

**MEDIA**

**SUSTAINABILITY**

**INDEX**

**2004**



**IREX**

STILL, THE TABLOIDIZATION OF THE MEDIA WAS THE MOST DISTRESSING PHENOMENON TO MEMBERS OF THE MEDIA SUSTAINABILITY INDEX (MSI) PANEL EVALUATING THE COUNTRY'S MEDIA ENVIRONMENT DURING 2004. THE EMERGENCE OF A NEW BREED OF POLITICAL TABLOIDS COINCIDED WITH THE SOURING OF THE POLITICAL CLIMATE.



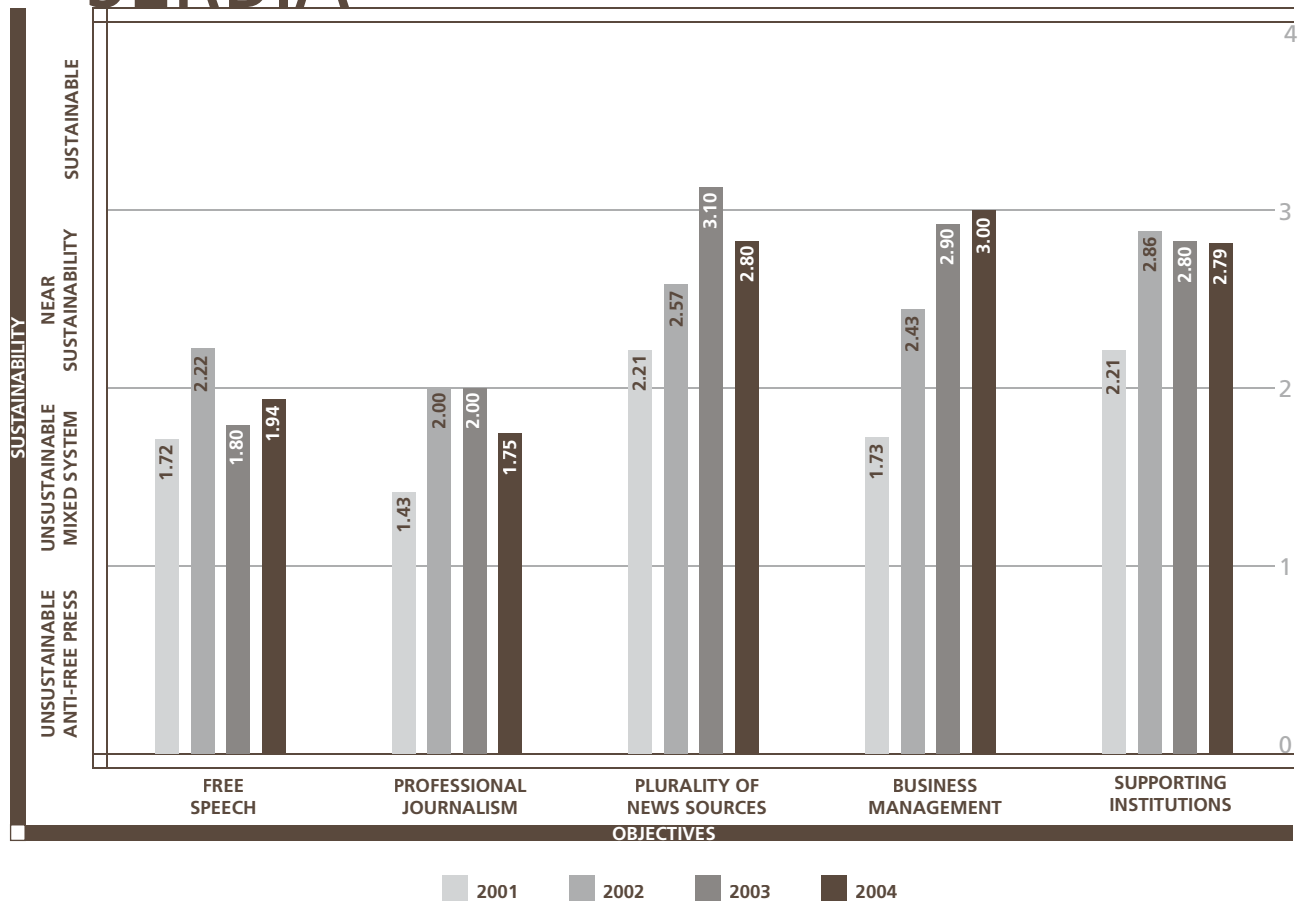
**F**our years after a popular revolution overthrew former President Slobodan Milosevic and Serbia began its transition to a modern democracy and market-regulated economy, the country still has a media sector that international experts rank as perhaps the worst regulated in the region. Although the Freedom of Information Act was finally adopted toward the end of the year, libel has yet to be decriminalized. The government failed to resolve the crisis over the Broadcast Council that saw the leading independent journalist and media associations declining to nominate candidates for the new panel, thus effectively boycotting the process. The government also never delivered on its promise to redistribute frequencies according to fair and equal conditions and standards for all electronic media in Serbia. The failure of successive democratically elected, post-Milosevic governments to privatize local state-owned media is coming back to haunt them, as municipal elections in the fall resulted in the return to power of former Milosevic political allies. Radicals, Socialists, and other parties have celebrated their return to municipal office by firing local media managers whose political affiliations they did not like.

Still, the tabloidization of the media was the most distressing phenomenon to members of the Media Sustainability Index (MSI) panel evaluating the country's media environment during 2004. The emergence of a new breed of political tabloids coincided with the souring of the political climate. This worsening environment was marked by an uneasy cohabitation between President Boris Tadic and Prime Minister Vojislav Kostunica, leaders of two rival democratic parties. The dramatic resurgence of the extreme nationalist Radical Party, which now routinely captures over a third of votes in elections at all levels, also contributed to the divisive political situation.

In Serbia, tabloids engage not only in sensationalist, unfair, and unbalanced reporting, but also in the active and knowing fabrication of lurid scandals, character assassinations, and witch hunts against selected individuals. As professionally conducted research into newspaper readership trends in Serbia showed the rapidly rising popularity of the politically motivated tabloids, other publications began to drop their guards and lower their journalistic standards to remain competitive in the media market.

## MEDIA SUSTAINABILITY INDEX

# SERBIA



**Unsustainable, Anti-Free Press (0-1):** Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

**Unsustainable Mixed System (1-2):** Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

**Near Sustainability (2-3):** Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

**Sustainable (3-4):** Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

The MSI records that despite the implementation of new laws in Serbia supposedly making the process of independent journalism easier, the reality is very different. Laws appear to be un-enforced, and many journalists seem to ignore basic ethical standards, particularly when covering stories involving ordinary citizens. For example, there is no attempt to protect the identity of child victims of abuse, and journalists continue to attribute statements to people they have never interviewed. This trend is particularly worrying when journalists report on vulnerable groups in the population, and research on the “tabloidization” trend in 2004 found that even more respected publications tended toward unfounded generalizations by attributing behaviors to whole ethnic groups.

The panelists also noted a significant trend in television programming. Network stations reduced their commitment to news and information programs in favor of entertainment shows. The IREX-funded research and people-meter system shows the shift away from information- and news-based programs toward entertainment. The most popular political programs had also become much more entertaining and appeared to be driven by the need to acquire large audiences, rather than the need to provide an analysis of the way the country was developing.

Panelists expressed optimism about the way reporting from the special courts (established for war crimes, organized crimes, and political murders) appeared to be so clear and professional. The panelists believed that the training provided to journalists reporting on war crimes was a real help in this area.

Last year the assassination of the prime minister, and the subsequent state of emergency, played an overarching role in panelists’ remarks. This year the political arena was more peaceful, if not still chaotic. The disappointment about the failure of the Broadcast Council to be properly established last year was still present in the minds of the participants, but they were also concerned about the pressing need to face up to the privatization of municipal media and the effects that would have on journalism.

Last year panelists expressed concerns that the state and politicians could control editors. Recently, however, concern has shifted to the extent of big-business influence and economic interests on the ability of media to provide free and accurate news in Serbia. This is an additional concern particularly for independent journalists, but most tabloids are still controlled by political forces and therefore face the more traditional problem of political censorship and interference.

## OBJECTIVE 1: FREE SPEECH

**Serbia Objective Score: 1.94 / 4.00**

The panelists generally believed there are still problems related to the implementation of new laws that would help media thrive in Serbia. In addition, there are concerns about the draft Advertising Law, intended to replace existing regulations that have been routinely disobeyed. This draft is seen as a significant threat to media-company revenues because of its extremely rigid approach toward advertising tobacco and alcohol products—including going so far as to propose banning the use of tobacco and alcohol-company logos on business cards. There also is general consensus that the law on defamation is both insufficient and unclear, to the extent that journalists were not sure how to operate within the legal confines of libel and slander and appear to be open to prosecution for criticisms of politicians that would be allowed for other citizens.

### Legal and social norms protect and promote free speech and access to public information.

#### FREE-SPEECH INDICATORS:

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

The MSI panel also noted a lack of respect for freedom of speech in Serbia. The panel considered the Access to Information Law that finally passed into the statute books in 2004 an improvement, but questioned whether it was being put into practice to support free speech. According to panelist Dragoljub Zarkovic, "Free speech has not come to life yet. Here freedom of speech did not become a serious issue yet." Added Nikola Mirkov, "There is an absolute apathy toward that [freedom of speech], a complete fatigue, and that is even worse."

The introduction of the value-added tax (VAT) that is to replace turnover tax in 2005 was expected to reduce the total level of taxes, improving newspaper sales and print outlets' income levels. Panelists also recognized that this new tax was generally in accordance with European Union practices and could not and should not be avoided.

There were about 50 legal proceedings against journalists in court during 2004, approximately the same number as the previous year. The panel observed

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that the present government, installed in March 2004, had made a conscious decision to step away from filing suits against the media. This decision was viewed as an

attempt to show the incumbents as less prescriptive than the previous Democratic Party-led government. The panel also mentioned that the general media environment in Serbia was more relaxed than last year, when the state of emergency was imposed after the assassination of Prime Minister Djindjic. Despite this more open atmosphere, panelists pointed out that in March 2004 the independent station B92's broadcast truck had an explosive device placed under it in southern Serbia near the Kosovo border. Furthermore, one of the station's news cameras was damaged by security officers in May 2004. Neither of these cases was properly investigated by the police in the view of the station, nor were criminal charges filed against any suspects.

The appointment of the new director for the state broadcaster Radio Television Serbia (RTS) proved problematic in 2004. The director ultimately was appointed by the government under a special act, thereby circumventing the law regarding the selection process as well as RTS' internal selection rules. MSI panelists expressed disappointment at what they viewed as a step backward. Also troubling was the

firing of experienced editors and the hiring of new media managers at a number of municipally owned stations. This followed the local elections, during which the incoming coalition of governing politicians sought to install their political cronies in influential positions at local outlets. Panelists considered the politicization of senior media jobs to be more prominent than in previous years. "Local municipalities are ignoring essential legal provisions, and members who are not eligible compose the management boards of media outlets," an Independent Journalists' Association (NUNS) representative said.

The panel members saw no indication that the new government provided privileged information to any particular media. Access to the journalism profession remained free, with no licensing requirements.

## OBJECTIVE 2: PROFESSIONAL JOURNALISM

**Serbia Objective Score: 1.75 / 4.00**

Some MSI panelists criticized how many journalists still failed to check facts and seemed content with including poorly researched and unsourced information in their articles. Hearsay was still viewed as a good-enough source for in-depth stories. The panelists also noted that commercial interests were increasingly influencing editorial decisions, and that the ambiguous

### Journalism meets professional standards of quality.

#### PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).



relationship between advertisers and reporters needed to be more clearly addressed. Faced with strong and sometimes underhanded competition and working in a market where citizens' buying power is low, some editors succumbed to offers from commercial lobbies, raising revenues by providing favorable reports on their business interests. The panel concluded, nevertheless, that overall journalism standards were improving and that the level of self-censorship has decreased since last year. It appeared that few, if any, editors at commercial media outlets were afraid that their jobs were at risk from politicians as a result of their news coverage. At the level of local, state-run, and municipal-run outlets, however, editors remained constrained by the needs of local party leaders. "The general scene regarding professional standards is bad, but there are also a number of good exceptions," one panelist said. Dragoljub Zarkovic explained that "centers of power are moving from political circles into economic ones. The fear from politicians is now smaller, but pressure from big business is rising."

The media's ability to adequately cover prominent and breaking-news events was a subject of significant concern for MSI panelists. Even within more established publications, journalists seemed to lack the capacity to research thoroughly the background of an unfolding story of national importance. There are limited library facilities at media businesses in Serbia, and few publications maintain investigative units with resources to go into depth on stories before publication. The resulting poor coverage led to the lack of credibility in the coverage of complex issues related to the country's future. According to a local broadcast manager from eastern Serbia, "Local media are introducing more news, but the quality of news programs is low... Journalists and editors are not at all up to the level needed to cover the dramatic nature of our society." Dragoljub Zarkovic mentioned that "for people here, the political theater is cheap theater, so journalism is like that for us, too...News programming is becoming entertainment."

According to the panelists, the number of overtly biased political stories may be decreasing, but there was continuing concern about the apparent lack of consistently followed ethical standards at many publications and broadcasters. This was clear when dealing with the protection of children's rights and other sensitive issues related to disclosing private information, such as in cases of family violence and child abuse. Dragoljub Zarkovic said, "Finding the journalist specialized for reporting on corruption, privatization...is impossible. Specialized writing is not rated highly. Specialized reporting is both the main

problem and the main opportunity for our journalism."

Panelists observed that the state television station's program schedule changed greatly during 2004, with the inclusion of far more entertainment shows and a reduction in news- or information-based programs. The panel agreed with the findings of ratings research that viewers were increasingly

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choosing entertainment shows offered by network channels. It was also noted that traditional political programs have undergone somewhat of a transformation in 2004. More of these shows borrowed their ideas and styles from the world of entertainment. The people-meter agency GM stated, "The new program schedule of the national TV station (RTS Channel 1) has changed so much by focusing on entertainment programming, that they have overtaken the entertainment market leader TV Pink in ratings." Outside of Belgrade, however, the regional media had increased their local news content, which panelists reported was appreciated by local audiences.

Panelists agreed that the economic situation was not improving for media owners. Although revenues had risen, media companies were spending much more on technical services, programs, and taxes, and thus the profits had not risen. This was happening at a time when grants and donations to independent media were decreasing, and media managers had to carve out revenue opportunities from the already crowded media market.

The panel highlighted the development of court reporting during 2004. Journalists received specialized training in this area, and it has shown in the way these trials are reported on. Coverage from the International Criminal Tribunal being conducted at The Hague was praised. Also noted was reporting on the first locally prosecuted war crime cases in Serbia's Special War Crimes tribunal, which started in 2004, and the lengthy high-profile trial of an organized-crime group accused of assassinating Serbian Prime Minister Zoran Djindjic. However, panelists noted there is still room for improvement in other specialized coverage areas, such as domestic violence, children's rights, privatization, environmental protection, the economy, and the monitoring of government policy.

The panelists concluded that in 2004, Serbian media moved away from being judged simply on its competence to cover basic political stories and toward a more faceted gauging of the ability to inform citizens on complex and vital issues.

**OBJECTIVE 3: PLURALITY OF NEWS SOURCES**  
**Serbia Objective Score: 2.80 / 4.00**

The quality of journalism provided by public companies—the majority of them having television and radio stations, but some of them owning multiple broadcast and print outlets—in more than 160 municipalities in Serbia has not significantly improved since 2001, the MSI panelists concluded. In fact, they said, editorial control at many of the municipal outlets is getting tighter, leading to a reduction in the depth and breadth of information being provided to residents of these regions. Following the local elections in 2004,

which left fewer democratic parties in control of local government posts, some incoming parties replaced professionally trained media managers with their own supporters. While this process may be limited to municipal stations, panelists still felt it decreased the overall level of independent

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news sources available to citizens. According to the local broadcast manager from eastern Serbia, “the ownership situation is constantly bad due to the blockade on the privatization process” that would take the outlets out of the hands of local governments.

Regarding commercial network television, panelists felt that in evaluating the choice of news sources available to citizens, they needed to take into account the example of the owner of BK TV. In 2004, he became active in politics, establishing his own political party and becoming a presidential candidate while remaining the owner of BK TV. Critics accused him of unabashedly using his outlet to pump out his personal opinions and party messages. This, panelists said, reduced the options for citizens seeking objective news and increased the use of the media for political propaganda.

**Multiple news sources provide citizens with reliable and objective news.**

**PLURALITY OF NEWS SOURCES INDICATORS:**

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens’ access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

**OBJECTIVE 4: BUSINESS MANAGEMENT**  
**Serbia Objective Score: 3.00 / 4.00**

In number terms, Serbia’s private media industry is much larger than the state-owned sector. There are about 1,700 different media outlets in Serbia. Of those, 130 (fewer than 8 percent) are state owned. As a result, there is a wide variety of publications and broadcasters, and publishing houses have been able to produce as wide a variety of newspapers and magazines as they choose.

However, the issue of liquidity is a general problem facing many media outlets in the country. Because of poor economic conditions, the industry remains weak. Furthermore, operating costs increased significantly during 2004, leaving managers with the extremely difficult task of increasing sales in such a chaotic and congested market. With an average annual income of about \$2,400 per family, the disposable resources for most citizens in Serbia does not justify such a large number of publications.

The advertising market is dynamic, with advertising revenues on an upward cycle. But despite a 15 to 20 percent increase in total advertising revenues,



**Independent media are well-managed businesses, allowing editorial independence.**

**BUSINESS MANAGEMENT INDICATORS:**

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

operating costs appear to have outstripped revenues. According to people-meter agency GM, "Due to rising costs, the overall financial situation for the media has deteriorated...It sounds paradoxical, because there is more money in the game, but expenses have grown terribly." He noted that outlets are not abiding by the law that limits the number of advertising minutes during one hour of broadcasting, and there is no government body monitoring or regulating this problem.

Another challenge is the discounting of advertising, with newspapers and broadcasters undercutting each other in the crowded market and leading outlets to sell more space at ever decreasing rates. Television stations are inserting 15-minute ad breaks into their prime-time shows and films, not only violating regulations but also turning off audiences. Among print media, GM/ Chief Editor Dragoljub Zarkovic noted, "The price of newspaper advertisements is low, so while the number of advertisements is growing, their quality is low. The problems are alike in the whole economy, especially the efficiency of collecting payments and outstanding debts from distribution."

Without proper regulation, the electronic media market is chaotic. It is difficult for advertisers to plan their spending and predict where the right audiences are to be found. Also, managers in this sector are faced with a problem of poorly qualified people joining the

advertising business. The MSI panel concluded that training is key to this sector's success. A marketing agency owner stated, "Every [bit of] training in this field is welcome, especially because the staff turnover is high. In marketing and sales, it is practically only young, inexperienced people coming into the business."

The panel noted that the issue of subscription sales is a non-starter in Serbia for now. The country still has poor infrastructure and an expensive postal system that works against developing regular home deliveries. The alternative of using private courier services is not cost effective for the media outlets.

When evaluating the media research market, panelists agreed that there was a wide range in the quality of information available. Some agencies employed questionable methodologies in their research, such as combining television and radio research in one questionnaire or putting different topics in one focus group, while others attained world-class standards. Apart from

biannual national television research, national local radio research, and a baseline newspaper survey commissioned through a media-development program implemented by IREX, media research is not conducted regularly. This poses a problem when attempting to analyze market trends empirically and help media owners improve the targeting of their news services. There are no national, certified circulation data for print media, and the individual company reports are unverifiable.

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**OBJECTIVE 5: SUPPORTING INSTITUTIONS**

**Serbia Objective Score: 2.79 / 4.00**

The MSI panel reported that the Independent Electronic Media Association (ANEM) and the Association of Local Newspaper Producers operated effectively during 2004. They both helped media owners improve key competencies and advocated for media rights. However, panelists were disappointed that the state-owned association of journalists, Journalist Association of Serbia (UNS), seemed increasingly unclear about its

## Supporting institutions function in the professional interests of independent media.

### SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists' rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

goals. UNS also appeared to be needlessly at odds with the independent association of journalists, Independent Journalists' Association of Serbia (NUNS). This rivalry hindered the overall development of professional media interests, independent or otherwise. The Media

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The state broadcaster's media analyst, Nikola Mirkov, added, "UNS' behavior and activities are shameful for Serbian media." The panel generally endorsed the training and support work of NUNS, noting particularly its effective work toward exempting print media from taxes on remittances.

During 2004, improvements could be seen in journalism education. Institutions such as the Novi Sad School of Journalism, the Faculty of Political Science, and the Faculty of Performing Arts in Belgrade all improved the

quality of their media studies courses. In turn, better-educated journalists helped stock media outlets with new and skilled reporters.

ANEM, which operates its own training center, and other organizations maintained high-quality short-term courses, helping the overall standard of journalism to continue to grow. However, panelists were disappointed to note that the state still controls Internet connectivity by monopolizing telephone infrastructure. This monopoly control of the telecom industry has reduced any real growth in the vital new media sector. Sources of newsprint as well as distribution systems are for the most part in private hands, apolitical, and not restricted. At the same time, nationwide broadcast transmission infrastructure is still mainly a state monopoly, with private stations having to rent space at these facilities for their own transmission systems.

### Panel Participants

**Slobodan Kremenjak**, ANEM lawyer, Belgrade

**Nebojsa Bugarinovic**, president, Independent Journalist Association of Serbia (IJAS), Belgrade

**Voja Zanetic**, marketing specialist, Belgrade

**Aleksandar Djordjevic**, media specialist, European Union Delegation, Belgrade

**Zlata Kures**, deputy general manager, BETA news agency, Belgrade

**Momcilo Djurdjic**, deputy general manager, TV Pirot (PIROT)

**Dragoljub Zarkovic**, director and editor-in-chief, *Vreme* weekly, Belgrade

**Darko Brocic**, AGB Director, Belgrade

**Nikola Mirkov**, media analyst and editor of Cultural Program of RTS, Belgrade

### Moderator

**Nebojsa Spaic**, director, Media Center, Belgrade

### Observers

**Sam Compton**, chief of party, IREX ProMedia Serbia, Belgrade

**Goran Cetinic**, business consultant, IREX ProMedia Serbia, Belgrade

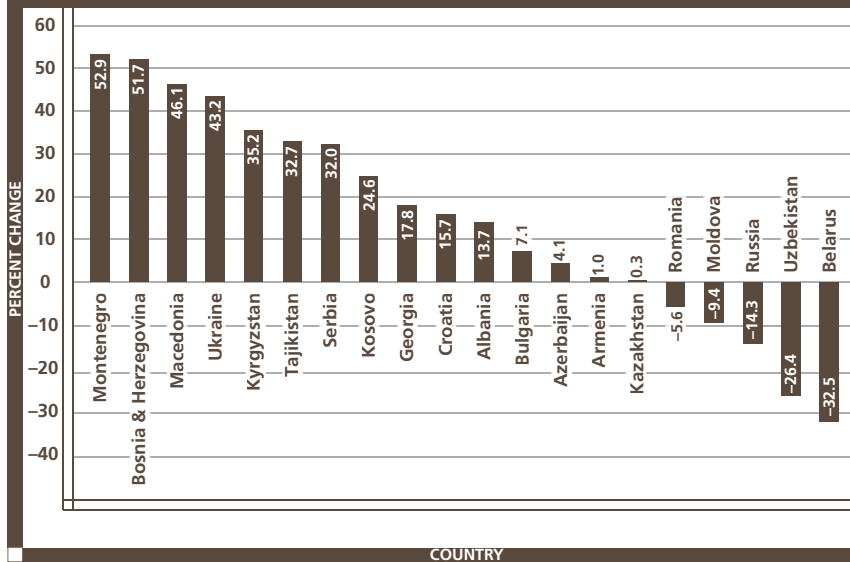
**Dragan Kremer**, broadcast media adviser, IREX ProMedia Serbia, Belgrade

# SERBIA AT A GLANCE

## GENERAL

- **Population:** 7,498,000 *SMMRI*
- **Capital city:** Belgrade
- **Ethnic groups (% of population):** Serbs 82.86%, Hungarians 3.91%, Bosniaks 1.82%, Romas 1.44%, Yugoslavs 1.08%, other 8.89% *Federal Statistical Office (FSO)*
- **Religions (% of population):** Orthodox 65%, Muslim 19%, Roman Catholic 4%, Protestant 1%, other 11%
- **Languages (% of population):** Serbian 88.3%, Hungarian 3.8%, Bosnian 1.8% *FSO consensus 2002*
- **GDP:** US\$23.89 billion (est. 2003)
- **GDP/GNI per capita:** US\$2,600 *Strategic Marketing 2004 projection (grey economy included)*
- **Literacy rate (% of population):** 96.3% (According to the last FSO census, there are 3.7% illiterate inhabitants older than age 10.)
- **President or top authority:** President Boris Tadic
- **Next scheduled elections:** 2005

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2004



## MEDIA-SPECIFIC

- **Newspaper circulation statistics (total circulation and largest paper):** NA
- **Broadcast ratings (top three ranked stations):** TV RTS 1, TV PINK, TV BK. Radio Beograd 1, Radio S, Radio B-92
- **Number of print outlets, radio stations, television stations:** About 1,500 total
- **Annual advertising revenue in media sector:** US\$100 million (estimated real value)
- **Number of Internet users:** 22%

of inhabitants older than age 18 use the Internet.

- **Names of news agencies:** BETA, FONET, TANJUG

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