevent the harmful purchase(...)*”<sup>91</sup>

With the adoption of the new Law on Electronic Media, the provision prohibiting the issuance of licenses has been expanded. Along with the ban of licensing a company, institution or other legal entity founded by the Republic of Serbia or the Autonomous Province the new Law introduced a ban of issuing a broadcasting license to a legal entity whose assets are wholly or partly in public ownership<sup>92</sup>.

In years to come, Telekom successively increased its share in the HD WIN: first in August 2018 it acquired 9% of the Cypriot company, and in May 2019 it acquired the remaining 40% becoming the sole owner of HD WIN, which in March 2020 changed its name to Arena Channels Group.<sup>93</sup>

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88 The company was initially registered with the APR by the name “Euronews ltd” but changed its name to “Arena News Channels” in July 2021, <https://link.crta.rs/1o>.

89 Broadcasting Law, Article 42.

90 Savet za borbu protiv korupcije, Izveštaj o vlasničkoj strukturi i kontroli medija ((Anti-Corruption Council, Report on Ownership Structure and Control over Media in Serbia), 2015, p. 159, <https://link.crta.rs/1p>).

91 Presentation of Report on Ownership Structure and Control over Media in Serbia, Anti-corruption Council 2015 <https://link.crta.rs/1q>.

92 Law on Electronic Media, Article 80.

93 APR, Registry of Companies, Arena Channels Group, Published documents.

The issue of the legality of issuing a license to a media service provider under the control of Telekom, was once again in the public spotlight when Arena News Channels applied for the broadcast license for Euronews<sup>94</sup>. The REM Council decided to refer to the opinion of the Ministry from 2012. In a statement for the Raskrikavanje portal, they quoted the opinion from 2012 and stated that in accordance with it, “the participation of the Republic of Serbia in the share capital of Telekom” cannot be a legal obstacle to issuing a license since Telekom Srbija is an open joint stock company that equally participates in the market of goods, services and capital and that is not financed from public revenues but exclusively from the activity it performs<sup>95</sup>. “

This time, however, REM was not only obliged to prove whether Arena News Channels was established (directly or indirectly) by the state, but also whether Telekom, as the only member of the company that founded Arena News Channels, is a legal entity whose assets are wholly or partly in public ownership.

Telekom’s renunciation of a status of a public entity and its denial of the state’s role in its decision making, have again gained regulatory approval<sup>96</sup> even though some relevant experts expressed the opinion that Telekom is in state, public ownership, because it was “founded by the state for the use and management of telecommunication networks<sup>97</sup>”.

The intention of the legislator to completely remove the state from media ownership through a set of media laws, is thwarted by this action of the Regulator, that was established to protect public interest in the area of electronic media and whose legal obligation is to interpret the provisions of the Law on Electronic Media in favour of improving the values of a democratic society<sup>98</sup>.

Interviewed experts also point out to the controversial status of Telekom as a media owner:

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*“Of course, a problem now is such an additionally privileged position, problematic since more than 50% is state-owned, which is directly in conflict with fundamental amendments of reforms and new media laws saying that the state cannot be the owner of the media. So, perhaps as a stakeholder, it could have been a majority owner in a telecommunications company, but this company which is majority-owned by the state, cannot be a media founder. So they have created related parties, Supernova, God knows what else, but through a similar principle. The background was the same.”*

*“...Now we can talk all about how transparent the ownership is in the sense that I can go to the BRA and see who owns what, but **in essence it is not transparent at all, because you can’t know anything about the owner, where did he get the money, who is he, where did he come from, why is he in the media...** (...) So yeah, there’s this **alleged retreat of the state from ownership, but then again the state is returning to the media.** We had that happen with Euronews, earlier with Arena sport, and so on. Generally speaking, **the state is leaving a medium, but then forces a businessman or some other trustworthy person to buy the medium. In my opinion, that’s still state ownership, in all ways except formally.** That happened with Politika when Bogičević came into ownership, even though it wasn’t really in his interest, but it was working with the politicians.”*

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Another example of indirect state ownership in media, through Telekom Srbija, is the **case of acquisition of the Adria Media Group (AMG)**<sup>99</sup>. In 2018, AMG was acquired by Mondo Inc<sup>100</sup>, whose indirect owner through Wireless Media is Igor Žeželj<sup>101</sup>. Mondo was established in 2004 by Telekom Srbija, and was sold to Igor Žeželj in 2019. The fact that Wireless Media and Mondo, while it was the part of Telekom Srbija, were and still are at the same address and share the same

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94 See Media Ownership Map for Telekom Srbija

95 “Telekom: Ne kršimo zakon pokretanjem TV Euronews Srbija” (“Telekom: We are not breaking the law by launching TV Euronews Serbia”), Raskrikavanje, 11.05.2021. <https://link.crta.rs/1r>

96 This attitude is present in various spheres of Telekom’s activities. For example, Telekom has refused to comply with the Law on Free Access to Information of Public Importance for years, because it is “not financed from public revenues.” The Commissioner for Information of Public Importance, however, defended the spirit of FOI Law far more consistently than REM defended media legislation. The Commissioner took the position that, due the fact that the state is its funder and exercises the management rights, “Telekom Srbija” has an obligation to act upon FOI requests. This position was also confirmed by the Administrative Court. On the other hand, drafting the amendments to the FOI Law, the competent Ministry made a proposal that was going in the direction of excluding Telekom from the obligation to comply with the FOI Law. The proposal was withdrawn after sharp public criticism. Nevertheless, the public did not prevent the Public Procurement Law from being amended in 2015 and exempting Telekom from the obligation to conduct public procurement.

97 Vasilčić, J., “Šta Telekom i građani skrivaju od građana” (“What are Telekom and the government hiding from the citizens”), Danas, July 7<sup>th</sup>, 2021. <https://link.crta.rs/1s> and July 8<sup>th</sup>, 2021. <https://link.crta.rs/1t>

98 Law on Electronic Media, Article 3.

99 See Media Ownership Map for Adria Media Group

100 “Žeželj umesto Rodića na čedlu Kurira” (“Žeželj instead of Rodić as the head of Kurir”), Javno, <https://link.crta.rs/1u> (accessed October 10<sup>th</sup>, 2021).

101 Igor Žeželj, Media Ownership Monitor Serbia, <https://link.crta.rs/1v> (accessed October 10<sup>th</sup>, 2021).



telephone number raises doubts in public that Telekom Srbija is the informal owner of AMG. Furthermore, during the long period before and after the sale, Telekom Srbija and Wireless Media have strong but non-transparent cooperation, which additionally raises doubts in public about the true owner of AMG<sup>102</sup>.

## **Civil sector media**

The Law on Electronic Media divides media service providers into public media services, commercial media service providers and civil society media service providers. Although non-profit organisations can be publishers of all types of media in Serbia, a special status is provided to them only in the case when they are publishers of electronic media. The special status is reflected in the fact that they are deprived of the obligation of paying REM a fee for the provision of media services. According to the latest available information, there are 13 civil society electronic media.

According to the latest available information, the total number of media published by a non-profit organisation was 498, of which more than half were established in the period 2016-2019. There are opinions that many of them were established by GONGO organisations with the sole purpose of obtaining budget funds for co-financing projects.

## **Concentration of media ownership**

The Law on Public Information and Media provides the protection of media pluralism and the prohibition of monopolies and illegal mergers. Limit values for the prohibition of ownership concentration are set quite high – horizontal concentration (concentration of media ownership over a single type of media) of management and ownership rights in the field of print media is prohibited if their combined annual circulation exceeds 50% of the circulation of all daily newspapers in Serbia. In the field of audio-visual media, that limit is 35% of the total viewership or audience in the relevant coverage area<sup>103</sup>. Cross-concentration (concentration of media ownership over different types of media services) is prohibited between publishers of print and electronic media – it is not allowed to acquire a share of over 50% in the founding capital between publishers of daily newspapers with daily circulation of more than 50,000 copies per year, and publishers providing audio and audio-visual media services<sup>104</sup>. Given that limits are set high and are practically impossible to cross, there has been a significant consolidation of the actors on the media scene. Vertical concentration (integration between media distribution and media publishers) is allowed through an affiliated legal person<sup>105</sup>.

The Law on Public Information, which was in force until 2014, contained only general regulations on the protection of competition and did not enact special rules for one or more media sectors and for the issue of cross-media ownership. Unlike that law, the then valid Law on Broadcasting prescribed prohibitions on concentration (horizontal and cross) in which the electronic medium participates<sup>106</sup>. The Law prescribed cases of illicit concentration, which were determined by the number of media owned and which were considered extremely restrictive. During the public debate that preceded the adoption of the set of media laws, media associations especially advocated the liberalisation of the previous rules and to follow the trend of those countries where there are special rules for one or more media sectors and the issue of cross-media ownership<sup>107</sup>. On the other hand, there were efforts of the Ministry of Culture and Information to regulate the issues of illegal competition in a different way, so in one version of the Draft, the concentration thresholds were related to the number of terrestrial broadcasting licenses, and for the cable broadcasters, to the type of content, meaning that they would be able to broadcast an unlimited number of specialised channels (sports, children's, etc.), but not more than one if it is a general channel or a specialised news channel<sup>108</sup>. That version of the Draft was withdrawn and the arguments in favour of a certain consolidation of the oversaturated market prevailed.

Special attention at the time of drafting the law was given to the regulation of vertical concentration (between the operator and the media service provider). Prior to the enactment of the new law, vertical concentration was not prohibited. In one version of the Draft law, the Ministry provided for a ban on the operator of the electronic communications network used for the distribution of media services, to be founder of general channel or a specialised news channel, with the

102 "Komisija za zaštitu konkurencije da preispita prodaju Kurira" ("The Commission for Protection of Competition to review the sale of Kurir"), Cenzolovka, November 24<sup>th</sup>, 2020, <https://link.crta.rs/1w> (accessed October 10th 2021).

103 Law on Public Information and Media, Article 45.

104 Law on Public Information and Media, Article 46.

105 *Ibid*, para. 2.

106 Broadcasting Law ("Official Gazette of the RS" No. 42/2002, 97/2004, 76/2005, 79/2005, 62/2006, 85/2006 i 86/2006) Article 97.

107 Kramenjak, S., "New Media Laws – Achievements and Future Challenges", Legal monitoring of the Serbian media scene, Anem, Belgrade, 2014, p. 26.

108 Stojković, M., "Do Draft Media Laws Foster Media Pluralism?", Legal monitoring of the Serbian media scene IX, Anem, Belgrade, 2013, p. 27.

exception that the operator could be the founder of specialised media (sports, music, etc.). At the time of drafting the law, Telekom Srbija was already in the ownership structure of the founders of the Arena Sport channel, and the owner of SBB was in the process of implementing an information programme for the region. These circumstances influenced the shaping of the final text of the norm, which, as it was said, allows vertical concentration through an affiliated person.

## **Media ownership concentration in practice**

Monitoring media pluralism through viewership and newspaper circulation was assessed in the newly adopted Media Strategy as “*insufficient and inadequate parameter for assessing media pluralism*”<sup>109</sup>. The strategy recognises as key issues that:

- The laws do not clearly define the method of determining and measuring these shares, nor the methods of verifying data on the preferences of the media audience;
- The Law does not clearly define the procedure in which the REM determines whether in a particular case there was a merger of ownership or management, nor did it determine the legal consequences if media pluralism were violated due to the approved merger;
- There are no adequate criteria for measuring media pluralism in terms of content, especially when it comes to news programmes.

The Strategy provides clear overview of the current situation: *High thresholds for share in viewership, listenership or circulation (...) and allowing operators to provide media services with minimum regulatory requirements, have led to consolidation of the number of publishers at the media scene for economic reasons, but at the same time increased risk to media pluralism*<sup>110</sup>.

Media concentration is regulated based on the data of viewership and listenership share. No other regulation based on advertising or sales revenues exists. The problem with audience data is that they are based only on the estimation of audience measurement agencies.

The concentration of printed media is regulated based on the data of printed circulation. The fact is that there is no available data regarding circulation since the practice of printed audit was abandoned in 2015. The data about circulation should be reported in the Media Register maintained by the APR, but this is not a practice for publishers. Furthermore, no audience data is available for local media at all.

The ownership structure of commercial national televisions is often mentioned in the public, due to the alleged connections of their owners with the ruling party. TV Happy is owned by companies Ideogram and Kanal 1<sup>111</sup>. The only official data about the owner of this company is a person named Vladana Ćirović, while a controversial businessman Predrag Ranković Peconi is also mentioned in the public as the owner<sup>112</sup>

Another controversial owner of the commercial national television is Željko Mitrović. He began his business career in the 1990s, closely cooperating with the Milošević's regime and lately with all the other ruling actors in the political scene in Serbia<sup>113</sup>. Currently, he owns a national television, TV Pink, one of the most influential media supporters of the ruling majority, radio Pink, internet portal pink.rs and additional 60 cable TV stations in Serbia<sup>114</sup><sup>115</sup>. Furthermore, Mitrović's son, convicted for causing a tragic traffic accident in July 2013, when he was 17 years old, is the owner of “Welcome to Fun Radio” (WTF). The radio is interesting because of its affirmative promotion of the Republic of China through different types of content<sup>116</sup>.

Additional two national televisions belong to the same person, Srđan Milovanović, which will be explained in detail in the following paragraphs.

### **The case of Srđan Milovanović – TV B92 and TV Prva**

The most vivid example of consolidation in the media market is the example of televisions with national coverage – B92 (share in viewership 3.48%) and TV Prva (11.79%), as well as of a radio station with national coverage, Play radio (share in listenership 7.64%)<sup>117</sup>.

109 The Strategy for the Development of Public Information System in the Republic of Serbia for the period 2020-2025, p.14.

110 *Ibid.*, p.15.

111 See Media Ownership Map for TV Happy

112 Predrag Ranković, Media Ownership Monitor Serbia, <https://link.crta.rs/1x> (accessed August 6<sup>th</sup>, 2021).

113 Željko Mitrović, *ibid.*, <https://link.crta.rs/1y> (accessed August 20<sup>th</sup>, 2021).

114 See Media Ownership Map for Željko Mitrović.

115 Regulatory Authority for Electronic Media.

116 “Big Brother: Serbia's Media Are Creating Nation of China Lovers”, Balkan insight, March 26<sup>th</sup>, 2021, <https://link.crta.rs/1z> (accessed August 20<sup>th</sup>, 2021).

117 See Media Ownership Map for Srđan Milovanović.

Both televisions were, through Serbia-based dependent companies, indirectly owned by the Greek media company Antenna Media Group until 2018. Earlier that year, Srđan Milovanović, the brother of a high-ranking official of the ruling Serbian Progressive Party from Niš, Zvezdan Milovanović<sup>118</sup>, sold his cable operator company Kopernikus to the state owned Telekom. In December 2018, his Cypriot-based Kopernikus Corporation bought the entire Antenna group in Serbia, including publishers of B92, TV Prva and Play Radio, and the Commission for Protection of Competition approved the transaction. Incidentally, Zvezdan Milovanović is the majority owner of 13 local media outlets (television or radio).

## The relationship between media and politics – expert insight

In the past years, there are a significant number of examples showing the connection between media owners and ruling parties.

Besides Milovanović brothers and Radoica Milosavljević, another example is the owner of TV Zona plus, Nikola Gašić, the son of Bratislav Gašić, the head of the Security Intelligence Agency (BIA) and highly positioned member of SNS. Editor-in-chief at TV Zona Plus, Slađana Ostojić also owns 50% of Niška TV, whose other 50% is held by Vidosav Radomirović, who is also the owner of radio and television Belle Amie<sup>119</sup>. Another Gašić's son, Vladan Gašić is owner of Televizija Plus through his company Saco doo Kruševac. This ownership structure of Southeast Serbia's media landscape indicates a strong political influence over all major media outlets from this region.

Another political actor, member of the Socialist Party of Serbia (SPS), whose family member is the owner of several radio stations, is Zoran Anđelković. His son, Predrag Anđelković, is editor in chief on two radio stations with the terrestrial coverage, Radio S1 and Radio S2. At the same time, Anđelković's mother is the owner of the publishing house of these two radio stations. The family also owns Radio S3 and Radio S4<sup>120</sup>.

In relation to the above, the informants have drawn particular attention to the importance that the changes which take place in the media ownership structures in Serbia have for the daily media practice. It has been emphasised that the major change in terms of media ownership has taken place at the same time as the changes on the political scene. More specifically, the previously mentioned major change in the media ownership structure has been the result of the assertion of dominance of the SNS. As the experts agreed, prior to 2012 it could be noticed that economically powerful people, the so-called tycoons, were considerably more present as the owners or the co-owners of the most influential media. In the years following 2012 the business elite entered to a far greater degree the service of the political elite, which has by then, overtaken the media scene.

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*“Well, politics is everything. It's a bygone era, it all happened ten years ago when SNS came into power, they either bought the media or tried to destroy it. Few have survived. They really do believe money buys everything. I know, people are speaking publicly about it, how much they offered for a media...”*

*“There used to be Press that was linked to Đilas, but with Mišković as well, and then in 2012, when Mišković stopped being one of the owners, the newspaper almost shut down because it couldn't survive. Then, there was Miroslav [Bogičević]. In any case there was Politika, that used to be some form of political-economic control, but there was also Beko in Novosti that also had some kind of cooperation with Politika... Then again, you probably couldn't write about Beko. There was that time when it was revealed that Beko was behind all those offshore companies and Novosti printed that information, as if they didn't know who their owner was...”*

In addition, what represents the major issue is the fact that not only are the most influential media owned by the politicians themselves, or the people close to them, but they are also managed by a few powerful individuals or families alone.

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*“Ownership, at least ownership of the mainstream media, is centralised in the hands of the state or controlled by the government. Ownership structure is controlled by the government. (...) Ownership is actually purely fictitious. If we were to compare it with how it's really being reported, the owner is the one in control. If the government is in control, the government is the owner.”*

*“...Then there's a public competition, 80 million is on the table for the media in Niš, and then two families get millions and it all comes together. Those are families Gašić (the head of the Security Intelligence*

118 Zvezdan Milovanović, Istinomer, <https://link.crta.rs/20> (accessed August 20<sup>th</sup>, 2021).

119 See Media Ownership Map for Vidosav Radomirović.

120 See Media Ownership Map for Ljubinka Anđelković.

Agency) and Radomirović. New to that arrangement is Zvezdan Milovanović, also an SNS official. So we have two high-ranked SNS officials and we have the Belle Amie television and its owner who is in cahoots with numerous media, and is a co-owner of Niška television with Gašić.”

“Media magnates. There’s that famous Radojica Milojica<sup>121</sup> who has, how much was it again... 24 local media? Yes, then there are cable operators that enter distribution, creating content, producing content, with bells and whistles. What I don’t like is that on the national level we’re starting to have two monopolies, of Telekom and of the United Group. (...) If we’re talking about the national level, you have those two, and we as citizens are stuck in the middle of two big companies (Telekom and SBB) that are in war with each other, each of them building their own media empire. Of course, one is pro-regime, the other is not, so we know where our heart lies, but it’s still no good that ownership is so narrowed as it seems to be. Locally, there are those, quite literally, media magnates. We know Radojica and Milojica that are very close to the ruling party.”

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The media concentration, however, is not something that has been invented by the SNS regime, the experts have emphasised. It has been present as a tendency within all the former political nomenclatures. But, the experts have no doubt that it is under this particular regime that media concentration has become a particularly common occurrence, more noticeable than ever before.

## **The market of operators of electronic communications networks for the media content distribution**

The market of operators of electronic communications networks for the media content distribution is largely concentrated and subject to constant consolidation. According to RATEL data, at the end of 2020, SBB had a share of 45.5%, Telekom 29.2%, Moja Supernova 14.8%, Pošta Srbije 2.7%, Sat-Trakt 1.6%, while all other operators had a share of total 6.2%.

SBB (*Serbia broadband – Srpske kablovske mreže*) has been operating in Serbia since 2000. According to RATEL data, the share of this company in the market, which at that time numbered about half a million users, was already in 2005 about 45%. In 2013, the Netherlands-based Adria Serbia Holdco B.V. bought 100% of SBB. Between 2007 and 2018, SBB took over at least seven smaller cable operators throughout Serbia.

Together with Telemach Slovenia and Telemach Bosnia, SBB formed the United Media Group. In 2014 an American global investment fund, KKR, became the majority owner of United Group. In 2019 KKR sold its shares to British international investment firm BC Partners. Dragan Šolak – Director of the Management Board of United Group is known as the owner of the SBB.

*Telekom Srbija* is a joint stock company whose majority shareholder is the Republic of Serbia with 58.1% of shares.; 20% of shares are owned by Telekom (Company’s Stocks) while small shareholders have the remaining 21.9% of shares. Shares were distributed to individuals so that former employees received 6% of shares, while the remaining 15% were distributed to all adult citizens of Serbia in 2012 (about 4.8 million citizens received 31 shares each). The small shareholder with the largest share has a share of 0.00551%.

The decision-making bodies in Telekom are the Assembly, the Supervisory Board and the Executive Board.

Although the total number of shares represented by the share capital of Telekom is 1,000,000,000 shares, 20% are Telekom’s own company’s shares that do not give the right to vote and are not taken into account when determining the quorum etc. The Republic of Serbia has 581,099,707 shares in Telekom, 58.1099% of shares, but it has a total of 72.63% of voting shares.

Before each session of the Assembly, the Voting Commission determines the total number of votes and the number of votes of each of the present shareholders of the Company. One share carries one vote at the session of the Assembly. The number of votes corresponds to the number of shares that the shareholder owned on the day of determining the total number of votes for a specific session.

Decisions of the Assembly are adopted by a simple majority of votes of the shareholders present at the session of the As-

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121 See paragraph above The case of Tanjug News Agency.

sembly, who have the right to vote on a particular issue (regular majority). In cases when the Law requires the adoption of decisions by a qualified majority, such decisions are adopted by a 3/4 (three-quarters) majority vote of the Company's shareholders present at the General Meeting (qualified majority).

The Supervisory Board (which, among other things, determines the business strategy and business goals of Telekom) has 7 members, one of which is an independent member, in accordance with the Law. The members of the Supervisory Board are elected by the Assembly by a regular majority on the proposal of the Supervisory Board, the Appointment Commission (if formed) and the Shareholders who have the right to propose the agenda of the Assembly.

Insight into several decisions on the appointment of members of the Supervisory Board shows that (except for an independent member) members are elected exclusively on the proposal of the Republic of Serbia. The Statute of Telekom also stipulates that the Assembly may dismiss a member of the Supervisory Board even before the expiration of the term for which he was appointed, without stating the reasons.

The Supervisory Board elects the Executive Board (the Board of Directors, of which the Supervisory Board elects one, elects the General Manager of Telekom).

*Moja Supernova* was a company in which Telekom had a 100% stake and which ceased to exist on June 1<sup>st</sup>, 2021 due to the merger with Telekom. *Moja Supernova* was the legal successor of *Kopernikus Technology*, which was owned by two Cypriot-based companies owned by Srđan Milovanović, until November 2018, when Telekom bought a 100% stake in the company.

The name *Kopernikus* was changed to *Moja Supernova* on September 4<sup>th</sup>, 2020. Meanwhile, in the period after Telekom acquired ownership of *Kopernikus*, the company has bought several smaller operators (*Radius Vector*, *Avcom* and *Mas-ko*), so its market share increased from 3% as it was in 2017 to 14.8% at the end of 2020. The total share of Telekom after the merger of *Moja Supernova* is 44%.

*Pošta Srbije* is a public enterprise whose founder and the only member is the Republic of Serbia.

## Cable operators as media owners

Societal polarisation, which has been triggered by the political tensions and divisions, is particularly noticeable in the media sphere. With respect to this, the media ownership structures represent one particularly salient manifestation. Hence, on the one hand, there are the pro-regime media owned by the politicians from the ruling party. On the other hand, what is equally noticeable is the process of grouping those media that are critically oriented with respect to the government.

Interviewed experts suggest that the media polarisation has become all the more evident with the entrance of the telecommunication operators on the media scene.

Even though the intention of the working group drafting the Draft Law on Electronic Media in 2013, was to prohibit the cable distributors/operators to provide media services, sudden amendments to the draft passed in early 2014 allowed operators to provide media services. Experts suggest that these amendments passed as a result of the lobbying by the United Group.

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*“Even **the way N1 was established wasn't according to rules**, but you can see how the rules were amended so that it would be according to rules, because the owner of the network couldn't be the owner of the television – he can't produce programme. There's this great article written by my colleague Barlovac, who wrote exactly about this and how **it was done by lobbying to change the law and in that way enable the establishment of N1**. It all comes down to some kind of interest, some sort of commercial interest. (...) What scares me is that **it's a real possibility that the interest of SBB and its owners is protected under the guise of the fight for the freedom of the media**. Because I think that the owners' interest is to get some money out of it, not to produce content that will bring some kind of freedom to the people.”*

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Today, two major cable operators SBB and Telekom indirectly own TV channels. SBB is part of the United Group, which operates throughout Southeast Europe, and includes United Media as its part. United Media consists of channels Sport Club, Nova, N1, Cinemania, Ultra, Mini Ultra, Hunting and Fishing and Grand<sup>122</sup>. Telekom owns Arena Channels Group,

122 See Media Ownership Map for United Media S.a.r.l.

which has been issued 13 cable broadcasting licenses by the REM to broadcast predominantly sports channels. In addition, Arena Channels Group owns Euronews Ltd – a company that has recently been issued a license to broadcast Euronews in Serbia.

However, the interviewed experts have suggested that the interpretation of “the battle” over supremacy on the media market, taking place between two major operators – Telekom and SBB, ought to take into consideration two aspects in particular. Firstly, the “skirmish” has, without a doubt, a political background, given that Telekom is a state-owned company. And, more precisely, a company “owned” by the ruling party. In other words, it is a way for the ruling party to gain control of the entire media space as experts conclude. Besides, the entrance of Telekom on the media scene is an indicator that the state itself is entering the media market again, despite its alleged withdrawal from that market. This is, as the interlocutors have added, an *a priori* unjust race that makes the Serbian media market additionally uncertain and unfavourable. Secondly, this “skirmish” is not entirely political in nature. As one of the interviewed experts has pointed out, what should not be overlooked is the fact that the SBB service provider is primarily fighting for the preservation of its own economic interests. Therefore, although SBB places an emphasis in its statements on the “fight for the sake of media freedom” and “fight for the public interest”, its fight is, actually, for the sake of its own economic profit and survival. Accordingly, this expert has expressed the concern that this could also be the case of exploitation of the professional media workers (N1 and NovaS journalists and media workers, in the first place). Moreover, another interviewed expert sees the dispute between Telekom and SBB as a “cartel clash”, where both sides employ the very same methodology in order to gain profit in one form or another, abusing the media law in the process.

## **Transparency of the media ownership**

The changes concerning the media ownership transparency are visible as well. Firstly, the experts have provided critical commentary on the topic of the media register system. The existing register system to be found at the Serbian Business Register Agency itself has to be considerably improved. This, as the experts agree, ought to be the initial necessary step toward the overall improvement of media ownership transparency.

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*“When it comes to Serbian media ownership there is this non-compulsory media register that has a list of media owners, founders and director, and that’s the condition for applying and asking for money. We have this register that is supposed to bring some sort of security, that we know who’s behind that media. However, you should know that, if I’m not mistaken, the media founder i.e. owner is the one who enters the data into the system. I think that there is no cross check of real ownership.”*

*“... The cleanest case would be to have a transparent ownership structure, in APR, or wherever, no matter how many owners the media outlet company has, people will not make a difference, since the media are not legal persons – companies establishing the media are the legal persons. The companies should be registered in the Business Registers Agency and the media in Media Register, so when you hear that the United Group has bought Danas, the United Group has not bought Danas – the United Group has bought Dangraf, and Dangraf is a founder of Danas.”*

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Nonetheless, even though the media ownership, for many media outlets in Serbia, is to the greater extent fictitious, the interviewed experts suggest that the phenomenon of the hidden ownership was the dominant characteristic of the period up to 2012, rather than the period following the regime shift. The experts have noted that nowadays the close ties between the media and the political structures are not considered a taboo anymore. On the contrary, those ties are not only more present and more visible, but they are also perceived as a welcoming occurrence. Hence, owning a media outlet becomes a symbol of political power as well as the means for displaying power. Likewise, for a number of media outlets it is neither a taboo anymore, nor is it perceived as something unethical or unprofessional for them to declare themselves as pro-regime.

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*“Yeah, the owners take photos with the president, with other officials, at SNS rallies (...) They no longer feel the need to hide.”*

*“There’s some media or media owners that don’t mind saying that they are pro-government. I believe both Vučićević and Mitrović said that. They say it openly, and what can you expect from such a paper?”*

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All the described phenomena provide evidence for the critical state of the media in Serbia. In addition, it is also the evidence for the increasing degradation of the profession, as well as for the critical state of the entire Serbian society, which has lost its moral compass. Citizens, as well as professional journalists have, in this sense, become the major victims of

the struggles taking place between the various elites and the interest groups that have come to dominate the public space. Therefore, regardless of who wins this power struggle, the citizens and the professional journalists will still find themselves on the losing end.

To sum it up, the experts pointed out several significant aspects of the issue of media ownership. They are unanimous in their assessment that the next necessary step toward the facilitation of media ownership transparency is the improvement of the existing media register system. Also, their impression is that a cultural shift is taking place. Namely, the relations between the media owners and the politicians are more transparent, even though the publicly available data do not provide sufficient insight into the domination of the political structures within the media sphere. In addition, special attention is paid to the telecommunication operators as media owners. The experts suggested that the media polarisation (pro-regime media vs. critically-oriented media) has become all the more evident with the entrance of the telecommunication operators on the media scene.

Finally, the experts have indicated that the case with Telekom could be interpreted as the state's re-entrance on the media market.

# VIII MEDIA SELF-REGULATION

## Key chapter insights

- A certain number of professional media accept and respect the opinion and recommendations of the Council; likewise, a large number of media do not acknowledge this body at all.
- **The recommendations of the Press Council are to a far greater extent followed on the national level, than on the provincial and the local levels.**
- **The Press Council is of great importance for the Serbian media community and should be respected as such, as well as maintained and continuously improved.**

## The Press Council

The Press Council is an independent self-regulatory body responsible for monitoring the observance of the Journalist's Code of Ethics in print and online media. Within the Council, the Appeals Commission decides on the appeals of natural and legal persons whose rights have been violated by publishing certain information related to them. The Council does not have full competence over all print media and their online publications, but only over those media that have accepted the full competence of the Council. Depending on whether it imposes a measure on a media outlet that has accepted its full jurisdiction, in the event that the Appeals Commission finds that the Code of Journalists has been violated, the Council may decide that the Code has been violated, which members are obliged to publish in their media, or may issue a public warning, when a medium in case has not accepted the full competence of the Council.

Even though the position and scope of work of the Press Council are not regulated by the law, the Rulebook on co-financing of projects for realisation of public interest in the field of public information provides that, when evaluating projects, concurs commissions should in particular take into account if the medium had been issued measures by public authorities, regulatory or self-regulatory bodies for breaching professional or ethical standards over the past year. The quoted provision has frequently been ignored which resulted in allocation of funds to the media that have violated the Code.

With respect to the assessment of the role and the operation of the Press Council as a self-regulatory body, the expert opinions are not uniform. On the one hand, some of the informants believe that this institution, as is the case with all the other media institutions in Serbia, has been completely debased and, thus, unable to operate independently. On the other hand, some of the experts estimate that the Press Council justifies its role in every respect and that its opinions and recommendations are relevant. Moreover, when assessing the role of the media self-regulatory system, the informants have also singled out a thesis applicable to the polarised media scene. Thus, a certain number of professional media accept and respect the opinion and recommendations of the Council and act exclusively according to the code of ethics. Likewise, the experts have argued that a large number of media do not acknowledge this body at all. Accordingly, such media do not implement the Press Council recommendations, nor do they bear any consequences for their unprofessional conduct.

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*“We have the media and “the media” who are living in alternate universes. We have the media that follow the Code of Journalists to the letter, who honour the opinion of the Press Council, that are hurt if the Council says they broke the code.”*

*“So I’m saying, that that would be in an ideal society where the media care about the way they report. Many of the mainstream media couldn’t care less about the Press Council, they’re like “some five random journalists made a decision that they broke the Code” and so what? Even trials last for years, and it comes to a few paragraphs in print that are intelligible for an average person, so there’s no effect.”*

*“To be honest... it’s terrible for me to say that, because for us the Press Council was a body who had a good reputation, they were virtuous, you believed their judgements. (...) There’s a man who was influential for years in the Press Council, and then he left to Kurir. (...) So as for me, I really don’t know what to say... do I trust in the Press Council or not. That is truly terrible to me, because everybody has a need to believe in something. In this moment do I believe them as a body... there are certain individuals there, for example Tamara Skrozza, Vida Petrović-Škero... When you hear what those people have to say, it’s clear why is each of them there.”*

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Also, the experts have pointed out that the recommendations of the Press Council are to a far greater extent followed on the national level, than on the provincial and the local levels. The experts refer here, in the first place, to the competitive co-financing system. Namely, one of the foundational criteria for the state aid application is that the medium in question had not violated the Code of Ethics in the previous year. Therefore, the interlocutors have suggested that in some cases, local governments tend to allocate funds to the media despite the recommendations and opinions of the Press Council.

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*(...) That recommendation becomes inapplicable because nobody has local competencies. There was this one initiative pushing the Ministry of Public Administration and Local Self-Government to issue binding instructions or something, with a recommendation not to give money to those who break the Code, to which they responded it's not within their competencies because of decentralisation, so it's all a game. That's how you end up in a ludicrous situation where Informer gets 40+ millions in three years in public competitions."*

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Furthermore, the informants argue that the state itself regularly disputes the legitimacy and importance of this body. Respectively, the state encourages unprofessional behaviour of the media by not sanctioning such unlawful behaviour. The fact that REM does not adhere to its procedures and regulations demotivates the media institutions and media at large. Hence, the distrust that exists toward REM is further just passed on to other institutions that regulate how the media operate.

Besides, one of the participants has noted that this body is of great importance for the Serbian media community and should be respected as such, as well as maintained and continuously improved. In the first place, he has noted, the Press Council is a rare institution that is not under the influence of politics and, thus, has the potential to motivate and bring about positive changes within the media sphere.

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*"I just wanted to say one important thing – what the Krik case showed, and that's that the Press Council, i.e. the people in the Council have a problem understanding certain journalistic practices. They said that Krik broke the Code of Ethics, which is... Firstly, they didn't read all the paperwork; secondly, the way the media report on stories like those that Krik did is not clear – so they came to a wrong decision, as I see it. That does not mean that we should leave the Press Council i.e. say we don't see it as an authority, but that we should fight to perfect those practices. And how will we perfect them? I think the only way is that we get involved in some way, give that insight of investigative journalism in the way that we do it and in that way enrich the Press Council practice. I think that's the only way that changes can happen through the Press Council itself, because it's not controlled by politics and the government and I think it's subject to change and can be worked on."*

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However, although this body is not under political control, it faces pressure on a regular basis. One of the informants provides an insightful example of the "tactic" employed by the pro-regime media, in an attempt to obstruct the operation of the Press Council. As a matter of fact, as he elaborates further, the attempt of the pro-regime media to gain access via Membership to the Media Association (one of the founders of the Press Council) is revealed to be nothing more than an attempt to "take over" the Council altogether.

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*"What is going on, under the radar, for the last month? All greatest violators of the Code of Journalists want to join the Media Association all of a sudden. (...) Under the Statute, if they join the Association, there could be enough of them to request extraordinary assembly sitting. When they convene this, they can elect their own Managing Board and erase us all with an eraser, so then they would de facto take over the Association. If they take over the Association, they would take over the Press Council, since the Managing Board of Press Council has five members, two from Media Association, one from Local Press, and one from IJAS and one from JAS. If they take over the Association, they will get two members of the Board.(...) (...) In practice, it means that nominally you recognise the competence of the Press Council, but, in fact, through internal obstructions, you are blocking any decision to be adopted in the cases of violation of the Code."*

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In conclusion, conversations with the experts have provided some significant insights into the current state of the media self-regulation system in Serbia. Firstly, despite the impression that media ethics as a topic is more present in public discussion, the self-regulatory culture in Serbian media is still at a low level. This is supported by the reports of the Press Council which show a steady increase of ethical breaches within Serbian media. The reported breaches such as violations of the presumption of innocence, reporting rumours as news and accusations against public figures, politicians and journalists without proof, are a clear indicator of the deterioration of the professional standards. Moreover, the media outlets which deny the Council's authority and refuse to publish its public warnings are, at the same time, the biggest violators

of the Code of Ethics. Secondly, the experts singled out that the government's recognition of the Press Council authority would improve the current state of affairs in the media in terms of more consistent adherence to the professional and ethical standards. The experts, in the first place, refer here to the possibility of the state excluding those media that violate the code of ethics from receiving funds from the budget. Finally, the experts have emphasised that the pressure on the Press Council exercised by the political establishment and the pro-regime media suggests that the future of one of the few remaining "islands of freedom" on the media scene is more than uncertain.

# IX RECOMMENDATIONS

This chapter summarises the most important recommendations produced through research desk analysis and the interviews with experts. It is important to point out that the recommendations derived from the desk analysis are in line with the recommendations made by the experts.

The list includes the most basic requirements that need to be met to improve the media field in Serbia. The recommendations will be presented following the main chapters previously introduced in the research.

|                                    |  |
|------------------------------------|--|
| <i>Legal Framework</i>             | <ul style="list-style-type: none"><li>• <b>The existing framework should be judiciously applied;</b></li><li>• The definition of “public interest” should be clear and precise;</li><li>• An adequate response by the prosecution and the police authorities is necessary;</li><li>• The Law on Public Procurement has to be clear and precise;</li><li>• The legal framework that regulates the competitive co-financing system should provide other means aside from the administrative dispute within the appeal procedure;</li><li>• The law that regulates the safety of journalists has to be improved;</li><li>• The prosecution should respect the EU Commission and OEBS recommendation suggesting the term “journalist” does not need to be narrowly defined;</li><li>• The REM has to secure independence from any political influence;</li><li>• Procedures and criteria related to the election of the Council members should be more transparent and precise;</li><li>• The REM should adhere to the procedures and exercise the law consistently;</li><li>• Both the internal and the external monitoring systems of the REM should be established.</li></ul> |
| <i>Public Service Broadcasters</i> | <ul style="list-style-type: none"><li>• Public service broadcasters have to secure independence from any political influence;</li><li>• PSBs have to secure the sources of funding and develop the financing strategy that could guarantee the autonomy of the public service media;</li><li>• PSBs have to make sure they adhere to the quality standards in order to remain competitive in the media market.</li></ul>   |

|   |  |
|---|--|
| <p><i>Media Financing</i></p>                   | <ul style="list-style-type: none"> <li>• Procedures and criteria related to the competitive co-financing system have to be more transparent and precise (especially the criteria for the election of the competition commission members);</li> <li>• An adequate monitoring system of the media competition process should be established (this especially applies to the competitions organised by the local governments);</li> <li>• <i>Media coverage contracts</i> between the local media and public companies should be more transparent and available to the public;</li> <li>• Political advertising agreements should also be more transparent and available to the public;</li> <li>• Due to the state-regulated media market, more concrete and systematic support (financial, in the first place) from the international community is required;</li> <li>• A special focus should be placed on the more intensive and dedicated work with young media workers and journalists;</li> <li>• Media workers should obtain assistance in the form of hubs or media associations that would provide certain services to media outlets (such as project write ups or with direct application for external funding);</li> <li>• Media in Serbia has to reinvigorate their community ties, i.e. to rebuild and restore the citizens' trust in this informational outlet.</li> </ul> |
| <p><i>Media Ownership and Concentration</i></p> | <ul style="list-style-type: none"> <li>• The media register system has to be improved;</li> <li>• The money flow tracking should be included as an additional means for determining the exact nature of the media ownership.</li> </ul>  |
| <p><i>Media (Self) Regulation</i></p>           | <ul style="list-style-type: none"> <li>• A media self-regulatory system should be enhanced (this especially applies to local media);</li> <li>• The Press Council, as an independent self-regulatory body, should be supported by the entire media community;</li> <li>• The Press Council authority should be recognised by the government;</li> <li>• The Press Council should be oriented toward the improvement of media practices.</li> </ul>   |

# Appendices:

The Appendices contain additional information supporting the analysis or offering an insight into the execution of the inquiry.

## Appx.I: Audience data

Table 4: Audience share<sup>123</sup>, reach and reach in percentage<sup>124</sup> on television channels with terrestrial coverage in 2020<sup>125</sup>

| National televisions | Share in % | Audience Reach | Reach in % |
|----------------------|------------|----------------|------------|
| RTS 1                | 18.16%     | 3,024,940      | 45%        |
| TV PRVA              | 11.79%     | 2,519,624      | 38%        |
| TV PINK              | 16.90%     | 2,388,191      | 36%        |
| TV B92               | 3.48%      | 1,713,628      | 26%        |
| TV Happy             | 6.59%      | 1,619,737      | 24%        |

Table 5: Average rating in total individual and in percentage in printed dailies in 2020<sup>126</sup>

| Printed dailies  | Average rating in total individuals | Average rating in % |
|------------------|-------------------------------------|---------------------|
| Informer         | 215,309                             | 3.4                 |
| Blic             | 178,428                             | 2.8                 |
| Večernje novosti | 165,610                             | 2.6                 |
| Kurir            | 158,961                             | 2.5                 |
| Alo              | 117,821                             | 1.8                 |
| Politika         | 95,632                              | 1.5                 |
| Srpski telegraf  | 88,355                              | 1.4                 |
| Danas            | 62,854                              | 1.0                 |

Table 6: Average rating in total individual and in percentage in printed weeklies in 2020<sup>127</sup>

| Printed weeklies | Average rating in total individuals | Average rating in % |
|------------------|-------------------------------------|---------------------|
| NIN              | 83,619                              | 1.3                 |
| Nedeljnik        | 74,971                              | 1.2                 |
| Vreme            | 44,617                              | 0.7                 |
| Pečat            | 22,176                              | 0.3                 |
| Novi magazin     | 9,353                               | 0.1                 |
| Ekspres          | 4,047                               | 0.1                 |

Table 7: Average daily reach in total individual and in percentage on radio station with terrestrial coverage in 2020<sup>128</sup>

| National radio stations  | Daily reach in total individuals | Daily reach in % |
|--------------------------|----------------------------------|------------------|
| HIT FM RADIO             | 340,337                          | 5.3              |
| RADIO S1                 | 296,647                          | 4.6              |
| PLAY RADIO               | 262,742                          | 4.1              |
| RADIO BEOGRAD I PROGRAM  | 146,891                          | 2.3              |
| BEOGRAD 202              | 100,557                          | 1.6              |
| RADIO S2                 | 94,165                           | 1.5              |
| RADIO BEOGRAD II PROGRAM | 22,862                           | 0.4              |

123 Share - Percentage of total TV viewing across a specified time interval of a given channel of the analysed target group.

124 Reach and Reach in percentage – Average number or percentage of viewers of a targeted audience who have viewed at least a minute of a certain television channel for a defined period.

125 Nielsen TV Audience Measurement, January – December 2020

126 Ipsos Media Puls, January – December, 2020.

127 Ipsos Media Puls, January – December, 2020.

128 Ibid.

Table 8: Average daily reach in total individual and in percentage on local stations with terrestrial coverage in 2020<sup>129</sup>

| Local radio stations      | Daily reach in total individuals | Daily reach in % |
|---------------------------|----------------------------------|------------------|
| NAXI RADIO                | 74,541                           | 1.20             |
| TDI RADIO                 | 73,307                           | 1.10             |
| RADIO AS FM/ NOVI SAD     | 66,672                           | 1.00             |
| RADIO PINK                | 61,411                           | 1.00             |
| RADIO S3                  | 52,263                           | 0.80             |
| RADIO KAROLINA (BG)       | 51,164                           | 0.80             |
| ROCK RADIO                | 47,880                           | 0.80             |
| RADIO BELLE AMIE          | 45,944                           | 0.70             |
| NOSTALGIE RADIO           | 42,641                           | 0.70             |
| JAT                       | 28,510                           | 0.40             |
| RADIO NOVI SAD            | 24,009                           | 0.40             |
| RADIO KAROLINA/ NOVI SAD  | 23,531                           | 0.40             |
| ANTENA 037/ KRUŠEVAC      | 22,646                           | 0.40             |
| RADIO AS SABAC            | 22,564                           | 0.40             |
| NAXI PLANETA RADIO        | 21,473                           | 0.30             |
| RED RADIO                 | 20,019                           | 0.30             |
| IN RADIO/ NIŠ             | 17,546                           | 0.30             |
| VLADIMIRCI                | 17,010                           | 0.30             |
| RADIO SUBOTICA            | 16,618                           | 0.30             |
| TDI RADIO CENTRAL         | 15,678                           | 0.20             |
| 021 NOVI SAD              | 15,669                           | 0.20             |
| TOP FM                    | 14,085                           | 0.20             |
| RADIO ANTENA/ VRŠAC       | 13,926                           | 0.20             |
| RADIO STUDIO B            | 12,798                           | 0.20             |
| RADIO KRUNA               | 12,686                           | 0.20             |
| NAXI BANKER RADIO         | 12,587                           | 0.20             |
| TDI RADIO 107.5/ NOVI SAD | 12,039                           | 0.20             |
| KISS FM RADIO/ LAZAREVAC  | 11,469                           | 0.20             |
| RADIO DUNAV/ APATIN       | 10,600                           | 0.20             |
| RADIO FUTOG               | 10,309                           | 0.20             |
| LUX NAXI RADIO            | 10,021                           | 0.20             |
| LOTEL RADIO/ LOZNICA      | 9,971                            | 0.20             |
| PALLAS RADIO              | 9,662                            | 0.20             |
| RADIO KAROLINA/ NIŠ       | 9,660                            | 0.20             |
| RADIO MIG/ SVILAJNAC      | 9,610                            | 0.20             |
| RADIO EKOS/ LESKOVAC      | 9,522                            | 0.20             |
| NAXI RADIO 016            | 9,364                            | 0.20             |
| RADIO YU/ NOVI PAZAR      | 9,329                            | 0.20             |
| RADIO PULS/ GROCKA        | 9,288                            | 0.10             |
| BLUE RADIO                | 8,859                            | 0.10             |
| RADIO SIGNAL/ NOVI SAD    | 8,436                            | 0.10             |
| RADIO HELP                | 8,391                            | 0.10             |
| RADIO KRUPANJ             | 8,283                            | 0.10             |
| RADIO VALJEVO             | 8,250                            | 0.10             |
| RADIO BUM-BUM/ BEOGRAD    | 8,014                            | 0.10             |

|                            |       |      |
|----------------------------|-------|------|
| OK NAXI VRANJE             | 7,657 | 0.10 |
| RADIO INDJIJA              | 7,393 | 0.10 |
| BUM/ KRALJEVO              | 7,211 | 0.10 |
| SUPER FM                   | 7,140 | 0.10 |
| RADIO ŠID                  | 7,075 | 0.10 |
| SAN/ UŽICE                 | 7,035 | 0.10 |
| RADIO CER                  | 6,844 | 0.10 |
| RADIO LJUBAV/ JAGODINA     | 6,570 | 0.10 |
| RADIO KLAS                 | 6,511 | 0.10 |
| MORAVA/ JAGODINA           | 6,486 | 0.10 |
| RADIO BANJA 2              | 6,482 | 0.10 |
| STARI GRAD/ KRAGUJEVAC     | 6,331 | 0.10 |
| PRVI RADIO/ NOVI SAD       | 6,292 | 0.10 |
| RADIO JAVOR/ IVANJICA      | 5,856 | 0.10 |
| RADIO ALEKSINAC            | 5,823 | 0.10 |
| RADIO NOVOSTI              | 5,434 | 0.10 |
| RADIO DŽENARIKA            | 5,430 | 0.10 |
| RADIO KLIK FM/ ZRENJANIN   | 5,378 | 0.10 |
| RADIO S4                   | 5,158 | 0.10 |
| RADIO MELOS                | 5,127 | 0.10 |
| RADIO SLOVOLJUBVE          | 5,120 | 0.10 |
| RADIO MAG/ OBRANOVAC       | 5,119 | 0.10 |
| AMI NAXI RADIO/ KIKINDA    | 5,101 | 0.10 |
| RADIO 96/ ĆAĀAK            | 5,048 | 0.10 |
| RADIO BRAVO (Požarevac)    | 5,024 | 0.10 |
| RADIO KLIK FM/ KULA        | 5,023 | 0.10 |
| RADIO FRUŠKA GORA/ RUMA    | 4,984 | 0.10 |
| RADIO HIT/ POŽAREVAC       | 4,983 | 0.10 |
| WTF WELCOME TO FUN         | 4,966 | 0.10 |
| RADIO GOGY                 | 4,912 | 0.10 |
| NAŠ RADIO/ ŹABALJ          | 4,895 | 0.10 |
| RADIO FAN                  | 4,835 | 0.10 |
| RADIO ZONA                 | 4,800 | 0.10 |
| RADIO MAGNUM/ ZAJEĀAR      | 4,793 | 0.10 |
| BRAVO/ KRAGUJEVAC          | 4,763 | 0.10 |
| PRVI RADIO/ SUBOTICA       | 4,607 | 0.10 |
| OVDE RADIO ĀIGRA/ KRUŠEVAC | 4,540 | 0.10 |
| RADIO COOL/ OPOVO          | 4,367 | 0.10 |
| RADIO DELFIN/ PROKUPLJE    | 4,337 | 0.10 |
| RADIO PODRINJE/ LOZNICA    | 4,159 | 0.10 |
| RADIO CENTAR/ KRAGUJEVAC   | 4,129 | 0.10 |
| FANTASI NAXI RADIO         | 4,123 | 0.10 |
| RADIO 9 NAXI               | 4,039 | 0.10 |
| DELTA/ NOVI SAD            | 3,928 | 0.10 |
| NAXI M RADIO               | 3,923 | 0.10 |
| NAXI RADIO APATIN          | 3,916 | 0.10 |
| NS PLUS                    | 3,852 | 0.10 |
| NAXI CITY RADIO            | 3,840 | 0.10 |

|                            |       |      |
|----------------------------|-------|------|
| RADIO PANON/ SUBOTICA      | 3,820 | 0.10 |
| MB RADIO                   | 3,754 | 0.10 |
| TEMPO NAXI RADIO           | 3,746 | 0.10 |
| LUNA NAXI RADIO            | 3,701 | 0.10 |
| RADIO X                    | 3,535 | 0.10 |
| RADIO AMARO                | 3,482 | 0.10 |
| RADIO ROM                  | 3,478 | 0.10 |
| RADIO 34/ KRAGUJEVAC       | 3,442 | 0.10 |
| NAXI KANAL M RADIO         | 3,407 | 0.10 |
| YU EKO/ SUBOTICA           | 3,296 | 0.10 |
| RADIO HAN                  | 3,279 | 0.10 |
| RADIO 106                  | 3,254 | 0.10 |
| RADIO GOLD/ SURDULICA      | 3,244 | 0.10 |
| RADIO FLEŠ                 | 3,236 | 0.10 |
| RADIO 014/ VALJEVO         | 3,212 | 0.10 |
| RADIO ZLATAR               | 3,197 | 0.10 |
| TDI ISTOK                  | 3,188 | 0.10 |
| NAXI PLUS RADIO/ PIROT     | 3,141 | 0.10 |
| RADIO IN                   | 3,126 | 0.10 |
| RADIO RITAM/ PANĀEVO       | 3,118 | 0.10 |
| JOKER RADIO                | 3,114 | 0.10 |
| RTI 101 FM/ NOVI SAD       | 3,071 | 0.10 |
| KULA/ VALJEVO              | 3,044 | 0.10 |
| RADIO VRANJE               | 3,006 | 0.10 |
| RADIO SANTOS               | 2,980 | 0.10 |
| RADIO PRUGA/ LAJKOVAC      | 2,945 | 0.10 |
| RADIO BELA CRKVA           | 2,874 | 0.00 |
| RADIO BARAJEVO             | 2,720 | 0.00 |
| RADIO UŹICE                | 2,696 | 0.00 |
| RADIO BESEDA/ NOVI SAD     | 2,664 | 0.00 |
| PRVI RADIO/ UŹICE          | 2,623 | 0.00 |
| IVANJICKI RADIO            | 2,566 | 0.00 |
| IMPULS BAĀKA PALANKA       | 2,558 | 0.00 |
| GEM NAXI RADIO             | 2,529 | 0.00 |
| BOOM 93/ POŹAREVAC         | 2,526 | 0.00 |
| SONI MIHAJLOVAC/ POŹAREVAC | 2,507 | 0.00 |
| RADIO PINGVIN              | 2,414 | 0.00 |
| RADIO PETICA/ KOCELJEVA    | 2,367 | 0.00 |
| NAXI ACTIVE RADIO          | 2,203 | 0.00 |
| JUG/ JUGOVIÆ/ KAÆ          | 2,036 | 0.00 |
| RADIO Q                    | 2,031 | 0.00 |
| RADIO CITY/ NIŠ            | 2,028 | 0.00 |
| RADIO ŠUMADIJA             | 1,949 | 0.00 |
| RADIO BISER +/- POŹAREVAC  | 1,915 | 0.00 |
| RADIO SREM                 | 1,816 | 0.00 |
| MORAVAC/ POŹAREVAC         | 1,808 | 0.00 |
| RADIO STARA PAZOVA         | 1,803 | 0.00 |
| RADIO IMPULS/ BAJINA BAŠTA | 1,712 | 0.00 |



|                                |       |      |
|--------------------------------|-------|------|
| RUBIN/ KRUŠEVAC                | 1,704 | 0.00 |
| RADIO HOMOLJE/ ŽAGUBICA        | 1,681 | 0.00 |
| RADIO KRUŠEVAC                 | 1,677 | 0.00 |
| OZON/ SREMSKA MITROVICA        | 1,622 | 0.00 |
| NARODNI FM/ SMEDEREVSKE PALANK | 1,603 | 0.00 |
| RADIO PANĀEVO                  | 1,576 | 0.00 |
| RADIO LEVAC                    | 1,564 | 0.00 |
| GOLDAM RADIO                   | 1,550 | 0.00 |
| RADIO STARI MILANOVAC          | 1,550 | 0.00 |
| RADIO ŠABAC                    | 1,544 | 0.00 |
| RADIO KORAN/ PRIBOJ            | 1,507 | 0.00 |
| RADIO GAGA/ LESKOVAC           | 1,444 | 0.00 |
| SAŠKA RADIO                    | 1,441 | 0.00 |
| RADIO NEŠVIL/ ŠABAC            | 1,416 | 0.00 |
| RADIO SMEDEREVO                | 1,343 | 0.00 |
| RADIO ADA                      | 1,333 | 0.00 |
| RADIO ODŽACI                   | 1,330 | 0.00 |
| RADIO BUS                      | 1,328 | 0.00 |
| RADIO UB                       | 1,309 | 0.00 |
| RADIO PLANA/ VELIKA PLANA      | 1,301 | 0.00 |
| RADIO RAŠKA                    | 1,298 | 0.00 |
| NAXI DEDAL RADIO               | 1,265 | 0.00 |
| RADIO BAĀKA                    | 1,264 | 0.00 |
| RADIO POŽEGA                   | 1,255 | 0.00 |
| 100 +/- NOVI PAZAR             | 1,242 | 0.00 |
| GONG RADIO/ JAGODINA           | 1,241 | 0.00 |
| MAX FM/ JOGODINA               | 1,235 | 0.00 |
| RADIO NOVI PAZAR               | 1,217 | 0.00 |
| RADIO JAGODINA                 | 1,198 | 0.00 |
| AMORE NAXI RADIO               | 1,196 | 0.00 |
| RADIO BATOĀINA                 | 1,196 | 0.00 |
| NAXI MAX RADIO/ ĀOKA           | 1,187 | 0.00 |
| RADIO F                        | 1,165 | 0.00 |
| RADIO KOVAĀICA                 | 1,158 | 0.00 |
| TIM RADIO                      | 1,110 | 0.00 |
| RADIO DISKOS                   | 1,036 | 0.00 |
| TDI BIS RADIO/ KRAGUJEVAC      | 1,036 | 0.00 |
| RADIO 996 FM/ KRALJEVO         | 1,034 | 0.00 |
| KRALJEVO 1                     | 1,029 | 0.00 |
| KLIK FM/ BOR                   | 1,018 | 0.00 |
| RADIO STRELA                   | 1,001 | 0.00 |
| RADIO TRSTENIK                 | 984   | 0.00 |
| FORTUNA/ SOMBRO                | 939   | 0.00 |
| RADIO MAX/ VRŠAC               | 939   | 0.00 |
| RADIO DUCK/ ĀUPRIJA            | 932   | 0.00 |
| EMA/ BUJANOVAC                 | 880   | 0.00 |
| RADIO CITY/ UB                 | 841   | 0.00 |
| RADIO STIL                     | 803   | 0.00 |

|                                |     |      |
|--------------------------------|-----|------|
| RADIO ÈETIRI                   | 769 | 0.00 |
| RADIO BREG                     | 766 | 0.00 |
| FKMS RADIO                     | 755 | 0.00 |
| RADIO PRIMUS                   | 746 | 0.00 |
| RADIO VRNJAÈKA BANJA 1         | 745 | 0.00 |
| RADIO SVILAJNAC                | 738 | 0.00 |
| RADIO FOKUS PLUS               | 725 | 0.00 |
| KLIK FM 100.8                  | 709 | 0.00 |
| RADIO ZVEÈKA                   | 693 | 0.00 |
| REF REF RADIO/ NOVI PAZAR      | 658 | 0.00 |
| RADIO ÈIÈICA                   | 653 | 0.00 |
| MEGA RADIO                     | 646 | 0.00 |
| RADIO CARIBROD                 | 643 | 0.00 |
| RADIO LJUBOVIJA                | 611 | 0.00 |
| RADIO MARIJA/ NOVI PAZAR       | 609 | 0.00 |
| KRAGUJEVAC 1                   | 589 | 0.00 |
| RADIO IFM BRAF/ TOPOLA         | 588 | 0.00 |
| RADIO BUM 018/ NIŠ             | 575 | 0.00 |
| RADIO RITAM/ VRANJSKA BANJA    | 562 | 0.00 |
| RADIO PANDA/ KANJIŽA           | 561 | 0.00 |
| RADIO PETROVEC                 | 545 | 0.00 |
| RADIO LOZNICA                  | 541 | 0.00 |
| RADIO ARILJE                   | 531 | 0.00 |
| RADIO HIT/ ZAJEÈAR             | 510 | 0.00 |
| RADIO KOPRIJAN                 | 506 | 0.00 |
| RADIO SRBOBRAN                 | 490 | 0.00 |
| RADIO MLAVA                    | 489 | 0.00 |
| RADIO SUNCE/ ARANĐELOVAC       | 489 | 0.00 |
| RADIO ÈAÈAK (103.8)            | 487 | 0.00 |
| RADIO SOKOBANJA                | 480 | 0.00 |
| HORREUM MARGI/ ÆUPRIJA         | 476 | 0.00 |
| RADIO FOX/ SENTA               | 462 | 0.00 |
| Narodni Hit radio (Kragujevac) | 449 | 0.00 |
| RADIO RS/ TUTIN                | 445 | 0.00 |
| STARA CARŠIJA/ ÆUPRIJA         | 426 | 0.00 |
| NO LIMIT RADIO                 | 424 | 0.00 |
| RADIO D/ LUÈANI                | 396 | 0.00 |
| RADIO DONJI SREM               | 392 | 0.00 |
| RADIO FAR                      | 376 | 0.00 |
| RESAVSKI RADIO 88              | 373 | 0.00 |
| RADIO SOKO                     | 367 | 0.00 |
| RADIO BOR                      | 342 | 0.00 |
| RADIO SVRLJIG                  | 317 | 0.00 |
| RADIO OSEÈINA                  | 272 | 0.00 |
| BRUS                           | 266 | 0.00 |
| OZON/ ÈAÈAK                    | 260 | 0.00 |
| RADIO SRCE/ PROKUPLJE          | 259 | 0.00 |
| RADIO MARIJA/ SOMBOR           | 257 | 0.00 |

|                             |     |      |
|-----------------------------|-----|------|
| RADIO KIS/ ZLATIBOR         | 252 | 0.00 |
| RADIO DUGA M/ TRGOVIŠTE     | 250 | 0.00 |
| RADIO MEDVEĐA               | 235 | 0.00 |
| RADIO RZAVAC ARILJE         | 230 | 0.00 |
| RADIO TREND/ BAĀKA TOPOLA   | 210 | 0.00 |
| RADIO BOSILEGRAD            | 205 | 0.00 |
| GLAS CRKVE/ ŠABAC           | 190 | 0.00 |
| RADIO L/ LESKOVAC           | 183 | 0.00 |
| RADIO ZLATOUSTI/ KRAGUJEVAC | 178 | 0.00 |
| RADIO BLAGOVESNIK           | 128 | 0.00 |
| RADIO TAVOR                 | 128 | 0.00 |
| NAŠ MM RADIO BAĀKA TOPOLA   | 79  | 0.00 |
| RADIO MILEŠEVA              | 76  | 0.00 |
| RADIO GLAS/ NIŠ             | 65  | 0.00 |
| RADIO REGIJE                | 43  | 0.00 |
| RADIO SLAVOSLAVLJE          | 42  | 0.00 |
| RADIO KURŠUMLIJA            | 34  | 0.00 |
| CITY RADIO                  | 18  | 0.00 |

Table 9: Audience share, reach and reach in percentage on television channels with terrestrial coverage and cable TVs N1 and Nova S, January - May 2021<sup>130</sup>

|           | Share in % | Audience Reach | Reach in % |
|-----------|------------|----------------|------------|
| RTS 1     | 18%        | 3,046,890      | 45%        |
| TV PINK   | 16%        | 2,310,355      | 34%        |
| TV PRVA   | 12%        | 2,531,640      | 38%        |
| TV Happy  | 8%         | 1,850,928      | 28%        |
| TV B92    | 3%         | 1,587,670      | 24%        |
| TV N1     | 1%         | 432,448        | 6%         |
| TV Nova S | 1%         | 506,290        | 8%         |

Table 10: Audience share, reach and reach in percentage on political shows and news on RTS 1, April – May 2021<sup>131</sup>

| TV show         | Share in % | Audience Reach | Reach in % |
|-----------------|------------|----------------|------------|
| DNEVNIK 2 RTS   | 32.11%     | 1,297,849      | 19.37%     |
| MORNING SHOW    | 26.84%     | 428,807        | 6.40%      |
| MORNING NEWS    | 22.72%     | 936,762        | 13.98%     |
| DNEVNIK 1 RTS   | 17.61%     | 326,002        | 4.87%      |
| OKO MAGAZIN     | 15.53%     | 563,903        | 8.42%      |
| DNEVNIK 1 RTV   | 13.98%     | 365,486        | 5.46%      |
| Četvrtkom u 9   | 13.64%     | 1,021,355      | 15.24%     |
| ŠTA RADITE BRE? | 13.53%     | 371,505        | 5.55%      |

130 Nielsen Television Audience Measurement, January - May 2021.

131 Nielsen Television Audience Measurement, April - May 2021.

## Appx.2: In-depth questionnaire

Below, the interviewer's guide with the topics and a general list of questions is enclosed.

### **I Perception of the media in Serbia – context, environment, overview and ratings**

First off, we would like you to share with us some general observations about the media in Serbia.

- How would you describe the media scene in Serbia? Can you single out at least three characteristics that are in your opinion the most important?
- Can you illustrate these characteristics by using specific examples?
- Which aspects of the media in Serbia do you find the weakest and which the strongest?
- Can you identify the key factors responsible for the state the Serbian media is in?
- How would you rate the role and work of the REM (Regulatory Authority for Electronic Media)?
- How would you rate the role and work of the public media service of Serbia (RTS)?
- Are the procedures for establishing and registering media services clear and transparent (*e.g. do media regulations cover internet portals*)?

### **II Media financing in Serbia**

The problem of media financing is a topic that has always been accompanied by stories of abuse, circumvention of procedures and evasion of the law on the allocation of public money. The analysis of publicly available data conducted by our team indicates the existence of many irregularities in the procedures for obtaining public money. The analysis also points to the non-transparency of data on the funds allocated to the media, and the fact that a lot of data that should be publicly available are, in fact, not. We would like you to briefly address this issue and try to pin-point the most important aspects of media financing issues.

- Can you list and briefly explain the main ways the media in Serbia is financed (direct and indirect media support schemes)?
- In the financial scheme of the media, what is the approximate percentage of funding that comes from advertising compared to the funds received from the state budget?
- What advantages and disadvantages do you find in the mentioned financing models (*competitive co-financing; republic level – funds allocated by the Ministry of Culture and locally – funds allocated by local self-governments; funds allocated by the province (for Vojvodina); advertising ...*)? Do you think that the state money for the media is equally distributed to all regions in Serbia? Are there any deviations or specifics that apply to your region?
- How would you rate or comment on the transparency of funding methods? If possible, please illustrate your observations by using concrete examples. (In order to encourage or inspire the informant to give as many illustrations as possible, the interviewer can give some examples: *For example, the analysis of data conducted by the CRTA indicates that the Serbian Business Registers Agency website does not have all data on local competitions funds.*)
- The Action Plan for the implementation of the Media Strategy until 2025 stipulates changes that should improve the current situation in the media, especially in terms of competitive co-financing. Can you explain in more detail the problem with application systems (*e.g. is the proposed centralised system a good idea*), the formation of expert commissions (*what are the criteria?*), the formation of the register of those who received funds, as well as with the criteria for obtaining funds (*e.g. although one of the conditions for obtaining funds is compliance with media laws and the code of ethics, many media outlets that repeatedly ignored the rules in 2019, still received funds from the state budget in 2020*).
- In regards to funding transparency, political advertising in the media is particularly interesting. For example, no political party advertised in weeklies during the election campaign. How do you explain that? Why is it in the interest of a political party to decide not to promote its program in, for example, the weekly NIN, which is the most read socio-political weekly? What strategies or tactics are we talking about, what are the motives (of the advertiser)?
- To what extent can the ruling party or other political actors control media advertising? Can you give an example of a local media outlet that is controlled in this way?

- Can you give examples how exactly the agreements between the media and political actors on advertising work? What mechanisms (for example, service system, compensation) do you see in this way of financing?
- The relationship between the profits made by advertising commercial advertisers and advertising state advertisers (public companies, state institutions, etc.) is interesting as well. For example, the newspaper “Alo” has more than doubled its revenue from state advertisers in the past year. One of the state advertisers was Telekom, which invested the most in advertising in this newspaper. Ranking fifth in terms of readership, “Alo” is far from being the most read newspaper in Serbia. As a media expert, how would you interpret this? Why would a state-owned company invest so much money in advertising in a newspaper of this rating? What kind of a business strategy is this?
- Some media have had debts written off. So, for example, we know that the state postponed the payment of 1.52 billion dinars of debt to Pink TV, that Telekom wrote off Pink’s debt and gave loans to this network, then that the City of Niš wrote off 27 million dinars of debt to Niš Television, etc. How would you rate this phenomenon, is this a common practice? Are such media support systems a good thing? Should this actually be interpreted as a form of media support or are there some underlying motives and mechanisms?
- In your opinion, how is it that abuses and violations of procedures are tolerated, even though there are laws and procedures regulating media financing? Could you identify any frequent mechanisms used to circumvent procedures? (e.g. *the influence of the ruling party on the media through advertising control*). Please, if possible, provide specific examples to provide a better understanding of these mechanisms. Is this primarily a characteristic of the pro-government media or can this practice be attributed to other media as well?
- In your opinion, what needs to be done to make media funding more transparent? Where do you see a bigger problem, in procedures, legal regulation of financing or in the application of laws and other legal acts? Feel free to give an example of a good practice, if possible.

### III Ownership structure in the Serbian media

*Another issue that certainly deserves researchers’ attention is the issue of the media ownership structure. The analysis by the CRTA team confirms that data related to media ownership are not transparent – ownership networks in some media are so complex and intertwined that it is impossible to “unravel” them (e.g. owners are often relatives of politicians). The identity of some owners is unknown, their biographies are deprived of basic data, including data on the activities they are engaged in, and which other media and companies they are connected with. We would like you to reflect upon the transparency of ownership structures and give your view on this issue.*

- How would you rate the transparency of ownership structures in the Serbian media? How does this reflect on the editorial policy of the media? (e.g. *acquaintanceship of owners and individuals from the ruling party*)
- Can you give us concrete examples of local media companies whose ownership is questionable and non-transparent?
- Can you single out any mechanisms or paradigms you observe regarding the concentration of ownership? (e.g. *the established way of networking with other media or companies*)
- In the field of electronic media, the influence of telecommunication operators is visible (for example, N1 is owned by United Group, Copernicus bought Prva and O2). What is your view of this “trend”, what are these mechanisms for?
- In your opinion, are the laws and regulations regulating media ownership clear enough?
- What needs to be done to make media ownership data more accessible and transparent?

### IV Media self-regulation in Serbia

*Media self-regulatory systems in a way voluntarily obligate all actors to respect the principles of responsibility and professional ethics. To what extent are the systems of self-regulation (self-regulatory bodies, councils, ombudsman, ethics codes) regulated in Serbia?*

How do you assess the work and role of self-regulatory bodies? How effective are they (in resolving complaints, making decisions, etc.)? Feel free to provide specific examples.

How would you assess the role and work of the Press Council?

Is there any kind of cooperation between regulatory and self-regulatory bodies?

Are most media actors in Serbia involved in the existing systems of self-regulation? If not, why not?

Would better regulated self-regulation systems reduce the possibility of political influence and pressure on the media, i.e. ensure media independence?

In your opinion, what kind of support would improve the self-regulation system in Serbia? (assistance of state institutions and competent bodies, international organisations, experts, more intensive monitoring, introduction of stricter measures, etc.)

#### **V Self-sustainability in the Serbian media market**

*In addition to the many challenges and problems faced by actors in the media market in Serbia (political pressures, disrespect of legal aspects in terms of financing and ownership, the problem of data transparency...), which leaves the impression of an unregulated, illegal and unequal playground where only those actors who are in alliance with the government survive, the question is whether the self-sustainability of the media is possible at all.*

Data from the Media Register show that as many as 2,508 media are registered in Serbia. In your opinion, is the self-sustainability of the media possible in the current conditions?

Is it at all possible to separate the problem of media financing from the problem of political influence on the media?

Would financial self-sustainability necessarily require greater media autonomy in terms of editorial policy?

Which support systems (local, national, international) or business models (donations, project financing, subscription, membership, group financing, etc.) would enable media self-sustainability?

#### **Closing remark**

*If you wish, you can add comments regarding any topic we touched on in today's interview. Is there an important issue that we have not mentioned, something that we have overlooked?*

Thank you for your participation and your time.

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