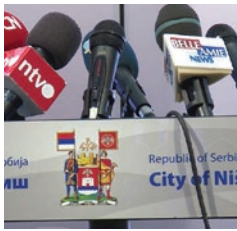
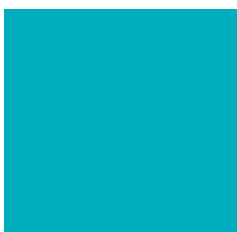


Captured News Media:

*Bosnia and Herzegovina,
Serbia, and Montenegro*

BY MILKA TADIĆ MIJOVIĆ AND MARIJA ŠAJKAŠ

June 2016





ABOUT CIMA

The **Center for International Media Assistance (CIMA)**, at the National Endowment for Democracy, works to strengthen the support, raise the visibility, and improve the effectiveness of independent media development throughout the world. The center provides information, builds networks, conducts research, and highlights the indispensable role independent media play in the creation and development of sustainable democracies. An important aspect of CIMA's work is to research ways to attract additional U.S. private sector interest in and support for international media development.

CIMA convenes working groups, discussions, and panels on a variety of topics in the field of media development and assistance. The center also issues reports and recommendations based on working group discussions and other investigations. These reports aim to provide policymakers, as well as donors and practitioners, with ideas for bolstering the effectiveness of media assistance.

Center for International Media Assistance National Endowment for Democracy

1025 F STREET, N.W., 8TH FLOOR
WASHINGTON, DC 20004
PHONE: (202) 378-9700
FAX: (202) 378-9407
EMAIL: CIMA@ned.org
URL: <http://cima.ned.org>

Mark Nelson
SENIOR DIRECTOR

ADVISORY COUNCIL FOR THE CENTER FOR INTERNATIONAL MEDIA ASSISTANCE

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Captured News Media: Bosnia and Herzegovina, Serbia, and Montenegro

JUNE 2016

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ABOUT THE AUTHORS

Marija Šajkaš is a U.S. correspondent for a Serbian weekly, *Novi Magazin*. She has 25 years of experience working as a reporter, editor, and media consultant. Before that, Šajkaš was a head of development and operations for Media Diversity Institute–USA; a Balkan media researcher for the New York-based Institute for War, Peace and Media Reporting, and a U.S. correspondent the *Reporter* magazine—the first investigative magazine in Republic of Srpska. Before that she was a press officer for International Committee of the Red Cross, and a Deputy-editor in chief of *The Bridges Magazine*, the first media outlet that was distributed in post-war Bosnia, and produced by UN forces.



Šajkaš holds an M.S. degree in international affairs, with a concentration in culture and media studies, from New School University, and B.S. in Serbian language and literature from the University of Belgrade. Her other interests include peace and reconciliation, disability, and immigrant rights advocacy. She currently serves on the board of directors of The Center for Independence of the Disabled in New York, and is a founder of 4 Better Media a consultancy for media analysis, research, and training.

Milka Tadić Mijović is a journalist, media executive, and international civic activist during the turbulent transition era in the Southeast Europe. She is one of the co-founders of the weekly *Monitor*, the first Montenegrin private and independent weekly magazine (1990). During the '90s, she was actively engaged in the anti-war movement. Tadić Mijović was the first journalist dismissed from a job in Montenegro for articles critical of Yugoslav President Slobodan Milosevic's nationalist policies. During her tenure she interviewed the leading international political figures, including U.S. President Clinton included) Her articles have received awards and have been translated and quoted by the *New York Times*, the *Economist*, and other publications. In 2014, she was featured in the first ever list of "100 Information Heroes" by Reporters without Borders.



Tadić Mijović served on the Open Society Foundations board in Montenegro, on the Council of Europe Steering Committee on the Mass Media, and as a member of the *Joint Commission on Media Policy of the Duke University & City of Vienna*. She holds a master's degree in political science and journalism from University of Montenegro, and a bachelor's degree in political science from the University of Belgrade.

Introduction

During the 1990s, the countries of the former Yugoslavia went through a series of ethnic wars culminating in at least 100,000 lost lives, economic devastation, and suspension of basic human rights. For most of that turbulent era and immediately after the wars, it was independent media in the region that were organizing and unifying civil society, giving voice to political dissent, repairing broken connections, and fighting the narratives of war propaganda. Their work was at times heavily supported by a number of international donors, and after the signing of the peace accord in Dayton in the United States in 1995, that support was multiplied and extended.¹

According to a comprehensive analysis commissioned by Stability Pact for South Eastern Europe,² massive international investment in media development in the Balkans in the 10 years after the wars resulted in improved professional standards, a less restricted flow of information, and increased respect for human rights. The analysis recommended developing capacity not dependency, as well as a long-term donor commitment. It pointed out that exit strategies were not clearly defined and that in many cases media organizations were mission-driven rather than market-driven.

In 1996 alone, various foundations and aid groups donated around \$5.2 million for the development of media in Bosnia and Herzegovina (BiH).³ Particularly large investments in BiH, as well as in other

Donor Support 10 Years After Dayton

RECORDED SUPPORT FOR MEDIA IN THE BALKANS, 1996–2006, IN EUROS (MILLIONS)

	TRAINING	DIRECT SUPPORT	MEDIA ENVIRONMENT	TOTAL
Albania	6.9	1.8	1.9	10.6
Bosnia	17.4	42.0	27.7	87.1
Croatia	2.4	19.7	14.5	36.6
Macedonia	3.4	9.2	11.2	23.8
Montenegro	1.3	2.9	3.4	7.6
Serbia	5.4	26.4	13.1	44.9
Kosovo	6.1	45.6	6.9	58.6
Balkans	42.9	147.6	78.7	269.2

SOURCE: Aaron Rhodes, "Ten Years of Media Support in the Balkans", Force of the Stability Pact for South Eastern Europe, http://www.medienhilfe.ch/fileadmin/media/images/dossier/mediasupport_Balkan.pdf



Despite the overall positive prognosis, after the global economic crisis in 2008 and a subsequent donor withdrawal, European Union (EU) candidate countries such as Bosnia and Herzegovina, Montenegro, and Serbia experienced a steady downturn in media freedom.

countries that are the subject of this study, were made by the Open Society Foundations (OSF). By early 2000, OSF has invested about \$4 million in Bosnian media.⁴

The case of media evolution in the Balkans is important for a number of reasons. It is a region that today as much as in history has proven a cultural, political, and economic fault line. The success or failure of these countries to create a sustainable environment for independent media could have an influence on surrounding countries and beyond. It also is a study in how well donor action has performed as a bulwark against the growing forces of media capture from well-financed local and international oligarchs and politicians seeking to influence public opinion in a pivotal region.

Despite the overall positive prognosis, after the global economic crisis in 2008 and a subsequent donor withdrawal, European Union (EU) candidate countries such as Bosnia and Herzegovina, Montenegro, and Serbia experienced a steady downturn in media freedom. Today, authorities increasingly take advantage of the economic weaknesses of media. The media are, in most cases, financially unsustainable and dependent on support from the political and business elites.

In these countries, where state institutions and companies often account for significant share of the drastically diminished “market pie,” the media that wish to remain independent face huge challenges, including various kinds of repression.

- In **Montenegro**, for example, a brutal campaign of physical and verbal violence against independent media and journalists over the last several years has gone hand in hand with legal pressures such as court proceedings for defamation, high fines, and other prosecutions.
- In **Serbia**, prominent investigative journalists are often targeted for their work by being “exposed” in smear campaigns published in the tabloids loyal to the government.
- The situation in **Bosnia and Herzegovina** is similar, and at times methods of suppressing free reporting are more bizarre. For instance, the Parliament of Republic of Srpska (RS) enacted a rule in 2016 that prohibits journalists from reporting from the Parliament building if they are deemed to be “improperly dressed.” This new regulation, which lacks clear guidance, is viewed by some as another way of obstructing critical journalists in reporting about government officials.

Captured Media

Incomplete media reforms and regulations that are in some cases adopted only after intense pressure from the international community; fragmented, unregulated, and weak media markets; a high level of general poverty; and lack of political transparency all contribute to the systemic governance problems in which political and business elites interfere with and influence media. As a consequence of irregular, nontransparent, or incomplete media privatization and transformation, media ownership is often hidden. State authorities put pressure on media through both direct financial contributions as well as *quid pro quo* purchases of advertising.

Public service broadcasting (PSB) has remained heavily influenced by the ruling political structures and does not ensure full pluralism. The privatization of state-owned media was carried out in such a way that most of these broadcasters continue to be dominated by the political elites. Throughout the region, there is a visible process of media concentration and consolidation in which various media outlets are in the hands of fewer and fewer companies and individuals. According to Andrea Milat⁵, a media expert from the region, “media markets in the Balkan countries are going towards oligopolization.” The largest advertisers—the states—advertise mostly in friendly, pro-government media. The Media Sustainability Index in these countries shows continuous declines, and media striving to maintain independence face enormous challenges.

Besides open discrimination and outright threats that independent media throughout the region have to endure, a number of new, less visible—but no less oppressive—practices have become so effective that media that were once actively supported by the United States and EU and fought for democratization and public interest—and were often themselves the personification of that fight—today don’t exist, are marginalized, or are heavily dependent on political and economic elites. A small number of media outlets manage to preserve independence and survive in the market but still rely on support from abroad. Some, in turn, have ended up in the hands of the new business elites, hidden owners, and tycoons. Very few that have managed to survive are able to do so mainly thanks to support from foreign owners or donors.

Well-known journalists who worked for icons of free media such as B92 in Serbia and *Dani* in Bosnia and Herzegovina lost their jobs in the new privatized companies that almost immediately changed their course from reporting hard news to offering mindless entertainment. This is especially



Photo credit: © NI

Public service broadcasting has remained heavily influenced by the ruling political structures and does not ensure full pluralism. The privatization of state-owned media was carried out in such a way that most of these broadcasters continue to be dominated by the political elites.

The Media Landscape at a Glance

- The media are, in most cases, financially unsustainable and dependent on support from political and business elites.
- Most of the advertising by state and public enterprises goes to pro-government media.
- Media concentration is growing.
- Transformation of national television broadcasters into public broadcasting services was not completed in any of the countries, despite existing legal frameworks.
- Privatization was not completed, since most of the privatized media have remained under the control of ruling elites.
- A significant number of independent media, supported by donors during the 1990s, that excelled in the fight for a democratic society, passed into the hands of business elites with close ties to ruling politicians.
- A small number of media outlets manage to preserve independence and survive in the market but still rely on support from abroad.
- Authorities increasingly take advantage of the economic weaknesses of media to gain control.

so for B92—what was once the distinct brand of independent journalism almost overnight became a travesty. Radio B92, which once orchestrated peaceful resistance and was the voice of true journalism throughout the Balkans, now only plays music.

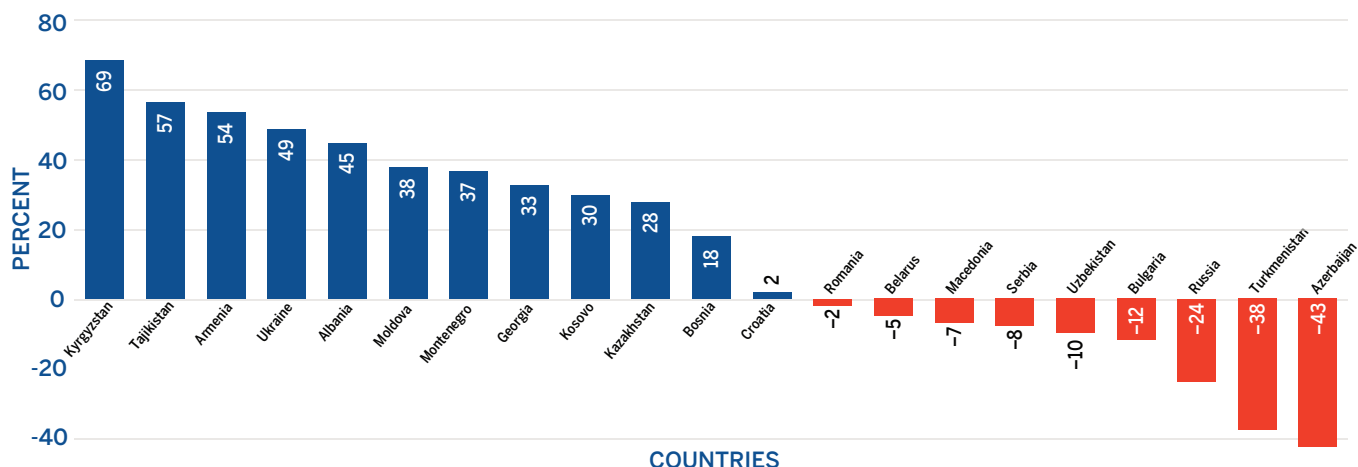
Despite the enormous monetary investments in the Balkan media infrastructure and training, the region is doing poorly because the donor community mistook the Balkans for an open economy, according to Drew Sullivan, editor with the Organized Crime and Corruption Reporting Project (OCCRP) in Bosnia and Herzegovina. In his opinion, past efforts often included implementation of European commercial model in countries where getting advertising and conducting other businesses are political decisions. What we have in the region right now, says Sullivan, is a “malignant socialism mixed with the old-fashioned patronage system in the societies whose governments are funded by crime money.”⁶

According to Bosnian media expert Lejla Turčilo, the struggle for press freedom in the Balkans is unfolding on two parallel fronts. “There is an open fight against direct pressure and influence on journalists, and the fight against subtle pressures by media owners, advertisers and powerful politicians.”⁷

Several common practices of media capture are shared across the region. This research focuses on two:

- Hidden media ownership as a consequence of irregular, nontransparent, or incomplete media privatization and transformation
- Financial pressures in the form of direct state aid, financing through advertising budgets, or regulations favorable to media loyal to ruling elites

Percent Change in MSI 2001–2016: Europe and Eurasia



* Data for Turkmenistan is since 2008

SOURCE: IREX, www.irex.org/projects/msi/europe-eurasia

Country Case Studies

Here are more detailed descriptions of the state of media in the countries within the scope of this study:

Bosnia and Herzegovina

In this country of just over 3.5 million people, there are more than 40 commercial TV stations, 140 radio stations, three public broadcasting services, nine daily newspapers and more than 100 periodicals on the media market. According to available data, the revenues from advertising on the whole media market last year amounted to 45 million euros.⁸ The legal framework introduced in 2002 with the support of the international community was intended to encourage media freedoms through privatization of the state-owned media, through the transformation of TV BiH into a public service broadcaster (PSB), and by the creation of a free media market with transparency of ownership. Unfortunately, many of these objectives have not been met. Media privatization was not completed, nor has ownership been made transparent, and a large number of mostly local broadcasters continue to be owned by the state.

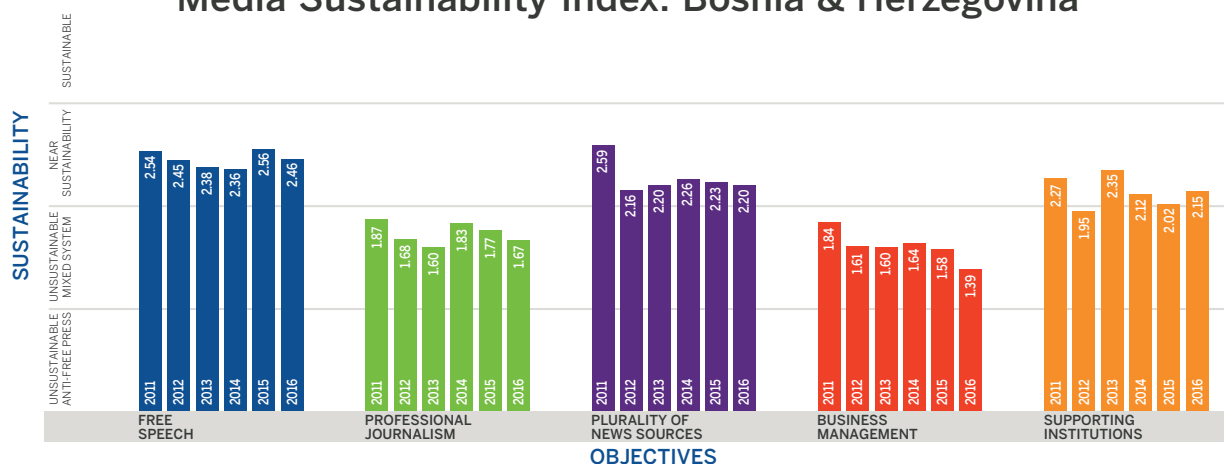
Public Service Broadcasting in Bosnia and Herzegovina has never become economically sustainable and truly independent. Revenues collected through subscription were always insufficient, which made PSB an easy target for the control and influence by various interest groups. The share of advertisers in the revenues of the public broadcasters is disproportionately large which further undermines commercial TV and radio in BiH. Political elites still influence managerial choices in all three PSB systems. This is particularly evident in the Republic of Srpska, where the 2014 law amendments empowered the RS Parliament to directly elect the RTRS board and to fund the public broadcaster through the state budget instead of subscriptions. These legislative changes were adopted despite the opposition by the federal government and representatives of the international community who still have a significant role in the country's governance. The secretary general of the Association of BH Journalists, Borka Rudić, argues that under these circumstances the survival of government supported media depends heavily on the politicians in power.⁹

BiH lacks advertising and media ownership laws, and there is neither transparency nor monitoring of the government media financing. Official financial reports are often in unsearchable formats, and some are published only as hard copies in obscure editions of official gazettes.



Media privatization was not completed, nor has ownership been made transparent, and a large number of mostly local broadcasters continue to be owned by the state.

Media Sustainability Index: Bosnia & Herzegovina



SOURCE: IREX, www.irex.org/projects/msi/europe-eurasia



Independent media is often financially drained through cuts in state advertising, which is spent only on media that openly support the authorities, or at least refrain from criticizing them.

As elsewhere in the region, independent media is often financially drained through cuts in state advertising, which is spent only on media that openly support the authorities, or at least refrain from criticizing them.

According to Aleksandar Trifunović, editor in chief of the analytical portal *Buka* from Banja Luka, there is no free media market in the RS, given the fact that the RS government is the biggest advertiser in the jurisdiction. Big state-owned businesses that are often the only ones that provide specific services, such as the water and power utilities, have no reason to advertise their work or to sponsor events, yet they do so, and the media where they choose to pay for advertising often don't have a significant audience.¹⁰

One of the best-documented examples of this practice is the case of Banja Luka-based daily newspaper *Fokus*, which never had a big circulation or much influence but was nevertheless favored by the political elites. *Fokus* repeatedly received government advertising and was paid for several marketing campaigns, yet the paper was chronically in debt. All of this became known only after journalists who were denied salaries and benefits for several months went public.

At the same time, the situation for independent media in BiH, which were in many cases conceived and supported by the foreign funds and know-how, is uneven. The weekly *Reporter*, one of the first publications that challenged the war rhetoric of the RS authorities, went bankrupt in 2003, after a conflict with the leadership of the RS. On the other hand, the newspaper *Nezavisne novine* survived. "Since 1995, I received over a million KM [approximately \$700,000] from the Swedish government,

and from the U.S. government, over \$2.5 million,”¹¹ said Željko Kopanja, the owner of *Nezavisne novine*. When it was first established, *Nezavisne novine* had a critical attitude toward the RS war leadership and Serbian nationalism. Its owner survived an assassination attempt with serious injuries. In the transitional years after the war, *Nezavisne novine* sided with the peace-time RS government, primarily with Milorad Dodik, who has been prime minister and president of Republika Srpska several times. According to numerous sources, *Nezavisne novine* has a privileged position and obtains financial support from the RS budget. For three years since it created the Fund for Media, the RS government has given about \$9 million to private media. More than half of that went to two newspapers owned by Željko Kopanja, friend and former business partner of RS President Dodik.¹²

According to Nataša Tešanović, general manager of the independent ATV in Banja Luka, the Fund for Media had a clear and transparent selection process for awarding funds only in the beginning. By 2010 there were no longer clear criteria, and money was distributed in a rush, less than a month after the tender was closed, which led many to believe that the winners were known in advance. It was an election year, and it turned out that the public funds were given only to the media supportive of the government. In the third year, there was no longer a tender, and the funds were awarded by government fiat instead.¹³

In the other BiH entity, the Federation of Bosnia and Herzegovina, donors provided significant support to the daily *Oslobodjenje* and weekly *Dani*. Both media received prestigious journalistic awards for their anti-war editorial policy and for advocating multiculturalism. There is no reliable data about the magnitude of the Western donor support, but it amounts to millions of dollars. In 2010, *Dani* owner Senad Pećanin sold it to the daily *Oslobodjenje*, citing financial problems. At that time, *Oslobodjenje* had already been taken over through privatization by the MIMS Group, a company controlled by the local family Selimović, which owned the Sarajevo brewery, a flour mill, a printing press, and multiple other businesses. According to some sources, Mujo Selimović has invested around 17 million euros (then about \$24.3 million) in *Oslobodjenje*, although he did not expect that his investment would ever provide a return. According to Vildana Selimbegović of *Oslobodjenje*, Selimović bought *Oslobodjenje* because he was asked to do so by politicians when the paper was practically bankrupt.¹⁴ In addition to *Oslobodjenje* and *BH Dani*, the Selimović family today owns the daily *San* and the portal *Business.hr* based in neighboring Croatia.



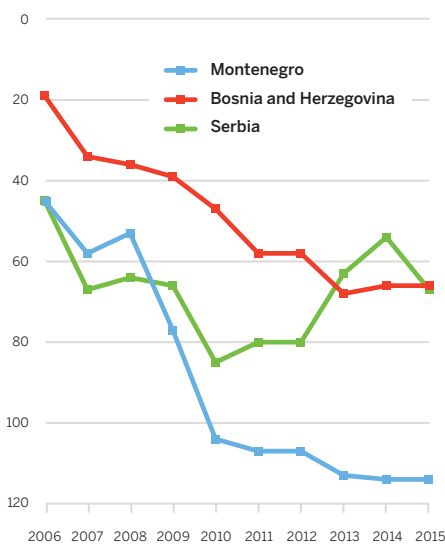
Although targeted during the war, until the recent privatization, *Oslobodjenje* was known for its balanced reporting.

SOURCE: [Oslobodjenje archives](#)

Montenegro

With fewer than 650,000 inhabitants, Montenegro has the smallest population of any country in the Balkans. In its media market, there are about 50 print media, some 50 commercial radio and TV stations, the national public broadcasting service RTCG and 14 local public broadcasters. The total revenue from advertisers is nowhere clearly specified but is estimated to be in the range of \$13 million and on a downward trend.

Media Freedom Index



SOURCE: Reporters Without Borders

The set of media laws that Montenegro adopted in 2002 with the support of the EU, OSCE and USAID was supposed to transform the state television, RTCG, into a public service broadcaster and to privatize other media that were owned by the state. Despite the legal framework, Montenegro is still far from having a free media market. Along with Macedonia, it has the least free media in the region. In 2015, the country was ranked in 114th place on the media freedom index by Reporters Without Borders, nearly 50 places lower than Serbia and Bosnia and Herzegovina.¹⁵

The transformation of RTCG into a public service broadcaster, initiated in 2002, was interrupted in 2008 when citizen subscriptions were replaced by direct funding from the state budget. The parliament now elects members of the board, while it previously only ratified their election by various civic organizations and public institutions. According to opinion polls conducted by the agency *Defacto*,¹⁶ confidence in the RTCG news channel is eroding and is lower than in the private station TV Vijesti, which despite almost no revenue from state advertising enjoys the highest trust of citizens.

Media analyst Dragoljub Vuković¹⁷ explains that the state-owned media are under the direct control of the authorities and are just barely meeting their objectives as public services. According to him, the same goes for local public services as well. In addition to the regular budget allocations, RTCG receives supplementary state aid, which in 2015 amounted to over 2 million euros (approximately \$2.5 million) and it has an unacceptably large income from advertising. The close connection between RTCG and the political power elite in Montenegro appears to be so tight that the opposition parties are conditioning their participation in the fall 2016 parliamentary elections by demanding the change of the RTCG editorial policy. "RTCG is an active participant in the political party turmoil, openly supporting the ruling Democratic Party of Socialists (DPS)," said Goran Djurović, a member of the RTCG Board, representing civil society.¹⁸

The daily *Pobjeda* was state-owned for more than 11 years, in contravention of the 2002 media law. In 2014, *Pobjeda* was finally

Media Sustainability Index: Montenegro



SOURCE: IREX, www.irex.org/projects/msi/europe-eurasia

privatized when Greek businessman Petros Stathis and his company Media Nea acquired it. Along with *Pobjeda*, Media Nea has also acquired daily *Dnevne novine* and two Web portals, CDM and Portal Analitika. Before investing in media, Stathis acquired a long-term lease of the most exclusive tourist complex in the country, the Sveti Stefan resort, which the Montenegrin government conceded after a rather non-transparent procedure and under favorable conditions. Before privatization, *Pobjeda* stood out in its support of the authorities and opposition to independent media. According to the local reports *Pobjeda* received more than 24 million euros (then about \$31.2 million) in support from the state from 2003 until 2014.¹⁹

As with other countries in the region, the EU Commission's annual reports on Montenegro constantly expresses concern regarding the precarious economic situation of the media and journalists, which opens the door to interference in editorial policy and possible self-censorship.

"Public financing of media in Montenegro is unregulated, uncontrolled and opaque. Authorities use biased allocation of state funds as indirect pressure on the media, undermining market competition and blocking development of free, independent and impartial media," according to one of the key findings of the study *Eroding Freedoms: Media and Soft Censorship in Montenegro*.²⁰

Many media companies are not financially viable, which has an adverse impact on the quality of reporting and professionalism. The awarding of state aid and the selective state funding of advertising in the media are not following public procurement rules and can endanger competition in the media market.²¹

The EU Commission's annual reports on Montenegro constantly expresses concern regarding the precarious economic situation of the media and journalists, which opens the door to interference in editorial policy and possible self-censorship.



In recent years, outside support for media has been largely symbolic. Montenegro is the only EU candidate country in the region whose media have been not supported by the EU through regular annual calls for proposals.

Multiannual research by the Center for Civic Education (CGO) indicates that the state, as the largest advertiser, directs most of its funds to the media that favor the ruling structures. These media obtained millions of euros in advertising from government institutions over the last several years, while the critically-oriented media, although much more influential, only received symbolic amounts for advertising from the state bodies and public enterprises. “Financing of the media in Montenegro from public funds remains unregulated, uncontrolled and non-transparent,” concludes the CGO research.²²

“It is not just state advertisers; we also have a problem with private companies, whose businesses often depend on the will of the authorities. They are increasingly afraid to place their ads in our daily, although we have a much greater influence and presence in the market,”²³ says Željko Ivanović, CEO and shareholders of the daily *Vijesti*.

In Montenegro, it is possible to obtain support from the state budget for specific media projects, but these are much smaller funds than in other countries in the region. The support awarded from these funds to media that have a critical attitude towards the government was practically nil—from 2007 to 2015, it was less than \$10,000.

Starting in the 1990s, a number of media outlets in Montenegro received direct support from foreign foundations and governments from Europe and the United States. In recent years, outside support for media has been largely symbolic. Montenegro is the only EU candidate country in the region whose media have been not supported by the EU through regular annual calls for proposals. It is expected that in 2016, the first such EU program for media support worth 500,000 Euros (\$550,000) will be announced.

Part of the media supported by the West, such as TV MBC and TV Montena ceased to exist after donors withdrew. Some of them, such as Radio Antena M, continued their activities with support from state funds and advertisers. Some of the media, such as weekly *Monitor* and daily *Vijesti* managed to survive. For *Vijesti* it was important support of New York-based Media Development Investment Fund (MDIF), which partly owned daily *Vijesti*. Daily *Vijesti*, TV *Vijesti* and *Monitor* along with the daily *Dan*, are recognized in the Montenegrin market as media that are reporting on abuses of power. They are under constant pressure, subjected to economic, verbal, and physical violence. (One of this report’s authors, Milka Tadić Mijović, was executive director of *Monitor* until December 2015.)

Serbia

Serbia has a little more than 7 million inhabitants, and its media market is small, without much purchasing power, and oversaturated—there are about 350 radio and TV broadcasters as well as almost 700 print publications that cannot sustain the economic survival of all currently active media outlets.²⁴ Since 2000, the privatization of state-owned media was announced and postponed several times. It was only in October 2015 when the majority of state-owned media were auctioned. From about 50 media outlets, 34 were privatized. The influential daily *Politika*, one of the oldest and best-known media brands in the Balkans and traditionally close to the government, escaped the privatization process after the Serbian government deemed it to be a “special interest company,” with no public elaboration. Even greater controversy surrounds the attempt to privatize the national news agency *Tanjug*. A tender for its privatization failed, and the closing of the agency was announced, but after public pressure the agency continued to operate, although according to Serbian law it should have ceased operations.

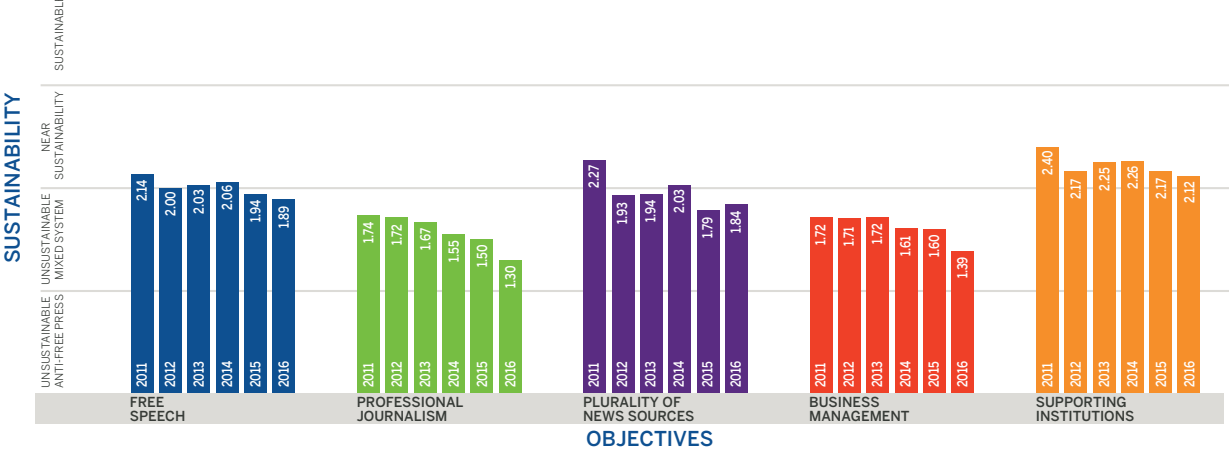
Under the new media legislation, only public services—in this case, Radio and Television of Serbia (RTS) and Radio and Television of Vojvodina (RTV)—will receive compensation directly from the state budget. All other media outlets are invited to apply for funds by participating in media tenders at the local and regional levels, or those launched by the various government ministries.²⁵ Although a thorough analysis has yet to be done, it is clear that this may be just another way for the government to influence the media. Irregularities reported²⁶ so far include a case in Jagodina, where the president of the municipality announced that the funds would be denied to any media that would not



Photo credit: © Family Business / Shutterstock.com

Under the new media legislation, only public services—in this case, Radio and Television of Serbia (RTS) and Radio and Television of Vojvodina (RTV)—will receive compensation directly from the state budget.

Media Sustainability Index: Serbia



SOURCE: IREX, www.irex.org/projects/msi/europe-eurasia



The state is one of the biggest advertisers in Serbia, and the country still lacks regulations governing how public money is spent on advertising.

cover topics that a government official deems important. In the cities of Novi Pazar and Niš, investigations showed that the funds are allocated only to media whose owners are the highest-ranking city employees and local politicians. In Kraljevo, where the local government did not approve of the selected projects, and contrary to the law, they decided not to release funds at all.

There is no explicit regulation about the size or type of the media that could apply for the tender, other than that the project needs to be in the public interest. According to the law, there should always be an independent commission deciding about the grantees, usually composed of representatives of independent and private media. According to Jelka Jovanović, editor of Belgrade-based *Novi Magazin*, who took part in the commissions' work, in 2015 many government officials were thinking about project financing as a way of providing funding for media outlets that they liked, as opposed to providing support for the most worthy media projects. The concept was new for many in the media industry as well, except the ones with prior knowledge of applying for foreign grants. Because of the hard economic situation in the media today, project funding is perceived by many politicians and journalists as a donation.²⁷

The state is one of the biggest advertisers in Serbia, and the country still lacks regulations governing how public money is spent on advertising. It is well documented that the big companies that are partly or entirely state-owned often sponsor events, pay for media services, and buy ads in the ways that are not at all transparent. Dragan Kremer, media specialist with OSF in Belgrade, points out that big state-run enterprises without direct competition on the market, such as the national electricity company, heating plants, and water systems have no need to advertise their services at all, yet they all do so regularly, choosing to place ads in one media over another. When companies like that have legitimate need to advertise, for example for recruiting workers, it is not publicly known why the ads are always placed in particular print outlets.²⁸ A recent example of this practice: The state-owned heating plan in Niš reaches an agreement with various local print and electronic outlets in which it advertises stipulating that the media will not only cover the work of the heating plant and its representatives, but also that they will reprint the company's written statements, never broadcast negative information before asking the company's input, and if asked by company officials, will submit to the company audio or video recordings related to it. If the media fail to follow the agreement, the company has the right to unilaterally annul the agreement.²⁹

It has been documented that some government representatives “supported” media by paying for content. The Serbian whistleblower website *Pištaljka* ran a series of articles tracing connections between elected officials who were paying to promote themselves as well as the work of their ministries.³⁰ According to Vladimir Radomirović, *Pištaljka*’s founder, the practices ranged from writing favorable articles to reprinting agency news in connection with the ministries. According to Radomirović, the ministries just need content that is even loosely connected to the ministry to formally justify paying media.³¹

At the same time, there is evidence that the pressure on media comes from big marketing agencies that are almost exclusive intermediaries between businesses and media and almost always connected to the ruling elite, as well as from the advertisers themselves. Recent research shows that in the time that the Democratic Party dominated the Serbian government, the majority of advertising went through Direct Media, the marketing agency whose owner, Dragan Djilas, was at that time the mayor of Belgrade. After political change in 2012, at least four big companies with a budget of around \$10 million switched to Mediapool, where Goran Veselinović, one of the highest-ranking member of Serbian Progressive Party and the former employer of the current Serbian Prime Minister Aleksandar Vučić has a prominent role.³²

While many journalists are quick to say that they feel pressure from the marketing departments, for obvious reasons almost nobody wants to talk about it on the record. One exception is Antonela Riha, who recently publicly acknowledged that while she was editor of the weekly *NIN*, she opted not to run a negative story about a private university in Belgrade after she was told by the marketing department that this would alienate one of the paper’s biggest advertisers.³³ When the tabloid *Kurir* shifted its alliances and became highly critical of the current government, it experienced a drain in advertising revenue. According to *Kurir*’s new editor-in-chief Ratko Fenić, after the paper ran a particularly provocative front page, it lost not only some of the biggest state and private advertisers but also some who were compensating the outlet with services.

Another way of influencing the media in Serbia is through selective enforcement of tax laws. For instance, the bank account of the weekly *Kikindske novine*, known for its independent views, was blocked in December 2014 due to “unpaid” income taxes that had been inaccurately calculated at more than 600,000 dinars (about \$5,500).³⁴ At the same time, Pink TV, known for its unequivocal support of any political structure that holds power at the moment, was untouched albeit owing millions of euros in unpaid taxes. The Anti-Corruption



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Council (ACC) of the Serbian government has issued two reports concluding that the closer the media owners are to the politicians in power, the greater their chances for privileged treatment, including in cases of tax evasion. According to the ACC,³⁵ a local TV station, Lastavica, which was at the time partly owned by prominent politician and former minister Bratislav Gašić, repeatedly failed to pay emission fees, continued to air program after its license was revoked, and refused to pay fines until the Serbian Regulatory Authority for Electronic Media simply canceled the debt. The unpaid fees and fines amounted to more than \$150,000.



"Rimtutituki", one of the first peace actions organized by Radio B92 in 1992

SOURCE: Radio B92/Radio Free Europe

The truly tragic example of captured media is the case of B92. In its various incarnations throughout years, B92's operations included radio and television stations, a web portal in multiple languages, a cultural magazine, a publishing house, a music label, film production, a cultural center, and humanitarian work and was rightfully recognized and supported as the most important independent media voice in the Balkans. B92 received numerous international awards for its fearless engagement during and after the wars. The news parts of the company were sold in 2010, and radio and TV ended up being owned by a Cypriot offshore company, Astoniko Ltd., whose real owner is the Greek Antenna Group, privately owned by the Kyriakou family from Greece. The same company is the owner of another TV station in Serbia with the national license Prva TV, an example of concentration of media ownership.

Well-known journalists lost their jobs in the new company, which almost immediately changed its programming from news entertainment. Radio B92, which once orchestrated peaceful resistance and was the voice of truthful journalism, now only plays music. TV B92 is now known as a producer of banal reality shows such as the Serbian version of Big Brother, leaving many to believe in conspiracy theories that special interests were finally successful in finding the way to silence free media in Serbia. The change was so drastic that there was a petition in Serbia asking the new owners to change the name of the station.

Conclusions and Recommendations

Political and business elites in the countries that are the subject of this report have acquired control over a large number of public and private media, mostly through non-transparent privatization, advertising and/or budgetary support to loyal media. Consequently, media freedoms and freedom of expression in these countries are seriously impaired, as evidenced by the declining trend in the indexes of media sustainability and press freedom.

The legal framework in these countries is not fully reformed and compliant with the EU requirements and good practice, which is one of the principal reasons why they still do not have a functioning free media market. Precise criteria for awarding budgetary support to the media have yet to be defined, while the principles for advertising in the media by state institutions, the largest advertisers in these countries, remain unclear.

Following the withdrawal of Western donors, some of the media known for professional reporting in the public interest are now under the direct control of ruling elites and large businesses. This also applies, unfortunately, for part of the legacy media from the 1990s. The role that Serbian B92 or BH Dani once played in these countries—offering research, independent analysis and a plurality of views—can now be found only in small alternative NGO media, Web portals, and investigative journalism centers. These are often under pressure from the government and rely mainly on foreign donors, primarily from the European Union and the United States.

Due to the slow pace of reforms, it would not be realistic to expect that a free media market will soon be established in these countries. Therefore, to reduce the influence of political elites, it is important to institutionalize a legal and transparent system of awarding funds to media from state budgets, establish clear rules of advertising by state institutions, and ensure transparency of media ownership. Since all these countries have EU membership aspirations, it would be of fundamental importance for the EU to insist on reforming the legal framework and on implementation of such reforms as key pre-conditions for creating the enabling climate for free and independent media.



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Center for International Media Assistance

NATIONAL ENDOWMENT FOR DEMOCRACY
1025 F STREET, N.W., 8TH FLOOR
WASHINGTON, DC 20004

PHONE: (202) 378-9700
EMAIL: CIMA@ned.org
URL: <http://cima.ned.org>



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