Private Sector Support for a Healthy Infosphere in Serbia

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March 2023
INVESTING IN FACTS

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About the Authors

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Context: The Legal Framework for Media in Serbia

Serbia’s media regulatory framework is shaped by a set of media laws adopted in 2014 comprising the following acts:

1. Public Information and Media Act
2. Electronic Media Act
3. Public Media Service Act

According to the provisions of article 142, paragraph 12, of the Public Information and Media Act, the deadline for privatizing all media outlets in Serbia that were directly or indirectly founded by the government was October 31, 2015. The shares in media outlets that were not privatized by that date were supposed to be transferred to the company’s employees.¹

That date should have marked the end of the government’s ownership of media companies in Serbia other than the public media service outlets. However, the media sector in Serbia today is far from being outside the government’s influence. The Public Information and Media Act created the legal framework for a new way of government support: co-financing by the state and local governments.

The media sector in Serbia has been plagued by the government’s influence for a very long time. The 2022 Reporters Without Borders’ World Press Freedom Index ranked Serbia 79th out of 180 countries, an improvement from 93rd in 2021, but a poor record.²

An important trend in the Serbian media field is the excessive concentration of media ownership in the local media segment, usually in the hands of one person. Such cases have been recorded in the cities of Kruševac and Niš where the owners of the media outlets, which are legally independent, are often people closely connected to the largest political party in Serbia,³ the Serbian Progressive Party (Srpska napredna stranka, SNS) of President Aleksandar Vučić, which has been in power since 2012.

Aleksandar Vučić, president of Serbia
According to Freedom House, “[t]he SNS has expanded its influence over the media through both state-owned enterprises and an array of private outlets that are dependent on government funding, and has harnessed this influence to strengthen its political position and discredit its rivals [...]”

In the privatization process that followed the enactment of the Public Information and Media Act, multiple infringements of its provisions have been documented. In many cases, media outlets were de facto privatized with financial resources from the government. Although they were bought by private investors who officially used their own cash, the privatized media outlets miraculously received governmental grants only days after their acquisitions were completed, the money being allocated for so-called future project financing purposes, the government claimed. In reality, these grants were forms of compensation for what the investors spent to purchase the outlets.

Given this context, we used a strict definition of independent media in our research: outlets owned by an entity that is not connected with government bodies or officials, that is incorporated as a media company in the Business Registry of Serbia, and whose funding does not come from the government.
Scope of Research

The primary goal of the research carried out for this report was to identify and promote ethical models of business engagement that support independent media, journalism activities, and initiatives focused on combating disinformation in Serbia. The secondary goal was to analyze the main barriers to and opportunities for improving business engagement.

We focused on private business support to independent journalism, media outlets, and fact-checking initiatives. The objective was to pinpoint the influx of funds toward independent media that is not part of businesses’ routine commercial practices, but rather aimed at supporting independent media so they can properly operate.

A key criterion in our selection of cases, “independence” was defined as a lack of links between these initiatives and the government or other groups of interest. We selected only cases of support where there was no interference by a business in the editorial independence of the funded media outlet.

We adopted a broad definition of independent media—media organizations, journalistic projects, fact-checking groups, and media associations are all covered by this study.

We identified the following types of initiatives and forms of support in Serbia:

**Forms of support**
- Financial grants and donations
- Awards programs

**Types of initiatives**
- Journalistic content production
- Anti-disinformation initiatives
- Crowdfunding
- Professional development projects

For this project, we mapped the level of engagement of the private sector with independent media in Serbia. The findings are summarized in this report, which also highlights opportunities for independent media to attract additional resources for their operations as well as obstacles to business engagement specific to the media climate in Serbia.
Overview of Key Trends

Our research identified several relevant examples of business engagement with independent media, journalism activities, and initiatives focused on combating disinformation in Serbia.

In Serbia, only a few private businesses support individual media operations. Serbia has a number of journalism awards organized by private businesses that play an important role in bringing attention to high-quality journalism thanks to the prestige they bring to the winning reporters. In most cases, though, the awards do not provide monetary gain.

Media associations are a source of support to member media outlets. For example, members can receive funds from the associations’ sponsorship pools and use them to carry out various projects. The associations also help establish connections between the media outlets and the private businesses that are association members. Those links sometimes lead to more substantial forms of cooperation where media outlets offer companies some communication-related services, with the associated fees used to improve media operations.

Crowdfunding—a new funding model that is just taking off in Serbia—does not yet yield sufficient resources to secure the financial independence of a media outlet.

Financial grants and donations for independent media and journalistic activities are awarded mostly by international entities such as foreign embassies, the European Union, foundations, and various nongovernmental organizations (NGOs) with missions to promote media freedom. Government grants are common in Serbia. They are not necessarily an indication of government control, but most of the independent media avoid these donations as they often come with strings attached (or at least give that impression), especially at the local level.

Programs for professional specialization in journalism are rare, and are mostly embedded within various professional awards programs. Journalists largely gain specializations abroad. Specialization programs for journalists in Serbia are run by private businesses, typically in the information technology (IT) sector. They offer, for example, workshops to improve computer skills.
Business Engagement with Media and Initiatives Countering Disinformation

Promotion of Quality Journalism through Awards

Professional awards for journalists organized by private businesses that provide monetary prizes are scarce in Serbia. One of the few examples is the Dejan Anastasijević award for investigative journalism that is organized by the Independent Journalists’ Association of Serbia (Nezavisno urduženje novinara Srbije, NUNS) with support from the US embassy. This annual awards program has been held for 17 years and has three categories:

- Electronic media (radio and television)
- Print media
- Online media

Winners in each category are awarded €850 ($900).

Another example is the Sladana Veljković award program for investigative journalism that is organized by the Center for Media Transparency and Social Responsibility (Centar za medijsku transparentnost i društvenu odgovornost, CMTDO), an association whose mission is to improve Serbia’s media environment. This award program has been organized in previous years with the support of companies such as British American Tobacco (2019), Alfa Plam (2020), and Knauf insulation (2021), while this year the main sponsor was Coca-Cola HBC Serbia company. The awards program was presented in three categories, which are the same as those for the Dejan Anastasijević award. Winners in each category received €200 ($213).

Professional awards programs that provide equipment instead of cash prizes are much more widespread in Serbia. Representatives of Južne Vesti, a newspaper covering southern Serbia, and Nova Ekonomija, a magazine focused on business-related topics and current events in the country, said in interviews for this report that their writers have received numerous awards, some of them coming in the form of equipment.

Nova Ekonomija journalist Katarina Baletić, for example, won a laptop as a prize in the competition “Different from others” (Drugačiji od drugih) organized by the Standing Conference of Towns and Municipalities (Stalna konferencija gradova i opština) for the best-researched articles about the business practices of local newspapers. Nevena Petaković, another Nova Ekonomija journalist, was awarded recording equipment by the Media for All program, which was run by the British Council in partnership with the Balkan Investigative Reporting Network (BIRN), Thomson Foundation, and the International NGO Training and Research Centre. Marija Vučić, an investigative jour-
nalist with Južne Vest, was awarded first prize in a competition titled “I, Too, Say NO to Illegal Trade” (I ja kažem NE ilegalnoj trgovini) organized by the Media & Reform Center (Medija & reform centar) for her work on a series of articles documenting the connections between the government and gray economy actors. The competition was organized as part of a larger program implemented in 2015 with the financial support of cigarette manufacturer Philip Morris. Other projects run by the Media & Reform Center are now mostly funded by the US embassy in Belgrade.

In sum, professional awards for journalists in Serbia (often financed by private businesses) add to journalists’ prestige and help set standards, but do not significantly impact media outlets’ financial sustainability.

Production of Journalistic Content

The main source of revenue for independent media in Serbia has traditionally been advertising. There are, however, rare cases where private businesses have acknowledged the need for high-quality reporting and, as a result, financed independent media, typically local media, that provide quality content.

One such example is when IT company Simplicity founded media outlet Južne Vest in 2010 to provide information on current events in the city of Niš. Simplicity understood the need for a properly funded local media outlet that would provide quality news for the local community. Before Južne Vest was founded, Niš had no independent local media outlet, making the city a true news desert. Simplicity established Južne Vest and has since provided most of its budgetary funds by transferring profits from Simplicity to the media outlet.

Vitomir Ognjanović, founding member and director of Simplicity, pointed out that Južne Vest relies on the funds provided by its founding company. It also generates revenues from ad sales, though these sales come only from national advertisers. Local companies avoid advertising in media outlets such as Južne Vest due to a history of government pressure and harassment, mostly in the form of tax inspections, against local firms that would buy ads in independent media. Južne Vest manages to attract revenues from national advertisers solely by cooperating with large, nationwide marketing agencies.

Nova Ekonomija is another example of a media outlet run by private business to carry out independent reporting. This online magazine is published and funded by a private company, Business Info Group. Nova Ekonomija operates as an online magazine and is almost entirely subsidized by Business Info Group.

Although they are small companies with only up to €500 ($533) in share capital, both Simplicity and Business Info Group are successful in their industries, IT and public relations (PR) services, respectively. Simplicity has a number of high-caliber clients including companies such as sportswear manufacturers Nike and Adidas; brewers Heineken and Carlsberg; and other international conglomerates as well as a spate of large national firms such as telco Telekom Srbija; newspaper Politika, the oldest in Serbia; and foodstuffs manufacturer Frikom, one of the largest in the country. Business Info Group’s clients include major companies such as cigarette producers British American Tobacco and Philip Morris and Austrian-owned lender Raiffeisen Bank.

AsMedi, an association of independent media outlets, introduced a new means of providing financial support for independent reporting. It uses the fees it collects from its associate members, which include big publishing houses as well as private companies that participate in the association as sponsors, to provide funding to support their media members. This form of support provides important financial resources to many media outlets that are part of AsMedi to implement various projects. The latest such project being an initiative to improve the digital
capacities of local media. Multiple seminars were organized in smaller towns across Serbia to share practical advice and spread awareness of the opportunities available to digital media.\textsuperscript{13}

AsMedi is one of the largest media associations in Serbia. Its membership includes two tiers: media and associated members. It has 24 media members, some of them big media companies such as publishing house Ringier Axel Springer; Politika; and NIN, a weekly magazine published in Belgrade.\textsuperscript{14} AsMedi has 13 associate members. Some of them are business powerhouses such as Banca Intesa, advertising behemoth I&F McCann Group, and distribution and logistics firm NELT.\textsuperscript{15}

Associated members pay a yearly membership fee that supports AsMedi-endorsed projects focused on improving the work of its media members. This model has been in place since 2019, but was greatly impacted by the outbreak of COVID-19 as some associated members, faced with growing financial woes, canceled their memberships.

Despite these difficulties, AsMedi’s model of support for the media can be considered impactful and effective. It was particularly successful in channeling private companies’ interest in philanthropy, which many stated was their main reason for joining the association, to media.

Initiatives Countering Disinformation

One of the most prominent initiatives working to fight disinformation in Serbia is Istinomer, which has gained solid credibility within the entire Balkan region since its incorporation in 2014. It has been an official partner of Facebook since 2020,\textsuperscript{16} working to combat fake news. It is also the sole Serbian member in the International Fact-Checking Network,\textsuperscript{17} the largest association of fact-checkers in the world.

According to Istinomer’s editor in chief, Milena Popović, the fact-checking market is not developed in Serbia, which is arguably a reason why private businesses are not keen to support anti-disinformation initiatives. As of this writing, no private company had ever contacted Istinomer to get more information about its work, for example, to ask which websites are known to disseminate fake news so they could avoid advertising with them.

Apart from fact-checking, Istinomer also carries out investigative journalism, and is one of the most well regarded media portals specialized in investigations of high-level crime and governmental affairs in the region.

Istinomer’s budget comes from two sources: the fee from Facebook for its fact-checking work and grants from foreign funders.
Professional Development

Support from private companies for professional development in journalism, including sponsorships for training and schooling and financial backing for associations assisting journalists in their work, is hard to map as much of this support is not documented.

The best example of this form of support is provided by the Slavko Curuvija Foundation, which, since 2021, has offered paid internships for journalism students once a year. The internship lasts for about two months, depending on the project. The foundation was established in 2013 by the children of the late journalist Slavko Ćuruvija with financial support from various NGOs and the National Endowment for Democracy. The foundation’s mission is to improve the quality of journalism in Serbia by providing support to local media and investigative journalism initiatives as well as engaging with journalists who are just starting their careers.

The internship programs take place in the newsrooms of the foundation’s media partners. They include credible and independent media outlets like the daily newspaper Danas, FoNet News Agency, media portal Cenzolovka, radio station Info 021, and online portal JugPress. For young students, such an opportunity is extremely valuable as it allows them to witness firsthand what true journalism should look like.

Another example comes from Business Info Group, which regularly organizes free courses for young journalists and journalism students who are getting training in the newsrooms of Business Info Group–owned Nova Ekonomija and other media outlets that collaborate on such programs.

KRIK, an investigative journalism juggernaut in the western Balkans region, also organizes workshops and seminars for journalists with a focus on investigative journalism techniques, security, and writing skills. KRIK’s training programs are mostly conducted in collaboration with civil society groups. A training seminar or workshop is held for about 10 local media outlets. KRIK also provides targeted professional development education for local media outfits in which it sees potential for future cooperation partnerships.

KRIK regularly holds free seminars for students, but in order to generate more revenue, they also offer their services to news outlets for a fee. In practice, KRIK’s journalists get paid by media outlets to provide training to their journalists. This is also a practice of Nova Ekonomija whose staff regularly provide media-related services to private companies. These services include training sessions on how to prepare for public appearances or tips on how to design an effective PR strategy.

The staff of Nova Ekonomija is part of a team that provides such services to their publisher, Business Info Group. But any other private business can solicit such services from Nova Ekonomija. Examples of companies that have done so in the past include key market players in Serbia such as oil producer OMV, German-owned industrial manufacturing conglomerate Siemens, software maker VEGA IT, tech company Nes Communications, and pharmaceuticals manufacturer AstraZeneca.
Crowdfunding

Crowdfunding has not yet proved to be a viable funding model for media outlets in Serbia and doesn’t represent a substantial source of financing for any media outlet in the country. Some independent media have introduced crowdfunding programs on their websites, inviting people and companies to donate cash. Although some of them have gained some supporters, the share of financing raised through crowdfunding in their total budgets is still marginal.

Crowdfunding as a funding mechanism for independent journalism remains undeveloped in Serbia. According to AsMedi’s representatives, one reason crowdfunding remains undeveloped in Serbia is the anachronistic copyright law, which is not in line with the latest digital trends. Without strong copyright provisions, most media portals publish similar content wherein most of the important articles are basically shared among many media outlets, offering no incentive to readers to support any one media outlet. These copy-and-pasted articles lack originality and usually present only one point of view; readers are therefore skeptical that their money would be well spent by newsrooms that operate that way.

Another barrier to crowdfunding is that local citizens view it as an unacceptable form of charity—believing that media outlets financed through micro-donations are “cheap” journalistic outlets that cannot provide quality content—so most Serbian media outlets have thus far avoided the fundraising technique.

*Nova Ekonomija*, for example, hasn’t embraced crowdfunding because it believes it might hinder its monetization efforts. The outlet’s management finds that building a premium brand is not compatible with crowdsourcing. In its view, crowdfunding could diminish the credibility of a media outlet as many people view it negatively.

To promote crowdfunding, IREX (the International Research and Exchanges Board), a Washington, DC–based NGO specializing in global education and development, launched Support the Media (Podrži medije) in 2020, a crowdfunding platform where credible and independent media can advertise themselves to attract donations. The initiative provides a starting point for potential supporters to get acquainted with various forms of support that independent media use worldwide, such as support through donations, membership programs, subscriptions, and crowdfunding. Support the Media platform has provided two such options of support: individual donations or monthly subscriptions.

*KRIK* is a rare example of a media outlet that has conducted a successful crowdfunding campaign. In 2021, in response to a slew of challenges brought about by the COVID-19 pandemic, with *KRIK’s* journalists getting increasingly targeted and government pressure on the outlet intensifying, its supporters provided an unprecedented level of financial support to *KRIK* media outlet through its crowdfunding campaign, which accounted for a sixth of its yearly budget.
Barriers and Opportunities

The main barrier to business engagement with media and anti-disinformation initiatives is the government, including its ministries and other bodies.

At the local level, entrepreneurs and companies rarely decide to fund or advertise in independent media as they fear being flagged by the government and hence jeopardizing their market positions.

*Južne Vesti*, for example, has never had a local sponsor as no local business wishes to associate itself with a media outlet that criticizes the government. All of the ad revenue generated by *Južne Vesti* comes from national companies that advertise through marketing agencies that are not directly connected with the outlet.

One common risk faced by independent media and other entities that are associated with them is the threat of unannounced tax audits. Such audits represent a major hindrance as they last for at least three months, preventing companies during these periods from making any changes to their businesses.

Even worse, a high number of independent media and their employees risk being blacklisted for accusations of money laundering or aiding terrorists. Such allegations, however unfounded, have affected the businesses run by people who have been flagged by the government. Moreover, as investigations into the allegations are usually not concluded, they can remain indefinitely blacklisted.

Finally, the pandemic has proven to be a hindrance to securing media support as well. For example, AsMedi’s membership fees, which form a large part of the association’s revenues and fund many of its activities in the media sphere, have shrunk during the pandemic following a series of cost-cutting strategies that its sponsors were forced to adopt.

The question now is whether the companies that canceled their associated memberships with AsMedi will renew them in the post-COVID era.

State funding is also problematic as the government provides project funds mostly to media outlets that are connected to authorities or in some way associated with high-ranking government officials. Credible and independent media are cut off from this type of financial support and are thus at a disadvantage in their competition with the media that benefit from government financing. That is particularly challenging at the local level where media outlets do not have proper resources to adequately run their businesses. Were these outlets able to garner more funding from private businesses, their limited access to state funding would not pose so many problems.
Recommendations

For the private sector

*Joint support by private businesses*

Private businesses interested in supporting media outlets should find mechanisms and formats of providing joint financial support in ways that prevent them from influencing the editorial agendas of the media outlets. AsMedi provides an example of this: When private companies become associated members of a media association, their fees feed into a fund that is channeled toward supporting media outlets. For companies, this is also a safe way to support credible and independent media without being targeted by government bodies or officials who dislike independent media outlets.

*Create incentives for private businesses to support media and journalistic projects*

The government should adopt measures aimed at creating a better business environment for companies willing to support independent media outlets. This can be done by adopting legal provisions that would create incentives, such as fiscal privileges, for private companies to support media and journalistic initiatives.

For the media sector

*Reframe the crowdfunding concept*

As the public seems to find crowdfunding cheap and unprofessional, the media community should collaborate on how to recast this image and promote this form of financing, which has been embraced by many news media outlets around the world for more than a decade. The campaign Support the Media (Podrži Medije), where the public can fund a cluster of media outlets, could serve as a model. As online payments in Serbia are still marred by fraud and distrusted by the public, media organizations must ensure that these crowdfunding campaigns are run through safe e-payment systems.

Methodology

The findings presented in this report are the result of a combination of secondary research and interviews conducted by a three-member research team from March to May 2022.

The secondary research consisted of consulting articles in the media; studying corporate policies and documents, including academic papers and NGO reports; and conducting research using the Serbian Business Registry.

As part of this research, we conducted interviews with the following six people:

- Vitomir Ognjanović, founding member of Južne Vesti
- Izabela Branković, executive director of AsMedi
- Biljana Stepanović, chief editor of Nova Ekonomija
- Jelena Vasić, journalist with KRIK
- Milena Popović, editor in chief of Istinomer
- Tanja Maksić, project coordinator with BIRN and board member of AOM
Endnotes


20. Ibid.
