MAPPING DIGITAL MEDIA:
SERBIA

OPEN SOCIETY
FOUNDATIONS

Mapping Digital Media: Serbia

A REPORT BY THE OPEN SOCIETY FOUNDATIONS

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Contents

Mapping Digital Media

The values that underpin good journalism, the need of citizens for reliable and abundant information, and the importance of such information for a healthy society and a robust democracy: these are perennial, and provide compass-bearings for anyone trying to make sense of current changes across the media landscape.

The standards in the profession are in the process of being set. Most of the effects on journalism imposed by new technology are shaped in the most developed societies, but these changes are equally influencing the media in less developed societies.

The **Mapping Digital Media** project, which examines the changes in-depth, aims to build bridges between researchers and policy-makers, activists, academics and standard-setters across the world. It also builds policy capacity in countries where this is less developed, encouraging stakeholders to participate and influence change. At the same time, this research creates a knowledge base, laying foundations for advocacy work, building capacity and enhancing debate.

The Media Program of the Open Society Foundations has seen how changes and continuity affect the media in different places, redefining the way they can operate sustainably while staying true to values of pluralism and diversity, transparency and accountability, editorial independence, freedom of expression and information, public service, and high professional standards.

The Mapping Digital Media project assesses, in the light of these values, the global opportunities and risks that are created for media by the following developments:

- the switchover from analog broadcasting to digital broadcasting,
- growth of new media platforms as sources of news,
- convergence of traditional broadcasting with telecommunications.

Covering 60 countries, the project examines how these changes affect the core democratic service that any media system should provide—news about political, economic and social affairs.

The aim of the Mapping Digital Media project is to assess the impact of these changes on the core democratic service that any media system should provide, namely news about political, economic and social affairs.

The **Mapping Digital Media** reports are produced by local researchers and partner organizations in each country. Cumulatively, these reports will provide a much-needed resource on the democratic role of digital media.

In addition to the country reports, the Open Society Media Program has commissioned research papers on a range of topics related to digital media. These papers are published as the **MDM Reference Series**.

Mapping Digital Media: Serbia
Executive Summary

Over the past five years, digitization has impacted significantly on the range and consumption of media content in Serbia. An increasing number of Serbians go online, and most media outlets invest in their online presence.

Serbia has a strategy for switching over from analog to digital broadcasting, prepared with broad public consultation. The basic legal framework is in place, but implementation is not yet underway. Moreover, if fair access to digital licenses is to be ensured, a new media law—harmonized with the EU's Audiovisual Media Services Directive—is still needed.

For switchover has suffered from a series of delays in the adoption of regulations necessary to advance the process, for updating switch-over timelines and implementing subsidy schemes for households to purchase devices capable of digital television reception.

As a result, Serbian households are still unprepared for analog switch-off. Digitally equipped television sets and DVB-T2 MPEG4 decoders are still not available in retail outlets. The only digital television output to date is a test program about culture from RTS, the public broadcaster, available through cable operators as well as via terrestrial signal.

Broadband internet has had by far the most significant growth amongthe available distribution platformsover the past five years. More than 23 percent of Serbian households had an internet connection at the end of 2009—more than doubling the number of such connections just four years earlier. Of those connections, almost 82 percent were broadband in 2009, eight times more than in 2005. Mobile penetration has also spiked in the past five years. While only half of Serbians had a mobile subscription in 2005, the penetration reached 132 percent by 2010.

All that said, Serbia remains a television nation, with almost all households owning a TV set and three quarters of the population still using television as their main source of information. But the internet is

catching up: 29 percent of persons between 12 and 29 years of age now use it for many of their information needs, though it must be added that there is a marked digital divide, with rural areas lagging behind cities when it comes to computer ownership and internet connections.

Television tastes have not changed significantly in the past five years. The public service broadcaster, RTS, continues to command the highest ratings in the television market, and in particular still leads in the newscast segment with its program *Dnevnik 2*.

The digital migration has negatively impacted the circulation of most print media in recent years. On the positive side, that migration has increased the readership for those print media that have expanded online. Serbia's best-selling daily, *Blic*, for example, lost some 50,000 sales over three years, so its paid circulation stands at 150,000; but its website now draws 1.5 million unique visitors per month.

Although search engines and social networks draw the highest visitorships on the Serbian internet, established news media *Blic* and the private TV station B92 have achieved high rankings as well.

RTS was given a leading role in promoting the digital transition. It hopes to reach a wider audience in the digital market by increasing the number of its specialized channels. The station has also been pro-active on the internet, developing a modern website where viewers can watch most of its programs on-demand. Despite this progress, almost half of the population remains reluctant to pay the license fee that supports RTS.

Serbia's private media sector continues to be plagued by opaque ownership structures, with the owners of various media hiding behind offshore-registered businesses. Additionally, there is no publicly-available register of media owners. At the same time, a number of media outlets, some of them large and influential, such as the Tanjug news agency and *Politika* newspaper continue to be heavily influenced by the state, because the privatization of publicly owned media, which should have been accomplished by 2007, remains uncompleted. Without mechanisms to render media ownership transparent, Serbia's media sector will not achieve its potential for independence and diversity.

The internet as a platform for activism is rapidly expanding in Serbia, with the number of petitions, initiatives and debates online growing considerably. The internet has also led to more diversity and to a plurality of voices in political life.

Social media are popular and are being used increasingly by the media as dissemination and marketing vehicles. For journalists, however, digitization has necessitated more legwork, as media companies struggle financially and have had to make cuts in human resources. In parallel, media outlets have had to step up their content production to respond to the increasing demand for information. These pressures have led to what has become known as "Google journalism," that is, the trend to quick-recycle internet content into media products.

Despite these digitization-related changes for journalists, newsroom convergence has been slow, with most media outlets still operating separate newsrooms for their online production. Digitization has also resulted in more violations of ethical norms by the media, as the internet remains largely unregulated.

On the other hand, digitization has had a positive impact on investigative reporting, as the internet has given journalists access to a huge range of information and sources. However, investigative journalism continues to encounter a number of barriers, including political control of the media and state ownership of numerous media outlets.

Telecoms operators have not attempted to purchase any traditional media outlets, but they do have a major, albeit indirect, presence in the media as the largest advertizing spenders in the market. To date they have not attempted to exploit this presence by pressuring such media.

EU funding for media development in Serbia has helped to raise the standards of transparency in the allocation of state funds to the media. This marks a welcome break with past habits, which were criticized as non-transparent. Further improvement in this respect, by the Ministry of Culture, is still needed.

The government finally adopted the Media Strategy in September 2011. It introduces guidelines for the development of the media sector in Serbia until 2016. The most important part is an action plan that prescribes clear deadlines for the adoption and/or amendment of new media legislation, privatization of state owned media, new rules on state aid, and transparency of media ownership. However, a cause of concern remains the introduction of six new regional public services; the Strategy does not give the clear answers on how new outlets would be financed or managed, or on the criteria for defining areas of coverage. However, bearing in mind that this was the first media policy paper written in close cooperation with the European Commission, there is a good ground to hope that it will be effectively implemented.

Context

Serbia was one of six republics in the former Yugoslav federation. In 1992, it formed the Federal Republic of Yugoslavia with Montenegro, another former Yugoslav republic. In 2003, these two countries established the union of Serbia and Montenegro. When Montenegro declared independence in 2006, Serbia too became independent.

After the NATO bombing campaign against Serbia in 1999,[1] the southern province of Kosovo was put under United Nations protection;[2] international support continues today under the European Union, although UN Security Council Resolution 1244 remains in force. The Albanian majority in Kosovo declared unilateral independence in 2008. (As of 18 August 2011, Kosovo's statehood had been recognized by 80 member states of the United Nations, including 22 member states of the European Union.) Serbia applied for membership of the European Union in 2009.[3]

Serbia has an upper-middle income economy with a GDP of US$42.984 billion in 2009, or US$6,000 GNI per head.[4] Following a period of fast growth from 2005 to 2008,[5] Serbia experienced a 3.5 percent drop in GDP in 2009,[6] mostly because FDI also fell. (FDI in 2006 was US$5.47 billion, but in 2009 was just US$2.4 billion.)[7] The transport and telecommunications industry generated US$2.68 billion from 2005 to 2009, mostly through mobile telephone providers. Structural economic reforms needed to ensure the country's long-term viability have largely stopped since the global financial crisis.[8] Serbia is recovering from

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1. See https://www.cia.gov/library/publications/the-world-factbook/geos/ri.html (accessed 5 September 2010).

2. For United Nations Security Council Resolution 1244, see: http://daccess-dds-ny.un.org/doc/UNDOC/GEN/N99/172/89/PDF/N9917289.pdf?OpenElement.

3. See http://www.voanews.com/english/news/europe/Serbia-Applies-for-EU-Membership-79910337.html (accessed 5 September 2010).

4. See http://data.worldbank.org/country/serbia(accessed 5 September 2010).

5. See http://webrzs.stat.gov.rs/axd/index1.php?SifraVesti=233&Link=(accessed 5 September 2010).

6. See http://webrzs.stat.gov.rs/WebSite/Public/ReportResultView.aspx?rptKey=indId%3d09010202IND02%266%3d2%2c3%2697%3d0%2c1%2c20%2c3%2c40%2635%3d6%262%3d%23last%233%26sAreaId%3d09010202%26dType%3dName%26lType%3dSerbianLatin (accessed 5 September 2010).

7. See http://www.siepa.gov.rs/site/en/home/1/investing_in_serbia/strong_fdi_figures/ (accessed 5 September 2010).

8. See https://www.cia.gov/library/publications/the-world-factbook/geos/ri.html (accessed 5 September 2010).

the crisis, but very slowly. Over the past few years, the service sectors have proven to be the most attractive to international investors (banking and insurance) and they now account for 63.8 percent of GDP. Industry is 23.5 percent of GDP, and agriculture is 12.7 percent. The economy has a very high unemployment rate (20 percent in 2010), and an unfavorable trade deficit.

The total population of Serbia is about 7.3 million, with a very diverse ethnic composition. The majority is Serb by nationality, but another 37 ethnicities also live on its territory.

Social Indicators

Population (number of inhabitants): 7.32 million (2009)[9]
Number of households: 2.53 million (2008)[10]

Figure 1.

Rural–urban breakdown (% of total population)

Urban 49%

Rural 41%
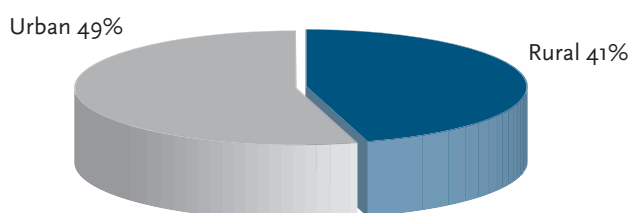
Source: Statistical Office of the Republic of Serbia; *Statistical Yearbook of Serbia 2009*, p. 4.

Figure 2.

Ethnic composition (% of total population)[11]

Hungarian	3.9%
Bosniak	1.8%
Roma	1.4%
Yugoslavian	1.1%
Croatian	0.9%
Montenegrin	0.9%
Albanian	0.8%
"Vlah"	0.5%
Bulgarian	0.3%

Other and undetermined 5.4%

Serbian 82.9%
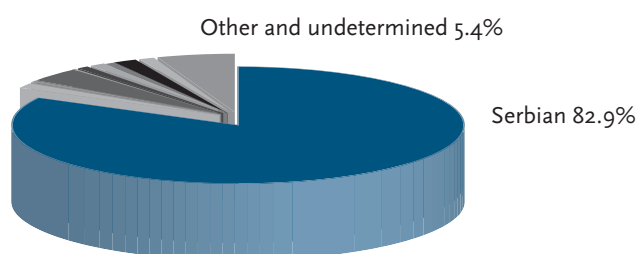
9.   Statistical Office of the Republic of Serbia, "Population changes, 1998–2009, Population movement of the Republic of Serbia in period 1999–2009," available at http://webrzs.stat.gov.rs/axd/en/drugastrana.php?Sifra=0013&izbor=odel&tab=1 (accessed 5 September 2010).

10.   Statistical Office of the Republic of Serbia, *Statistical Yearbook of Serbia 2009*, p. 134, available at http://webrzs.stat.gov.rs/axd/godisnjak/god-2009pog07.pdf (accessed 5 September 2010).

11.   Statistical Office of the Republic of Serbia, "Population and households of Serbia according to the Population Census 2002," available at http://webrzs.stat.gov.rs/axd/en/popis.htm (accessed 24 February 2011) (hereafter Statistical Office, "Population").

Figure 3.

Linguistic composition (% of total population)[12]

Hungarian	3.8%
Other	2.4%
Bonian	1.8%
Roma	1.1%
Albanian	0.9%
Slovak	0.8%
Undeclared	0.9%

Serbian 88.3%
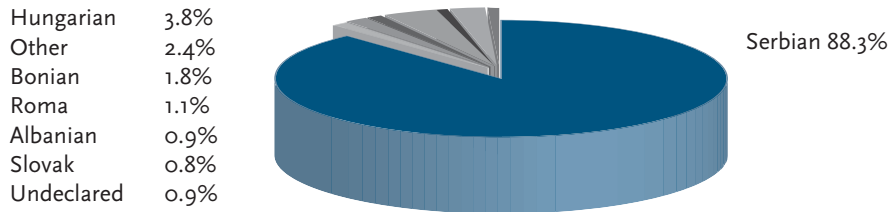
Note: "Other" includes Romanian, Croatian, Bulgarian, and Macedonian.

Figure 4.

Religious composition (% of total population)[13]

Protestant 1.1%   Non-believers 0.6%
Catholic 5.0%   Undetermined 4.2%
Muslim 3.2%   Orthodox 85.0%
Other 0.4%

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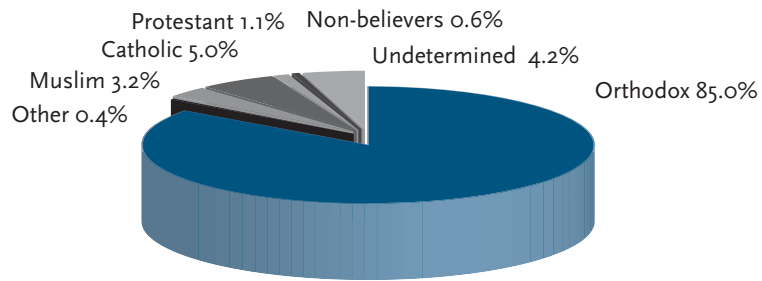
12. Statistical Office, "Population."

13. Statistical Office, "Population."

Economic Indicators

<p align="center">Table 1.</p>
<p align="center">Economic indicators</p>

	2005	2006	2007	2008	2009	2010	2011f	2012f
GDP (current prices), in US$ bn	25.30	29.60	40.42	49.34	42.87	43.62f	46.25	48.56
GDP (current prices), per head in US$	3,400	3,994	5,476	6,684	5,808	5,897	6,240	6,539
Gross National Income (GNI), per head, current $[14]	8,410	9,310	9,980	11,240	11,530	n/a	n/a	n/a
Unemployment (% of total population)[15]	20.8	20.9	18.1	14.0	16.6	19.2[16]	n/a	n/a
Inflation (average annual rate in % against previous year)[17]	14.5	5.9	7.9	10.3	4.1	1.9[18]	n/a	n/a

Note: n/a = not available, f: forecast.

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14. World Bank data, available at http://data.worldbank.org/country/serbia (accessed 27 March 2011).

15. Statistical Office of the Republic of Serbia, "Labour Force Survey/Tables," April 2010, available at http://webrzs.stat.gov.rs/axd/drugastrana.php?Sifra=0018&izbor=odel&tab=152 (accessed 10 September 2010) (hereafter Statistical Office, "Labour Force Survey").

16. Statistical Office, "Labour Force Survey."

17. National Bank of Serbia, "Statistics, Key Macroeconomic Indicators, Core inflation (in %, relative to the same month a year earlier)," available at http://www.nbs.rs/export/internet/english/80/index.html (accessed 10 September 2010).

18. National Bank of Serbia, "Statistics, Key Macroeconomic Indicators, Core inflation (in %, relative to the same month a year earlier) Q2 2010," available at http://www.nbs.rs/export/internet/english/80/index.html (accessed 10 September 2010).

1. Media Consumption: The Digital Factor

1.1 Digital Take-up

1.1.1 Digital Equipment and Literacy

Almost every household has a television set and the increase in acquisition of sets over the past five years from some 96 percent to almost 99 percent shows, among other indicators, that television is still the top audiovisual platform in Serbia. In addition, television remains the main source of information for more than 77 percent of the population.[19] The second most popular digital platform for news consumption is the personal computer (PC). The number of PC-owning households almost doubled between 2006 and the end of 2010, when more than half had an internet connection. Today, the internet is the main source of information for 13 percent of the population, rising to 29 percent for people aged between 12 and 29.[20]

Despite a 10 percent increase in the number of households having radio sets, to almost 69 percent between 2008 and 2009, only 2 percent of listeners use radio as their main source of news and information.[21]

The most significant information gap is that between urban and rural Serbia, due to the fact that the number of PCs in urban areas is much higher than in rural areas, where the internet is less accessible. For these reasons, people in rural Serbia access information less frequently than those in cities. For example, the growth rate of PCs has been four times higher in the cities than in rural areas.[22]

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19. Ipsos Strategic Marketing, *Youth and new media,* Belgrade, July 2010, p. 5, available at http://www.mc.rs/upload/documents/prezentacije/Mladi-i-novi-mediji.pps (accessed 10 September 2010) (hereafter, Ipsos Strategic Marketing, *Youth and new media*).

20. Ipsos Strategic Marketing, *Youth and new media*, p. 5.

21. Ipsos Strategic Marketing, *Youth and new media*, p. 5.

22. Statistical Office of the Republic of Serbia, *Upotreba Informaciono-Komunikacionih Tehnologija U Republici Srbiji, 2010* (Usage of Information and Communication Technologies in the Republic of Serbia, 2010), Belgrade, 2010, p. 12, available at http://webrzs.stat.gov.rs/axd/dokumenti/ict/2010/Saop2010.pdf (accessed 10 September 2010) (hereafter, Statistical Office, *Usage in 2010*).

More than 2.9 million people were using a computer in the last three months of 2010, which is approximately 1 percent more than in 2009.[23] Furthermore, over 2.28 million people use the computer on a daily basis.[24] It can be said that computers are used in the offices of 97.8 percent of companies (see Table 2).[25]

Table 2.

Households owning equipment, 2006–2010

	2006		2007		2008		2009		2010	
	No. of HH ('000)[26]	% of THH[27]	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH	No. of HH ('000)	% of THH
TV sets	2,320	96.0	2,370	98.0	2,383	98.4	2,391	98.6	2,406	98.7
Radio sets	n/a	n/a	n/a	n/a	1,404	58.0	1,670	68.9	n/a	n/a
PCs	640	26.5	822	34.0	988	40.8	1,134	46.8	n/a	50.4

Note: HH = Households; n/a = not available.

Sources: Calculations based on data from the Statistical Office of the Republic of Serbia, ITU, and Mediametrie/Eurodata TV Worldwide.

1.1.2 Platforms

Over the last five years,[28] there has been a decrease in terrestrial broadcasting as a dominant platform for carrying news and information from 1.4 million households in 2006 to 1.2 million in 2010. Over the same period, cable coverage rose from some 777,000 to 981,000 households connected. Satellite penetration experienced the highest growth, doubling between 2006 and 2010, although from a much smaller basis. One of the most popular satellite providers is Total TV, which offers a total of 200 no-subscription television and radio channels, mostly domestic channels (see Table 3).

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23. Statistical Office, *Usage in 2010*, p. 19.

24. Statistical Office, *Usage in 2010*, p. 21.

25. Statistical Office, *Usage in 2010*, p. 78.

26. Total number of households owning the equipment.

27. Percentage of total number of households in the country.

28. Statistical Office, "Usage in 2010."

Table 3.

Platform for the main television reception and digital take-up, 2005–2010

	2005		2006		2007		2008		2009		2010	
	No of HH[29] ('000)	% of TVHH[30]	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH	No of HH ('000)	% of TVHH
Terrestrial reception	1,534	63.8	1,447	62.4	1,424	60.1	1,324	55.6	1,262	52.8	1,200	49.9
– of which digital[31]	n/a	<1	n/a	<1	n/a	<1	n/a	<1	n/a	<1	n/a	<1
Cable reception	752	31.3	777	33.5	824	34.8	912	38.3	951	39.8	981	40.8
– of which digital	n/a	<1	n/a	<1	n/a	<1	n/a	<1	n/a	<1	n/a	<1
Satellite reception	122	5.1	109	4.7	156	6.6	162	6.8	224	9.4	231	9.6
– of which digital	n/a	<1	39	1.7	87	3.7	112	4.7	129	5.4	185	7.7
IPTV	0	0	0	0	0	0	n/a	<1	5	0.2	17	0.7
Total	2,408	100.2	2,333	100.6	2,404	101.5	2,398	100.7	2,437	102.0	2,429	101.0
– of which digital	n/a	<5.0	n/a	<5.0	n/a	<5.0	n/a	<8.0	n/a	<8.0	n/a	<10.0

Notes: n/a = not available; <: less than.

Source: Open Society Foundation's calculations based on data commissioned to Mediamétrie/Eurodata TV Worldwide.

The most significant growth by any available platform between 2005 and 2009 was broadband internet. The number of households with internet connection rose from 10 percent to more than 23 percent. Broadband connection rose from some 10 percent to more than 82 percent of all internet subscriptions over the same period, according to the Republic Agency for Electronic Communication (*Republička agencija za elektronske komunikacije,* RATEL).[32] Broadband connections outnumbered dial-up connections for the first time in 2008, and this trend continued in 2009 (see Table 4).

The average citizen possesses 1.32 mobile phones, which means that mobile coverage for the entire population is over 132 percent.[33] This is more than double in 2006 when some 67 percent of the population had a mobile phone. Although all mobile operators offer third-generation mobile telecoms (3G), only 11.5 percent of the population used it in 2009. In 2010, over 4,785,000 people owned a mobile handset (see Table 4).[34]

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29. Total number of households owning the equipment.

30. Percentage of total number of television-owning households (TVHH) in the country.

31. Only digital reception.

32. RATEL, *An Overview of the Telecom Market in the Republic of Serbia in 2009*, p. 90, available at http://www.ratel.rs/market/overviews_of_telecom_market.129.html (accessed 5 September 2010) (hereafter, RATEL, *Annual Report for 2009*). (RATEL annual reports are based on the number of mobile subscriptions.)

33. RATEL, *Annual Report for 2009*, pp. 60–73.

34. Statistical Office, *Usage in 2010*, p. 23.

Table 4.

Internet subscriptions as % of total population and mobile phone subscriptions

as % of total population, 2005–2010

	2005	2006	2007	2008	2009	2010
Internet	10.0	13.4	16.9	21.6	23.7	n/a
of which broadband	10.0	14.9	46.1	74.0	81.4	n/a
Mobile telephony	55.9	67.5	85.9	97.7	100.6	132.0
of which 3G	0	n/a	2.6	7.6	11.5	n/a

Note: n/a = not available.

Source: ITU (for data on mobile telephony); Statistical Office of the Republic of Serbia.

1.2   Media Preferences

1.2.1   Main Shifts in News Consumption

With 70 percent of the population watching television every day—that is, some 4.9 million people—television remains the dominant source of information. Although most stations have established web editions over the past five years, only the B92 website[35] remains more popular than its television channel.

The shares of national television stations have changed by few percentage points over this period. The first channel of Serbian Radio and Television (*Radio-televizija Srbije*, RTS), the public service broadcaster, had a 21.6 percent share in 2005,[36] increasing to 28.3 percent in 2009.[37] This means that approximately 1,270,000 people were watching RTS1.[38] The RTS website[39] had 510,000 unique visitors every month.[40] TV Pink kept second position, with a share of 21–23 percent in the period 2005–2009, but with poor website traffic at Rtvpink.com. TV Fox (now Prva Srpska Televizija) recently took over third place from B92.

Print media experienced a drop in circulation, but at the same time the online sources of print media have grown in the last five years. The 2007 circulation of *Blic*, a daily newspaper, had been about 200,000 sold copies, but by 2010 it had slumped to 150,000, which represents a 25 percent drop. Other daily newspapers lost 15–30 percent of their circulation (*Večernje novosti* (Evening News) lost 30 percent, *Press* 31.5 percent,

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35.   See http://www.b92.net/.

36.   Media Association (*Asocijacija Medija,* ASMEDI*)*, "Medijska Statistika (Media Statistics)," Newsletter, Belgrade, 2005, available at http://asmedi.org/Newsletter/Septembar%20Nr16.html (accessed 10 August 2011) (hereafter, ASMEDI, "Media Statistics").

37.   N. Senic and S. Josifovic, "Programski afiniteti gledalaca televizije (Television Viewers' Preferences), *RTS,* Belgrade, 12 June 2009, available at http://www.rts.rs/page/rts/sr/CIPA/story/265/Vesti/40309/Iz+naših+istraživačkih+izveštaja.html (accessed 10 August 2011) (hereafter, N. Senic and S. Josifovic, "Television Viewers' Preferences").

38.   70 percent of citizens watch television every day, equating to some 4,900,00 citizens.

39.   See http://www.rts.rs/.

40.   See https://www.google.com/adplanner/#siteSearch?identifier=rts.rs&geo=US&trait_type=1&lp=false (accessed 20 August 2010).

and *Politika* 18.75 percent); only one newspaper, the tabloid *Alo!*, increased its circulation, by 17.34 percent.[41] Since 2007, the number of unique visitors to the *Blic* website, Blic.rs, has increased from 30,000 to 400,000 visitors per day, and other print media have shown similar trends.

1.2.2 Availability of a Diverse Range of News Sources

The availability of diverse news and information has improved thanks to new technologies. This can be seen from the growth of unique visitors to the leading news websites.

A key change occurred at the beginning of 2005, when B92.net became the first site to offer material from its own productions, including transcripts of television and radio broadcasts, video, and photographs. The main idea was to offer all relevant material to the audience in one place, on demand. At that time, B92 was the leader among Serbian media outlets on the internet, while most traditional outlets were using their websites to put out company information.[42]

Nowadays, the situation has changed because most outlets offer their content online, thus putting the information from a variety of sources only one click away from a citizen.

However, not all media outlets offer their content free of charge or in the same form as the original edition. In contrast to television programs and daily newspapers, the news weekly *Vreme* (Time) was available online only for subscribers in 2005,[43] while today half of the content is offered without charge, with payment required for the other half. The other popular weekly, *NIN*, also offers several articles free of charge, although the entire edition can only be accessed by subscribers.[44]

On the other hand, some newspapers had to be shut down at the beginning of 2009. Of the daily newspapers, *Glas javnosti* (Voice of the Public) now consists only of an online edition, Glas-javnosti.rs. *Borba*, a historic daily title, shut down completely in 2009, including its online edition.[45]

In sum, many different sources of existing (i.e. not new) information are available online, either free or for a subscription. Two main factors may influence the choice of consumers when seeking out the available information. First, from the range of available online sources, people always opt for the brand name they trust—whether this means public service broadcasting or any other electronic or print outlet[46]—or sometimes even an author they believe in. Second, the most successful online editions are not at the top simply because

41. Accessible information only through the online subscription system available at http://www.abcsrbija.com/portal/.

42. According to Igor Božić, B92 news channel main editor, in an online interview on 16 August 2010.

43. See http://www.vreme.com (accessed 15 October 2010).

44. See http://www.nin.co.rs (accessed 15 October 2010).

45. "Dnevni list Borba sutra ne izlazi" (Daily newspaper *Borba* is not being published from tomorrow), *Press*, Belgrade, 3 July 2009, available at http://www.pressonline.rs/sr/vesti/u_fokusu/story/71224/Dnevni+list+"Borba"+sutra+ne+izlazi.html (accessed 15 October 2010).

46. Interview with Zoran Stanojević, Editor-in-chief of *Oko Magazin*, RTS, 23 June 2010, available at http://www.rts.rs/page/tv/sr/series/20/RTS+1/21/Oko+Magazin.html (accessed 15 October 2010).

they are free, but also because they have engaged their visitors interactively, by their presence on social networks and services such as Facebook and Twitter, allowing them to comment on, link to, and post information they consider relevant to the information on the website.[47] However, maximum interactivity goes with the risk of not having control over false information provided from readers as feedback, and this can create opportunities for organized groups or individuals to promote hate speech—for example, the threats to the journalist Brankica Stanković by a group of football fans (see section *4.2.2*).

1.3. News Providers

1.3.1 Leading Sources of News

The five most widely read tabloids are *Press*, *Alo!*, *Kurir*, *Pravda*, and *Svet*, but the non-tabloid news media appear to have recently achieved much better reach. The most popular non-tabloid media are the dailies *Blic*, *Večernje novosti*, and *Politika*, the private television station B92, and the public broadcaster RTS. The financial crisis hit the whole print media market during this period, especially the tabloids. Their circulations fell, some closed, and there were no significant launches of new tabloids.

1.3.1.1 Print Media

According to rough estimates, tabloid circulation in 2007 was about 800,000 copies, led by *Kurir*, *Skandal*, *Press*, *Srpski Nacional*, *Gazeta*, *Grom*, *Pravda*, *Sutra*, and other titles.[48] Approximately 600,000 daily newspapers were sold in Serbia in the fourth quarter of 2010.[49] The three most popular non-tabloids—*Blic*, *Večernje novosti*, and *Politika*—took over 60 percent of this share, which means that non-tabloids prevailed over tabloids. *Press* has a circulation of not more than 100,000; *Alo!* has 115,000.

It is important to mention the political and law enforcement pressure on *Kurir* in 2009, when its owner, Radisav Rodić, was investigated.[50] Mr Rodić led a somewhat aggressive editorial policy and was at the same time the owner of *Glas javnosti*, a daily tabloid that recently ceased print publication.[51] Even though *Kurir* is no longer part of the audit, its drop in circulation has been widely noticed by observers.[52]

47. Interview with Djordje Padejski, Director of the Center for Investigative Journalism of Independent Journalists' Association of Serbia (IJAS), 29 July 2010.

48. D.V. Nedeljković, "Tabloidizacija Medija U Srbiji (The Media Tabloidization in Serbia), *Medijski Dijalozi*, No. 3, Podgorica, November 2009, available at http://med-dij.com/md3/015-026%20Medijski%20dijalozi%203%20-%20Valic%20Nedeljkovic.pdf (accessed 1 September 2010).

49. Accessible information only through the online subscription system available at http://www.abcsrbija.com/portal/ (accessed 1 September 2010).

50. "Istraga protiv vlasnika 'Kurira'" (Investigation into owner of *Kurir*), RTS, 18 September 2009, available at http://www.rts.rs/page/stories/sr/story/135/Hronika/168061/Istraga+protiv+vlasnika+"Kurira."html?email=yes (accessed 1 September 2010).

51. Media Association (ASMEDI, *Asocijacija Medija)*, "Prestao da izlazi Glas javnosti" (*Glas javnosti* Stopped Publication), Newsletter, Belgrade, January 2010, available at http://www.asmedi.org/Newsletter/Januar%20Nr120.html (accessed 1 September 2010).

52. Accessible information only through the online subscription system available at www.abcsrbija.com/portal/ (accessed 1 September 2010).

Circulation overviews of weekly tabloids show that three tabloids—*Svet* (124,000 copies), *Stil* (82,000), and *Skandal* (50,000)—have the same combined circulation as the first non-tabloid weekly, *Blic žena*, which sells 245,000 copies.

Although most print media experienced a drop in circulation in recent years, their total popularity as media brands has increased due to migration to digital platforms. For example, the 2007 circulation of *Blic*, Serbia's most popular daily paper, was about 200,000 sold copies, but in 2010 this figure was 150,000, a fall of 25 percent. However, following a redesign in 2007, Blic.rs increased its number of unique visitors from 30,000 to 400,000 visitors per day. (*Blic* started to post breaking news, constantly refreshing the site with video features, all integrated with social platforms such as Facebook and Twitter.) In addition, Google Ad Planner reported an estimate that the *Blic* site has 1.5 million unique visitors every month, which would make it the most visited domestic site in Serbia.[53] This means that the migration of news to digital platforms led to *Blic*'s site traffic being three times higher than its circulation, while only three years ago it was six times lower.

1.3.1.2 Television

As reported above (in section *1.2.1*), RTS1 had a 21.6 percent audience share in 2005,[54] increasing to 28.3 percent in 2009.[55] However, TV Pink maintained a firm second position with an average share of about 23 percent, peaking with 23.6 percent of the total population in 2010. The reason for this may be that most viewers in Serbia gather around entertainment programs, primarily domestic series, reality shows, sports programs, and primetime shows.[56]

In contrast to TV Pink, TV B92 had a much smaller share of viewers: it increased, but only minimally from 6.6 percent to 6.9 percent between 2005 and 2009. On the other hand, the total share of TV Fox has more than doubled from 4.7 percent in 2007 to 11.1 percent in 2010 (see Table 5).[57]

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53. "Blic.rs najposećeniji domaći sajt u Srbiji" (Blic.rs the Most Visited Domestic Site in Serbia), *Blic*, Belgrade, 21 July 2010, available at http://www.blic.rs/Vesti/Drustvo/199371/Blicrs-najposeceniji-domaci-sajt-u-Srbiji (accessed 15 October 2010).

54. ASMEDI, "Media Statistics."

55. N. Senic and S. Josifovic, "Television Viewers' Preferences."

56. "Koliko i kakvu televiziju gledamo?" (How Much and What Type of Television Are We Watching?), B92.net, Belgrade, 21 November 2009, available at http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=11&dd=21&nav_category=12&nav_id=393972 (accessed 15 October 2010).

57. AGB Nielsen, *Local TV Station Ratings*, June 2010, available at http://kablovskiforum.7.forumer.com/viewtopic.php?t=337&postdays=0&postorder=asc&start=405&sid=a534e788829a0563c1b201aea3bc7d95 (accessed 15 October 2010) (hereafter AGB Nielsen, *Local TV Station Ratings*).

Table 5.

Top rated television stations, by annual average rating, 2005–2010

TV ratings	2005	2007	2008	2009	2010
RTS1	21.6	26.5	26.2	28.3	26.2
Pink	22.7	23.5	21.7	23.2	23.6
B92	6.6	9.3	8.7	7.5	6.9
Fox	0	4.7	6.4	7.9	11.1

Note: n/a: not available.

Sources: ASMEDI;[58] RTS;[59] AGB Nielsen.[60]

1.3.1.3 Radio

In the last five years, the three most popular radio stations were B92, Radio S, and the first program of Radio Belgrade. Radio B92 held the leading position until 2009, when Radio S took first place. Although its ratings have declined somewhat, Radio S was still the most popular station in 2010.[61] Over the last two years, it has become obvious that listeners are spreading themselves among more radio stations than before, hence now we have at least 10 radio stations with ratings of 5–10 percent (see Table 6).

58.   ASMEDI, "Media Statistics."

59.   RTS, "Prikazi i pregledi" (Overviews and reports), Belgrade 2007; "Rts1 najgledanija televizija 2007" (RTS Most Watched Television 2007), *Mondo*, 17 March 2008, available at http://www.mondo.rs/s90443/Zabava/Rijaliti_TV/RTS1_najgledanija_televizija_2007_godine.html (accessed 15 October 2010); RTS, "RTS najgledanija srpska TV" (RTS the Most Viewed Serbian TV Station), Belgrade 2008, available at http://www.rts.rs/page/stories/sr/story/125/Društvo/36430/RTS++najgledanija+srpska+TV.html (accessed 15 October 2010); N. Senic and S. Josifovic, "Television Viewers' Preferences."

60.   AGB Nielsen, *Local TV Station Ratings*.

61.   Strategic Marketing Research, *Survey on Listenership of Radio Stations in Serbia, May 2008*, available at http://www.irex.rs/attachments/072_Survey%20on%20listenership%20of%20radio%20stations%20in%20Serbia,%20May%202008.pdf (accessed 15 October 2010) (hereafter, Strategic Marketing Research, *Survey*).

Table 6.

Radio stations with the most listeners, 2005–2010

Radio station	2006	2007	2008	2009	2010[62]
B92	5.2	6.1	10.4	8.3	9.4
Radio S	3.5	5.7	10.1	13.2	11.4
Radio Belgrade 1	6.2	5.7	7.4	4.4	6
Radio Index	0.3	0.8	2.0	2.2	5.8
Fokus Radio	0.2	1.0	0.8	1.6	2.6
Roadstar Radio	0	1.1	2.0	2.5	4.7
Pink Radio	n/a	n/a	n/a	n/a	9.9
TDI Radio	n/a	n/a	n/a	n/a	9.3
Naxi radio	n/a	n/a	n/a	n/a	6.9
Radio Tri	n/a	n/a	n/a	n/a	3.1
Top FM	n/a	n/a	n/a	n/a	3.6
Radio JAT	n/a	n/a	n/a	n/a	5.6
Radio Nostalgija	n/a	n/a	n/a	n/a	6.8

Note: n/a: not available.

Sources: ANEM (2006);[63] Strategic Marketing Research (for 2007–2009);[64] FM NEBO (2010).[65]

1.3.1.4 Online

The RTS website Rts.rs has 510,000 unique visitors every month.[66] From its establishment in 1996, B92.net topped the domestic internet sites not only by the wealth of content but also in its popularity.[67] Today, the site has up to 350,000 unique visitors per day[68] or, according to Google Ad Planner, some 1.3 million unique visitors every month. In 2010, however, for the first time the B92 site lost its first position in online news consumption to the website of the daily newspaper *Blic*.

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62. FM NEBO, "Slušanost radio stanica beograd maj 2010" (Top Rated Radio Stations, Belgrade, May 2010), available at http://fmnebo.blogspot.com/2010/06/slusanost-radio-stanica-beograd-maj.html (accessed 15 October 2010) (hereafter, FM NEBO, "Top Rated Radio Stations, May 2010").

63. ANEM, "Istraživanje slušanosti radio programa na teritoriji Srbiji, Novembar 2006" (Research into Radio Audiences in Serbia, November 2006), available at http://www.anem.rs/admin/download/files/_id_262/Radio%20istrazivanje%20novembar%202006.ppt (accessed 15 October 2010).

64. Strategic Marketing Research, *Survey*.

65. FM NEBO, "Top Rated Radio Stations, May 2010."

66. See https://www.google.com/adplanner/#siteSearch?identifier=rts.rs&geo=US&trait_type=1&lp=false (accessed 20 August 2010).

67. See the B92.net official marketing page, available at http://www.b92.net/marketing/web/poseta.php (accessed 20 August 2010).

68. "Nezapamćena posećenost sajta B92.net" (Unprecedented Site Traffic at B92.net), B92, 18 February 2008, available at http://blog.b92.net/text/2268/Nezapamćena%20posećenost%20sajta%20B92.net/ (accessed 20 August 2010).

1.3.2 Television News Programs

The RTS main news program, *Dnevnik 2* (Journal 2), has been in the top five programs for decades, demonstrating the continuing public desire for news. RTS1 news is the most watched output of its kind in Serbia and *Dnevnik 2*, the mid-evening bulletin, is the most watched news program in the country. Other news output on RTS includes *Dnevnik*, *Vesti* (News), *Morning*, and the Belgrade program *Ovo je Srbija* ("This is Serbia"), as well as debates and special news programs. Weekly news programs, special programs, and recordings of current political events also get high ratings.

1.3.3 Impact of Digital Media on Good-quality News

Analog switch-off is scheduled for 4 April 2012.[69] Since no digital channels have been licensed yet, no loss of audience due to digital migration has been recorded.

Apart from RTS's experimental digital channel, Serbia has no other digital broadcasters. Nonetheless, new media contribute enormously to the quantity and availability of contextual news content, especially with the traditional media now transferring their news and information to the online world, allowing audiences to have access to news and information on demand, not only when aired or published.

1.4 Assessments

Digitization has already had a positive impact on the news offer, in terms of interactivity, providing users with a wider choice of platforms on which to access information.

The diversity of the overall news offer has been increased by the new opportunities, if the term "news" is used broadly to include information which is not news by definition and does not always refer to Serbia. Although the Serbian media have the latest technology and are capable of reacting quickly, the main impression when you read or watch Serbian media is that all of them have the same editor-in-chief. The daily topics are exactly the same, to the extent that one cannot avoid the impression that the news agenda has been dictated. The media are financially weak, without resources to produce varied and individual content. Reporters do not chase the news; mostly they report (literally) from the scene, like everyone else, and draw the rest of their news from the news agencies. So when we say that there is news diversity, we mean in the first place diversity of promoted content which is information rather than news. Hopefully, new digital opportunities may yet improve the overall diversity of the news offer.

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69. "Strategy for Switch-over from Analog to Digital Broadcasting of Radio and Television Programs in the Republic of Serbia," *Official Gazette of RS*, no. 52/09 (hereafter, Strategy for Switch-over), p. 17.

Although there has been no research or analysis into the importance of interactivity in audience selection of news and information, it is evident that the most popular and respected outlets are also the most interactive ones. Of course, we cannot compare the level of interactivity of different types of media, such as television and the internet, because there are no more interactive media than those on the internet. However, the level of interactivity increases the number of visitors and viewers.

In 2010, no online media carried news without an interactive component. Most of them have options for users to comment on news, but there are no sites with advanced interactive functions such as crowdsourcing. In a context where media outlets are often controlled by tycoons and advertising agencies, the opportunity to comment, albeit filtered, is the best option for free speech in Serbia. Bloggers and social network users have opportunities to write and debate, but the only way that ordinary web users can have their say in the media/public sphere is by posting comments in online editions of the most popular media. Aggressive visitors often abuse these forums, which even so remain a very valuable source of information about audience opinions. People often enrich the news by adding their own photos or video clips.

Television shows started to use interactive functions very early and the audience enjoys them, especially with the rise in mobile phone usage. Sending text messages during entertainment shows (most often music and reality shows) is one indicator of popularity. Accordingly, we can say that interactivity is one of the top priorities for users when platforms are selected.

2. Digital Media and Public or State-Administered Broadcasters

2.1 Public Service and State Institutions

2.1.1 Overview of Public Service Media; News and Current Affairs Output

RTS and Radio Television of Vojvodina (*Radio Televizija Vojvodine*, RTV) are the public broadcasting service institutions of the Republic of Serbia.[70] With its duty to inform, educate, and entertain its viewers, RTS plays a significant role in social, cultural, and political life. RTS operates two national analog television channels (RTS1 and RTS2) and one test channel with digital high definition (HD) television (RTS Digital). RTS has four national analog radio channels (Radio Belgrade 1, Radio Belgrade 2, Belgrade 202, and Radio Belgrade 3), but five programs: Radio Belgrade 1, Radio Belgrade 2 and Radio Belgrade 3 (which both share one channel), Belgrade 202 and Stereorama. It also offers a satellite program with the branched network of correspondence, teletext, music and sound production, as well as other publishing, editorial, and research activities.[71] RTS is financed through license fees that are collected with the electricity bill and revenue from the sale of advertising time up to six minutes per hour, which is half as much as the commercial broadcasters have.

RTV falls into a separate category because it covers only the autonomous province of Vojvodina, with two television channels and three radio channels. RTV is a public service broadcaster financed through license fees and the sale of advertisements. RTV receives 25 percent of all the license fees collected through the electricity bills in Serbia and is allowed to sell up to six minutes of advertising per hour. According to the management, RTV's share of viewing is 2.7 percent and 0.6 percent for channels 1 and 2 respectively, whereas the radio reaches a slightly larger audience. Actually, the RTS share of viewing in Vojvodina is considerably larger

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70. Broadcasting Law, *Official Gazette of RS*, nos. 42/02, 97/04, 76/05, 79/05, 62/06, 85/06, 86/06 and 41/09, 29 May 2009 (hereafter, Broadcasting Law), Art. 44.

71. See the RTS website, available at http://www.rts.rs (accessed 1 September 2010).

than that of RTV. Two of the RTV radio channels and one of its television channels are dedicated mainly to broadcasting minority programs.[72]

The Broadcasting Law regulates in detail the responsibilities of RTS to the public interest.[73] Under Article 47, a public service broadcaster must ensure the good-quality reception of its radio (i.e. television) signal by at least 90 percent of the population in the proposed service area.[74] According to AGB Nielsen, the most-watched television channel in Serbia from 2005 to 2010 was RTS1, with a viewer share of 21.6–28.3 percent over the five years. RTS2 achieved an average of 6.8 percent of the viewing public.

The total number of television-owning households that received RTS programs in 2009 was 2.5 million.[75] A certain segment of households is, by means of legally binding applications and decisions, exempt from paying the license fee, which is reduced for persons with disabilities (100 percent for those with disabilities and those who receive the Aid and Attendance Allowance), with permanent hearing loss or who are blind. According to statistics, there are now almost 60,000 people in this category. The main financial challenge facing RTS is the inefficient collection of license fees.

RTS news is the most watched news service in Serbia, and RTS's *Dnevnik 2* is the most watched news bulletin. News programs of RTS include *Dnevnik*, *Vesti*, *Morning*, *Ovo je Srbija*, and special news programs (see section *1.3.2*). However, it has been noted that RTS began to follow the trend of other commercial broadcasters by broadcasting reality shows such as *48 sati svadba* (48-Hour Wedding), which transferred to TV Pink in July 2011, and other entertainment formats—the lottery, quizzes, etc. It has been recorded that RTS has intensified its commercial activities: for example, commercial sponsors are featured during the national news in the sports segment, meaning that there are concerns that RTS will decrease the percentage of news that it is obliged to broadcast.[76]

The share of news and information on RTS is lower than on B92 but more than double compared with TV Pink. RTS is widely considered to have the best quality of news output, and research by AGB Nielsen into the ratings of domestic television stations, as well as other research by the Novi Sad School of Journalism, shows that B92 has a very similar structure and quality of news output to RTS (see Figure 5).[77]

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72. Media Study Report, June 2010, funded by the European Union BGUE_b2010-22.020200-C8-ELARG DELSRB, p. 24.

73. Broadcasting Law, Articles 76–79.
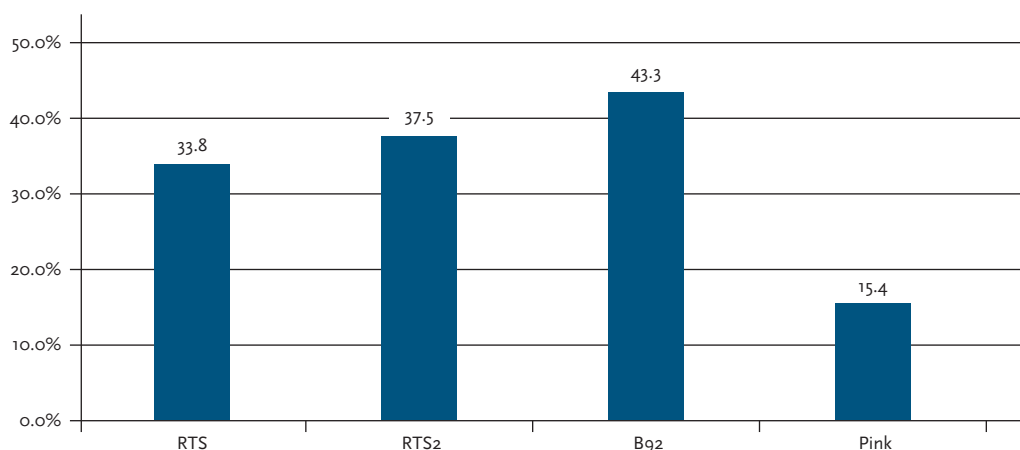
74. Broadcasting Law.

75. Deloitte, *Economic Study on the Conversion from Analog to Digital Broadcasting of Terrestrial Television Signal in the Republic of Serbia, 'STB Subsidies and Commercial TV Stations Costs'*, February 2010, p. 30 (hereafter, Deloitte, *Economic Study*).

76. *Report from the 2nd monitoring on the implementation of the Broadcasting Law*, by Professor Miroljub Radojković, Konrad Adenauer Stiftung, 2 July 2009.

77. J. Matić, "Raznovrsnost TV programa u Srbiji" (Diversity of TV Programs in Serbia), Novosadska novinarska škola, Novi Sad, 2009, p. 39, available at http://www.nspm.rs/kulturna-politika/raznovrsnost-tv-programa-u-srbiji.html (accessed 1 September 2010) (hereafter, Matić, "Diversity of TV Programs").

Figure 5.

Share of news and information programming in the output of the main television stations, 2009

Source: J. Matić.[78]

2.1.2   Digitization and Services

On 26 November 2008, its 50th anniversary, RTS launched full-time broadcasting of its experimental digital program (RTS Digital) as a part of a project called "Digital broadcasting of RTS television programs on terrestrial platforms" which had started in 2002. RTS Digital increased the public service content available to the public. Besides a range of distinguished musical, film, and documentary programs, RTS Digital broadcasts educational, cultural, and scientific content (e.g. documentaries on the creation of civilization, the history of architecture, cultural heritage, the development of modern music and film, RTS symphony orchestra concerts, and a variety of musical and cultural content), which are also available via cable.

RTS is expected to increase the number of specialized channels after analog switch-off, in line with preferences expressed during the public consultation on the Strategy for Switch-over (see sections *2.1.3* and *5.2.1*). So far, the RTS website has been modernized in a way that a range of programs can be watched on-demand directly on it.[79]

It has been noted that RTS Digital took over the role traditionally fulfilled by RTS2 of broadcasting cultural and educational content. This is because RTS2 often broadcasts parliamentary sessions. However, RTS Digital is only available as an experimental (i.e. test) program on a terrestrial frequency, although it forms an integral part of the Telekom IPTV package offer and is included in the basic package of most cable operators that are able to receive the digital signal.[80] Therefore, RTS Digital is not available to 90 percent of the population, as

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78.   Matić, "Diversity of TV Programs," p. 35.

79.   See http://www.rts.rs.

80.   See http://www.rts.rs (accessed 1 September 2010).

the Broadcasting Law requires for a public service channel. Thus, it will be possible only after 4 April 2012 to say whether the public service media have increased their reach and influence thanks to digital switch-over.

2.1.3　Government Support

On 2 July 2009, the Government adopted a "Strategy for Switchover from Analogue to Digital Broadcasting of Television Programs in the Republic of Serbia" (hereafter, the Strategy for Switch-over).[81] According to the Strategy for Switch-over, RTS is foreseen to lead the campaign to promote digitization; this campaign will also include commercial broadcasters, especially those with national coverage. Therefore, the role of RTS in the overall process of digitization is of great significance, but the possibility that its independence from the Government and the diversity of its output will suffer cannot be discounted.

According to the Strategy for Switch-over, RTS will obtain the same number of channels, together with other stations that hold valid broadcasting licenses after the switch-off date, 4 April 2012. The Strategy for Switch-over stipulates that the public service media will have a guaranteed place in the digital Multiplex A for their existing channels, and that RTS content will not be interfered with. The Government has not affected the independence of RTS through regulation, legislation, or political support in relation to switch-over. However, due to the Government's strong role in the process of digitization, it will be important to monitor developments in the future.

2.1.4　Public Service Media and Digital Switch-over

Since the process of digitizing terrestrial platforms is still in its first stage, no network plan has even been created, making it hard to foresee what impact it will have on the public service media. The only available information relates to the RTS Digital program (see section *2.1.2*).

2.2　Public Service Provision

2.2.1　Perception of Public Service Media

Public service provision is recognized by the media and is sufficiently understood by politicians, the public, and journalists. However, nearly half the population is strikingly reluctant to pay the license fee. One reason may be that the license fee is collected as part of the electricity bill, which many citizens are unwilling to pay.

Aleksandar Tijanić's re-election as managing director in April 2010 also sparked controversy. Most of the criticism was directed toward the lack of transparency in the election process, the degree of political interference in the whole process, the shortcomings of Tijanić's application, and so forth.[82] In this context, the Association

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81. *Strategy for Switchover from Analogue to Digital Broadcasting of Television Programs in the Republic of Serbia*, Government of the Republic of Serbia, 2 July 2009, p. 34, available at http://www.irex.rs/attachments/130_Strategy%20for%20Switchover%20from%20Analogue%20to%20 Digital%20Broadcasting.pdf (hereafter, the Strategy for Switch-over).

82. F. Mladenović, "Izbor generalnog direktora rts" (Choice of RTS General Manager), B92 Blog, 29 April 2010, available at http://blog.b92.net/ text/14950/IZBOR-GENERALNOG-DIREKTORA-RTS/ (accessed 1 September 2010).

of Independent Electronic Media (*Asocijacija nezavisnih elektronskih medija*, ANEM) criticized the blatant inability or refusal of the Republic Broadcasting Agency *(Republička radiodifuzna agencija*, RBA) to control the activities of RTS, which seriously undermine the implementation of legal obligations placed upon public service media.[83] Other concerns related mainly to the lack of transparency of RTS's management and the failure to publish management board reports on the RTS website.[84]

Although viewers still turn to RTS as a reliable source of information, there are concerns that it has commercialized its output in order to enhance its ratings—for example, by introducing reality and quiz show formats (see section *2.1.1*)—meaning that public opinion feels that these ways of increasing income are not suitable for the public service broadcaster.[85]

2.2.2 Public Service Provision in Commercial Media

Under the Broadcasting Law, only publicly owned media have obligations to public service. Serbia's local and regional radio and television stations are now in the course of privatization. While this is underway, these outlets are obliged to provide public service content under Article 96 of the Broadcasting Law, which also states that the privatization of all state-owned electronic media should have been completed by 31 December 2007. The privatization process has been obstructed over the past five years by several factors, with the result that both ownership and the public service obligations of the non-privatized outlets remain unclear.

2.3 Assessments

As switch-over is still in its first stage and few concrete steps have been taken, there is no reliable evidence of positive or negative impact on RTS. However, the Strategy for Switch-over foresees that the public service media along with other broadcasters will experience the positive gains that this new technology brings—that is, better picture quality, introduction of new services, wider national coverage, and so on.[86] Moreover, RTS is foreseen to be the carrier of the promotion campaign on the process of switch-over to digital broadcasting and has a reserved place on Multiplex A that will ensure national coverage. Judging by the patterns of audience behavior, public opinion broadly holds that public service provisions have not lost their significance, because in a world of information abundance, citizens tend to trust reliable, familiar sources and existing brands.

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83. ANEM, *Treća Anem Publikacija Monitoring Medijske Scene u Srbiji* (3rd Legal Monitoring of Serbian Media Scene Report), 15 July 2010, available at http://www.anem.rs/sr/aktivnostiAnema/monitoring/story/11193/TRE%C4%86A+ANEM+PUBLIKACIJA+%E2%80%9EMONIT ORING+MEDIJSKE+SCENE+U+SRBIJI%E2%80%9C.html (accessed 1 September 2010).

84. ANEM, *Dvanaesti Monitoring Izveštaj* (Legal Monitoring of the Media Scene), 23 July 2010, available at http://www.anem.rs/sr/aktivnostiAnema/monitoring/story/11203/DVANAESTI+MONITORING+IZVE%C5%A0TAJ.html (accessed 1 September 2010) (hereafter, ANEM, *Legal Monitoring of the Media Scene*).

85. *Report from the 3rd monitoring on the implementation of the Broadcasting Law*, by Professor Miroljub Radojković, Konrad Adenauer Stiftung, 29 September 2009.

86. Strategy for Switch-over, p. 23.

3. Digital Media and Society

3.1   User-Generated Content (UGC)

3.1.1   UGC Overview

User-generated content (UGC) websites, in particular social networks and video- and photo-sharing websites, are increasingly popular. However, search engines still held the leading positions in Serbia in 2010: Google, Google.rs, and Yahoo! come in the top five on the Alexa internet researcher list. Nevertheless, Facebook took second place and YouTube came fourth. Two established media websites, Blic.rs and B92.net, held fifth and sixth positions, respectively, among the most popular websites. This shows that Serbian internet visitors prefer to use global user-generated networks rather than local products. The most popular UGC website in Serbia is definitely Facebook.com, followed by the video-sharing website YouTube, the blogging site Blogger.com (10th place), and finally Twitter (12th position).

Serbian online forums are, in contrast to social networks, more popular than global forums. For example, Krstarica.com launched in March 1999 as the first Serbian search engine; in 2001, it offered a chat-room option; in 2003 it became a web forum; and finally, in 2005, it offered a news portal. In 2010, Krstarica (The Cruiser) took 13th place in the Alexa ranking, but there is no specification of what kind of services are mostly used by visitors. There are forums that include visitors not only from Serbia but from the whole region and beyond, such as a specialized forum launched in 2001, Elitesecurity.org (27th position on Alexa.com), which gathers an online community focused on information technology (IT) topics from all around the world, particularly the other former Yugoslav countries. The site represents the list of posted questions, references, and recommendations. It has 510,000 unique visitors per month (6.99 percent of the population and 29.5 percent of internet users). There is a very prominent and successful group of independent websites, which are mostly domestic portals and forums. (See Table 7.)

Table 7.

Most visited websites, 2010

	Website name	Alexa ranking	Google Ad Planner unique visitors per month
1.	Krstarica.com	13	1,700,000
2.	Limundo.com	15	320,000
3.	Infostud.com	16	420,000
4.	Mondo.rs	17	390,000
5.	Polovniautomobili.com	19	480,000
6.	Naslovi.net	20	620,000
7.	Elitesecurity.org	27	510,000
8.	Burek.com	40	390,000
9.	Poznanici.com	41	230,000
10.	Benchmark.rs	48	83,000

Sources: Alexa; Google Ad Planner.

Krstarica is visited by 1.7 million people every month, amounting to 24.6 percent of the population. Given that internet penetration in Serbia is 23.7 percent of the population,[87] equating to almost 1.73 million people, this represents an extraordinary success, even allowing for the strong likelihood that some of these visitors speak the language but live abroad. The main website is visited by 46.4 percent of Krstarica users, the forum is visited by 30.1 percent, news by 8.8 percent, webmail by 3.2 percent, and the search engine by 2.6 percent; finally, 1.7 percent of all visitors use the chat rooms.

Infostud.com was created in late 2000 as a portal dedicated to students and prospective students, offering information about scholarships, fellowships, entry exams, etc.[88] Three years later, Infostud expanded its services to include job offers and thus attracted an even larger following, not only among students but among jobseekers throughout Serbia, which then had an unemployment rate of 14.63 percent. It is worth mentioning that Infostud was the first website in Serbia that bought its web competitor, Trust-hr.com, specializing in human resources, in 2007. In early 2008, the Daily Mail and General Trust (DMGT), a UK-based media and information business, bought 25 percent of Infostud, with the founders retaining the rest. Interestingly, in October 2008, Infostud bought Polovniautomobili.com, a used-car-sale website, where users upload information about their cars. In 2010, the site was ranked as the fifth UGC website and holds 19th place in the Alexa ranking, meaning that Infostud and Polovni automobili together have almost one million unique visits per month. Infostud has at least 430,000 unique visitors per month, which is 5.9 percent of the population, or 24.85 percent of internet users in Serbia.

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87. M. Jankovic, "An Overview of Telecom Market in the Republic of Serbia in 2009," RATEL, 24 June 2009, available at http://www.ratel.rs/upload/documents/Konferencije/RATEL%20conference%20240610.pdf (accessed 15 September 2010).

88. Infostud, "O nama," available at http://www.infostud.com/o-nama.php (accessed 15 September 2010).

Limundo.com is a very young and very popular internet auction site, launched by the Nikolić brothers in June 2006. An estimated 320,000 unique visitors come to Limundo every month, which is 4.38 percent of the population or 18.5 percent of internet users in Serbia.

Naslovi.net was established in August 2003 as an aggregator of news sources in Serbia.[89] It sorts news by categories and indexes the daily news, showing the title, source, and a summary, together with a link to the original article. Today, it has 620,000 unique visitors on a monthly basis, which is 8.49 percent of the population or 35.84 percent of internet users in Serbia.

Mondo.rs was established by the mobile operator Telekom Srbija in 2005 as the first specialized portal optimized for mobile phones. It has 390,000 unique visitors every month, which is 5.3 percent of population and 22.5 percent of internet users in Serbia.

Although Naslovi.net and Mondo.rs do not provide typical UGC, every item of news or information aggregated or published on these websites allows users to leave their comments. Therefore, they are considered to create an important place where users can express their opinions (see Table 8).

Table 8.

Most popular independent UGC websites and established media websites, by number of unique visitors, 2010

Independent UGC websites	Alexa ranking	Google Ad Planner unique visitors per month	Established media websites	Alexa ranking	Google Ad Planner unique visitors per month
Krstarica.com	13	1,700,000	Blic.rs	6	1,300,000
Infostud.com	16	420,000	B92.net	7	1,300,000
Limundo.com	15	320,000	Pressonline.rs	14	560,000
Naslovi.net	20	620,000	Kurir-info.rs	18	400,000
Mondo.rs	17	390,000	Rts.rs	24	510,000
Polovniautomobili.com	19	480,000	Novosti.rs	33	530,000
Elitesecurity.org	27	510,000	Sportal.rs	34	160,000
Poznanici.com	41	230,000	Politika.rs	47	380,000
Burek.com	40	390,000	Alo.rs	50	270,000
Benchmark.rs	48	83,000	Svet.rs	53	410,000

Sources: Alexa; Google Ad Planner.

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89. Naslovi, "Informacije o sajtu Naslovi.net," available at http://www.naslovi.net/naslovi.php (accessed 15 October 2010).

The data show that established media websites still have a larger following than independent UGC websites, although Krstarica came very close to the established media. The difference between user numbers for the 10 biggest independent UGC sites (more than 5.14 million) and those of the 10 biggest established media sites (more than 5.82 million) is 677,000 users, representing only 11 percent of total visits. It should be noted that all established media also have their own UGC pages on their websites, where users can comment on the content.

3.1.2 Social Networks

Table 9.

Most popular social networks, by number of visitors in Alexa ranking, 2010

Websites	International/National	Alexa ranking	Google Ad Planner unique visitors per month
Facebook.com	International	2	4,200,000
YouTube.com	International	3	n/a
Blogger.com	International	9	110,000
Twitter.com	International	12	290,000
Krstarica.com	National	13	1,700,000
Limundo.com	National	15	320,000
RapidShare.com	International	21	350,000
WordPress.com	International	26	470,000
Elitesecurity.org	National	27	510,000
Rapidserbia.com	National	30	180,000

Sources: Alexa; Google Ad Planner.

Table 9 lists the 10 most visited social networks, both international and national. The data on active versus registered users were not available for this question. However, according to research by the AdriaTalk.com blog in May 2010, Serbia ranked 17th in Europe for the number of Facebook accounts, with 2.02 million.[90] This represented an increase of more than 40 percent over survey findings in December 2009.[91] The same research showed that this social network was used more by men (56 percent) than women (44 percent). Most users (61 percent) are aged 18–34 years. However, it should be noted that the greatest increase in Facebook users was in the 65-plus age group, which was very surprising, bearing in mind that only 8 percent of women and 8.9 percent of men in Serbia aged 55–74 were internet users in 2009.[92]

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90. "Srbija 17. u Evropi po broju Facebook korisnika" (Serbia Holds 17th Place in Europe by Facebook Users), AdriaTalk, Belgrade, 6 May 2010, available at http://www.adriatalk.com/fejsbuk-korisnici-srbija/ (accessed 20 September 2010).

91. "Srbija na 18. mestu u Evropi po broju korisnika Facebook-a" (Serbia Holds 18th Place in Europe by Facebook Users), AdriaTalk, Belgrade, 22 December 2009, available at http://webcache.googleusercontent.com/search?q=cache:Pfv8TJzMMKYJ:www.adriatalk.com/broj-korisnika-facebook-evropa/+adriatalk+facebook&cd=1&hl=sr&ct=clnk (accessed 20 September 2010).

92. Statistical Office of the Republic of Serbia, *Upotreba Informaciono-Komunikacionih Tehnologija U Republici Srbiji, 2009* (Usage of Information and Communication Technologies in the Republic of Serbia, 2009), Belgrade, 2009, p. 26, available at http://webrzs.stat.gov.rs/axd/dokumenti/ict/2009/ICT2009s.zip (accessed 20 September 2010) (hereafter, Statistical Office, *Usage in 2009*).

3.1.3   News in Social Media

No relevant internet consumer surveys of this phenomenon have been carried out. It is noticeable that most social networks, notably Facebook and Twitter, as well as blogs, are very often linked to established media websites. Recently, a new profession called "community manager" has become very popular in Serbia, referring to a person who actively monitors, participates in, and engages with others in online communities.[93]

In the show *Oko* (Eye), broadcast on RTS on 8 September 2010, the new place that blogs and social networks have in people's lives was discussed.[94] The guests were Tatjana Vehovec, the organizer of the BlogOpen regional event,[95] and Dragan Varagić, the author of the free online edition of Blog osnove (Basis of Blog).[96] They discussed examples of spreading news via social networks and blogs, such as Mr Varagić's blog which deals mostly with online public relations (PR) activities. They concluded that this way of spreading news will grow in the foreseeable future. And indeed, when the central Serbian city of Kraljevo was shaken by an earthquake in November 2010, the news was tweeted within seconds and made its way onto the *Blic* website within minutes.

3.2   Digital Activism

3.2.1   Digital Platforms and Civil Society Activism

Digital platforms have become popular and successful for individual and group activism in the last couple of years.

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93.   D. Varagić, "Novo hit zanimanje—Community Manager" (Hit New Occupation—Community Manager), 31 July, 2010, available at http://www.draganvaragic.com/weblog/index.php/2338/novo-hit-zanimanje-community-manager/ (accessed 20 September 2010).

94.   "Blog ti pomog'o," RTS, 8 September 2010, available at http://www.rts.rs/page/tv/sr/story/20/RTS+1/762112/Blog+ti+pomog%27o.html (accessed 20 September 2010).

95.   See http://en.wikipedia.org/wiki/BlogOpen (accessed 12 September 2011).

96.   See http://www.draganvaragic.com/weblog/ (accessed 20 September 2010).

There are several examples of citizens' groups, media, and politicians using digital platforms for their activism. The two most successful civic actions on social networking websites were by Facebook groups: one to save trees in Belgrade and the other to support a proposal by a Member of Parliament regarding criminal offenders.

The Facebook group "Save Belgrade's Plane Trees" gathered 15,419 members in only a few weeks, aiming to try to preserve the most beautiful trees in Belgrade that were going to be cut down as part of a rebuilding scheme approved by the City Assembly.[104] Although the city authorities ignored the protest and cut down the trees, the Facebook group produced a great public campaign which had some impact on the media,

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97. See the Mother Courage website, available at http://www.majkahrabrost.com/eng/english.htm (accessed 20 September 2010).

98. "Petition to the Minister of Health," available at http://www.majkahrabrost.com/eng/petition.htm (accessed 20 September 2010).

99. "'Mother Courage' in the Media," available at http://www.majkahrabrost.com/eng/media.htm (accessed 20 September 2010).

100. See, for example, K. Borup, "Mic po mic…," B92 Blog, Belgrade, 26 March 2010, available at http://blog.b92.net/text/14673/Mic-po-mic/ (accessed 20 September 2010).

101. See Soros Yugoslavia 1994 Annual Report.

102. K. Borup, "Gde ja stadoh, ti produzi...," B92 Blog, Belgrade, 20 May 2010, available at http://blog.b92.net/text/15128/Gde-ja-stadoh-ti-produzi/ (accessed 20 September 2010).

103. K. Borup, B92 Blog, available at http://blog.b92.net/blog/7485/Krugolina-Borup/?l=1 (accessed 20 September 2010).

104. "Sacuvajmo beogradske platane," Facebook, available at http://www.facebook.com/group.php?gid=287356195519 (accessed 20 September 2010).

which supported the protesters. As a result, the mayor had repeatedly to explain his decision, and eventually announced that new trees would be planted after the rebuilding work was complete.

One MP, Vladan Batić (who died in 2010), proposed that Parliament should adopt rapid measures of chemical castration for sex criminal offenders, especially pedophiles. He proposed this after an eight-year-old girl was brutally raped and killed in a Serbian village. Although he did not win support in Parliament, a Facebook group was established on 28 July 2010 and quickly collected 15,942 followers (who clicked "Like" on the Facebook page).[105]

A new NGO, Roditelj (Parent),[106] emerged in 2006 from an internet forum dedicated to parenting.[107] It was launched as an online initiative and was followed by the creation of the first NGO in Serbia that would deal exclusively with parenting and child-rearing.[108] It led to the formation of a parents' association (Udruženje Roditelj). Now, Parent runs a widely respected blog on the B92 website.[109]

In April 2010, TV B92 launched a campaign on both its digital platform and its television channel, and set up a fund to support the recovery of animals subjected to cruelty. The Mila Fund[110] was named after a young dog rescued in Belgrade which had been the victim of vicious cruelty (all four paws had been cut off). The fund would provide urgent veterinary care and shelter for mistreated and abused animals, and one of its tasks would be to help identify those who commit acts of cruelty against animals, a felony under Serbian law. B92 has announced that it will cooperate with other organizations and the Belgrade authorities to achieve these goals. The fund collected some €13,000 to support action against cruelty to animals, and persuaded the Belgrade city authorities to reform the relevant law.

Blogs on policy, politics, and relevant issues are a rarity. One positive example is the blog of Rodoljub Šabić, Commissioner for Information of Public Importance and Personal Data Protection, who reports regularly on the positive and negative effects of the implementation (or not) of the Law on Access to Information of Public Importance and Personal Data Protection.[111] There are also several blogs by politicians, not related to their work, such as the blogs by Gordana Čomić,[112] Deputy Speaker of Parliament, or Nebojša Krstić, who advises President Boris Tadić, to mention just two.[113] However, both of them treat their blogs as places to express personal opinions, not necessarily on political topics. In addition, it appears that most political parties are prepared to use the internet for electoral campaigning.

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105. "Podrška predlogu vladana batića za kastraciju silovatelja i pedofila," Facebook, available at http://www.facebook.com/#!/pages/Podrska-pred-logu-Vladana-Batica-za-kastraciju-silovatelja-i-pedofila/134105406614660?ref=ts (accessed 20 September 2010).

106. See the Udruženje Roditelj (Parents' Association) website, available at http://www.roditelj.org (accessed 20 September 2010).

107. See the forum at the Roditelj (Parent) website, available at http://roditelj.com/forums/ (accessed 20 September 2010).

108. Roditelj, "O nama" (About Us), available at http://www.roditelj.org/onama/ (accessed 20 September 2010).

109. See the Udruženje Roditelj B92 Blog, available at http://blog.b92.net/blog/107836/udruzenje_roditelj (accessed 20 September 2010).

110. See the Mila Foundation website, available at http://www.b92.net/mila/ (accessed 20 September 2010).

111. See http://blog.blic.rs/autor/14557/Rodoljub-Sabic (accessed 1 October 2010).

112. See http://blog.b92.net/blog/1875/gordanac/ (accessed 1 October 2010).

113. See http://blog.b92.net/blog/2073/Nebojsa%20Krstic/ (accessed 1 October 2010).

3.2.2   The Importance of Digital Mobilizations

Most of the initiatives mentioned above are relevant to mainstream society. However, it is hard to achieve any results by using only digital platforms. In each case, achievements followed only when the general public was informed and involved through the mainstream media. Nevertheless, these initiatives were either initiated or first gathered wider support on the internet.

3.3   Assessments

Social networks, digital media, and mobile platforms have definitely enriched the overall news and information content, in terms of both quality and quantity. Traditional media often link their news from websites to video from YouTube. Facebook groups, initiatives or petitions, or YouTube posts are now more relevant in news programs than ever before. It can also be said that it is possible that the work of some judicial entities, which take more seriously the threats posted on Facebook "walls," has influenced the media to pay attention to what is occurring on social networks, especially Facebook. News reporters for terrestrial television news programs make increasing use of Facebook or YouTube as a source of information.

On the other hand, many media outlets now use digital media and social network websites to promote their news content. For example, *Blic*'s Facebook page has over 30,000 followers,[114] while B92's Facebook page has over 18,000 followers.[115]

It is striking that there are very few active political blogs dealing with Serbian policy, laws, or other important questions. We can conclude that politicians in Serbia do not use blogs for dialogue on other political subjects or for communication with citizens on important political issues.

The number of people who use the internet as a source of information is growing rapidly. For example, 42.1 percent of all internet users in Serbia in 2009 were using it to read news,[116] in comparison with 40.1 percent in 2008[117] and 29.7 percent in 2007.[118] This shows the significant and growing need of users to gather information from social and digital media, as well as from mobile platforms.

Citizens are seizing the opportunities offered by new media for civil and political activism. Many successful civic actions have been initiated on the internet. However, people need to be encouraged to be able not to only initiate but also to ensure the implementation of their online actions in the real life (see section *3.2*).

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114. See *Blic*'s Facebook page, available at http://www.facebook.com/#!/pages/Blic/130061742089?ref=ts (accessed 20 September 2010).

115. See B92's Facebook page, available at http://www.facebook.com/#!/RTVB92?ref=ts (accessed 20 September 2010).

116. Statistical Office, *Usage in 2010,* pp. 12–13, 32–33.

117. Statistical Office of the Republic of Serbia, *Upotreba Informaciono-Komunikacionih Tehnologija U Republici Srbiji, 2008* (Usage of Information and Communication Technologies in the Republic of Serbia, 2008), Belgrade, 2008, p. 41, available at http://webrzs.stat.gov.rs/axd/dokumenti/ict/2008/Naslovna/IKT2008s.zip (accessed 15 September 2010).

118. Statistical Office of the Republic of Serbia, *Upotreba Informaciono-Komunikacionih Tehnologija U Republici Srbiji, 2007* Usage of Information and Communication Technologies in the Republic of Serbia, 2007), Belgrade, 2007, p. 39, available at http://webrzs.stat.gov.rs/axd/dokumenti/ict/2007/ICT2007s.zip (accessed 15 September 2010).

4. Digital Media and Journalism

4.1   Impact on Journalists and Newsrooms

4.1.1   Journalists

The main changes in the work of journalists over the past five years that have been triggered by digitization concern the workload and increased responsibilities (without increased salary).

Jelena Zorić, a reporter for the Belgrade television station Studio B, carries a digital camera wherever she goes.[119] She has to be ready to go live at any time, in case of an emergency. On many occasions, she has reported live with her camera in one hand and a mobile phone in the other. Ms Zorić insists that digitization brings an important benefit: she no longer has to worry about other people's security or coordinate with a camera crew. Also, as a reporter, she knows which images she wants viewers to see. While she admits that she lacks the knowledge and experience to get a clear picture or a proper frame every time, she argues that speed in getting information on air is more important than ensuring first-class images and sound. On the negative side, she claims to be available around the clock, for any emergency in the city. Ms Zorić is just one, maybe extreme, example of the changes affecting journalists in a digital world.

Most media still have separate newsrooms for newspapers/television and online. The B92 company, operating television, radio, and a website, still has a web newsroom with 10 people. Igor Božić, editor-in-chief of B92's news channel, says that all journalists have had the obligation to recast their news or stories for the web since 2004.[120] However, journalists working only for online editions are doing much more than revising already-broadcast content: they create new, web-oriented content covering many different topics. Mr Božić also says that online journalism experience is not a requirement for new hires. In his office, web editors comprise about 10 percent of total staff. On the other hand, Ringier Axel Springer integrated all its Serbian newsrooms for the *Blic* newspaper and its online edition from 1 November 2010, according to Jovan Protić, Chief Digital Office and Publishing Director for special editions at the company.[121]

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119. Interview with Jelena Zorić, Studio B, 15 July 2010.

120. Interview with Igor Božić, B92 news channel's main editor-in-chief, 16 August 2010.

121. Interview with Jovan Protić, 26 August 2010.

At a workshop in April 2010 on "Improving Performance by Using the Internet and Online Media," the editor-in-chief of a local radio station was irritated that people were going online instead of waiting to hear the radio news at 5 p.m.[122] During the debate, it was suggested that many people would listen to the main radio news if it was available online for them to hear at their convenience, and also that the station should not wait to broadcast the information at 5 p.m. but post the information on the web as soon as it was received. His fear was that if he put everything on the web in real time, people would stop listening to the 5 p.m. bulletin. At the next workshop on digital switch-off the following month, the editor said that he had taken the advice, posting news online as it arrived, and was pleased to find that he had more listeners.

As for the number of employees that may be affected by digitization, some media companies have increased their workforce over the past five years, such as the daily newspaper *Blic*, and the B92, Fox, and Pink television stations,[123] while others had to reduce their staff, such as the *Politika*, *Večernje novosti*, and *Press* newspapers (see Table 10).

Table 10.

Number of employees in the largest media outlets, 2006–2009

	2006	2007	2008	2009
Blic	120	159	177	176
NIN	35	36	34	34
B92	232	293	345	365
Politika	752	600	559	498
Fox	41	80	40	184
Pink	571	589	696	708
Novosti	481	403	454	446
Kurir	2	6	6	12
Pravda	0	18	23	20
Press	68	51	55	61

Source: Business Register Agency.[124]

4.1.2   Ethics

The violation of ethical standards in the media has definitely increased as a side-effect of tabloidization. Digitization has accelerated this trend, because the internet is not firmly regulated and it is easier to violate copyright, the right to privacy, and other common ethical standards (for instance, with hate speech, nationalism, racism, publishing brutal photographs of the victims of violent crime or car crashes, etc.) on the

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122. The workshop was organized by ANEM on 23 April 2010 at the Media Center in Belgrade. Its report—"Improvement of Peformance by Using Internet and Online Media"—is available at http://www.anem.rs/en/aktivnostiAnema/otherActivities/story/11096/ANEM+Workshop+Report+%E2%80%9CImprovement+of+Performance+by+Using+Internet+and+Online+Media%E2%80%9D.html (accessed 20 September 2010).

123. According to the financial reports of the companies in the Business Register Agency.

124. See http://www.apr.gov.rs.

net. Poor quality and the rise of "Google journalism" are dominant trends in Serbian media.[125] Ethical codes for journalists do exist but are not practiced and ethics vary from one editorial office to the next. Although a general Code of Ethics of Serbian Journalists was adopted in 2006, it has had no measurable impact on actual practice.[126] During the three election campaigns of 2008, political parties acted as media editors. No media outlets had the courage to be critical, with the result that different television stations provided almost identical programming of party propaganda. The technical capacities of the Serbian media are improving every year, and technology is now efficient and modern.[127] However, in circumstances where media operate with low revenues, investment in technology diverts precious resources from raising program quality, resisting PR agency pressures, improving niche and investigative reporting, and so forth.[128]

Therefore, the acceleration of the news cycle, as a result of digitization, is not the only reason for lower professional standards. As we can see, investment in new equipment has not necessarily created understanding of the new nature of the media, with its specific traps and temptations. In sum, the media in Serbia have not developed an awareness of the professional standards that are appropriate to the new technological environment. "The trend toward fewer quality journalists has worsened since the 1990s and is leaving editorial offices without knowledgeable journalists or the authority to fight corruption and PR agency spin."[129] On the other hand, readers must develop new skills: finding truthful and accurate information, and distinguishing between information and misinformation.

4.2   Investigative Journalism

4.2.1   Opportunities

A conference in Belgrade in 2010 on investigative reporting concluded that the digital revolution has increased and accelerated the availability of information via the internet.[130] This situation has been helped by the Law on Access to Information of Public Importance, which requires as much information and as many documents as possible to be published on the internet in order to be easily accessible to the public. However, many institutions still do not fully comply with this law and do not put all relevant information online.[131]

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125. IREX, *Serbia—Media Sustainability Index 2009*, Belgrade, 2010, p. 4, available at http://www.irex.rs/attachments/117_1%20-%20Serbia%20 MSI%202009%20report.pdf (accessed 15 October 2010) (hereafter, IREX, *Media Sustainability Index*).

126. Journalists' Association of Serbia and Independent Journalist' Association of Serbia, "Code of Ethics," Belgrade 2006, available at http:// www.uns.org.rs/sr-Latn-CS/content/dokumenta/30/kodeks-novinara-srbije.xhtml and http://nuns.rs/download/KODEKS_NOVINARA_SR-BIJE19-01-2010.doc (accessed 15 October 2010).

127. IREX, *Media Sustainability Index*, p. 4.

128. IREX, *Media Sustainability Index*, p. 4.

129. IREX, *Media Sustainability Index*, p. 5.

130. Investigative Reporting Conference, "Dancing with Danger," 4–6 May 2010, at the Hotel Continental, Belgrade, organized by KeyConnection Media and the US Embassy, Belgrade.

131. Rodoljub Šabić, Commissioner for Information of Public Importance and Personal Data Protection, Press release, 29 July 2010, available at http://www.poverenik.org.rs/index.php/en/public-announcement/932--29-07-2010.html (accessed 25 September 2010).

On the other hand, investigative reporters now have access to various databases that greatly help with their work. However, this availability has not directly increased the number of stories, because there are other barriers to investigative journalism, such as the powerful indirect political control over the media, state ownership in a number of media outlets, monopoly and control of the advertising market, and budgets of state enterprises allocated to paying for advertisements in the media (see section *7.3*).[132]

In addition to providing the information available on the internet, digitization greatly helps with disseminating such information. Often, traditional media take up information that was first published online, thereby bringing it to wider attention. Finally, an important source of information for investigative journalism is UGC through citizen journalism, where citizens provide journalists with relevant information for further research.

Some examples of digitization helping to disseminate information as well as citizen journalism, to the benefit of investigative reporting, were the following three cases.

Road Mafia

Goran Milošević, a former employee of the Roads of Serbia public utility, used a hidden camera to film corruption at toll booths across the country. The toll collectors, who work for Roads of Serbia, produced double tickets for foreign trucks passing through the ramp, thereby misappropriating €6.5 million from the state between 2004 and 2006. Nobody took these allegations seriously before Mr Milošević started a blog,[133] where he uploaded his videos. When this material was subsequently broadcast on TV B92,[134] the Special Court for Organized Crime responded by launching a procedure and charging 41 members of the organized crime group in the company for a total of 131 years and nine months of jail.[135] The other result was that Mr Milošević lost his job.

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132. Interview with Djordje Padejski, Head of the Center for Investigative Reporting (*Centar za istraživačko novinarstvo*, CINS), 10 August 2010.

133. See http://kriminal.mojblog.rs/.

134. J. Seferovic, "Slučaj 'drumska mafija'" (The "Road Mafia" Case), B92, Belgrade, 10 April 2008, available at http://www.b92.net/info/emisije/istrazuje.php?yyyy=2008&mm=04&nav_id=293797 (accessed 25 September 2010).

135. "Presuda 'drumskoj mafiji'" (Verdict on the "Road Mafia"), B92, Belgrade, 11 November 2009, available at http://www.b92.net/info/vesti/index.php?yyyy=2009&mm=11&dd=11&nav_id=391958 (accessed 25 September 2010).

Crna Reka Monastery

A journalist, Prvoslav Karanović, spent several months investigating the Rehabilitation Center at the Crna Reka Monastery (crna reka means "black river"). He set out with scant information provided in an innocent conversation and finally obtained a video clip showing indisputable evidence that drug addicts in the center were being beaten and tortured. The recording was posted on the website of Vreme weekly on 21 May 2009, together with an article called "The Dark Secret of the Black River: Killing God with a Shovel."[136] The report triggered an avalanche of reaction from the media and the wider public, including government officials and people close to the Serbian Orthodox Church. Like every serious investigative report, the Karanović story had a tremendous impact on the Serbian and regional public, and his article was cited hundreds of times. Karanović received an award for investigative reporting,[137] and the Crna Reka case was considered by the public as one of the 10 most important events in Serbia in 2009.[138]

Kosovo For a Pair of Trainers

The third case was named "Kosovo For a Pair of Trainers,"[139] because it was recorded after huge rallies in Belgrade following Kosovo's declaration of independence (from Serbia), when the centre of Belgrade suffered extensive damage. The person who posted the YouTube video of two young women gleefully looting in Belgrade described their actions thus: they used public instability to steal without any shame. They were so greedy they even carried things in their teeth. Their arms laden with clothing, bags, and other sundries (including chocolates), the two women could barely carry their booty through streets clogged with other seemingly joyful looters. The cameraman followed the pair around, asking sarcastically if they had found their size yet. When one of the women asked him to turn the camera off, he replied, "But you are the heroines of this protest for me!" The video was shown on TV B92 during the main news bulletin,[140] and prompted scores of negative responses on YouTube. This event sparked a series of investigative reports about looting after the rally, and was a trigger for raising awareness of citizen journalism among the wider public.

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136. "P. Karanović, "Ubijanje Boga lopatom" (Killing God With a Shovel), *Vreme*, 21 May 2009, available at http://www.vreme.com/cms/view.php?id=865307 (accessed 28 September 2010).

137. Independent Association of Journalists of Serbia (*Nezavisnog udruženja novinara Srbije*, NUNS), "Dodeljene NUNS-ove nagrade za istraživačko novinarstvo" (Awards For Investigative Reports Granted by the Independent Association of Journalists of Serbia), 3 May 2010, available at http://www.nuns.rs/aktivnosti/view.jsp?articleId=12743 (accessed 28 September 2010).

138. The story was covered by, among others, the BBC, available at http://news.bbc.co.uk/2/hi/8063855.stm; Associated Press, available at http://www.foxnews.com/story/0,2933,522178,00.html?test=latestnews; and Reuters, available at http://www.reuters.com/article/idUSTRE54Q2OC20090527 (accessed 28 September 2010).

139. YouTube clip available at http://www.youtube.com/watch?v=F2aFosze2qs&feature=related (accessed 28 September 2010).

140. "Krale smo, kao i svi ostali" (We Were Stealing, Like All the Others), B92, 22 February 2008, available at http://www.b92.net/info/vesti/index.php?yyyy=2008&mm=02&dd=22&nav_id=285968 (accessed 28 September 2010).

4.2.2 Threats

Investigative reporters still put themselves at risk when they report on corruption, organized crime, and other such topics. They may put themselves in danger if they agree to be witnesses in court proceedings. Forms of control and censorship range from the withdrawal of advertising money by a monopolist when journalists investigate their activities, through to death threats.

Media and journalism organizations protest constantly and strongly against the threats to the personal safety of journalists, but unfortunately these protests are unavailing in the pursuit of better working conditions and personal safety.[141]

Brankica Stanković, an investigative reporter who works on—and scripts—a very popular investigative program, *Insajder* (Insider), on TV B92, has been under police protection for almost a year. *Insajder* tackles issues which no one else dares to report on. In the last season, the show linked several corruption stories to certain Serbian tycoons.[142] As a result, TV B92 lost most of the advertising revenue from those tycoons' companies and presently faces a difficult financial position. Veran Matić, editor-in-chief and CEO of B92, complained that for more than three years B92 had no advertisements from Delta Holding and its partners.[143] Delta Holding is the third-largest company in Serbia and provides a variety of services, such as import-export, real estate, banking, insurance, retail, and wholesale. Taking Delta's size and monopolistic position into consideration, its advertising policy has a significant effect on B92's revenue. The next step after losing advertising was death threats aimed at Ms Stanković following an *Insajder* episode about Belgrade hooligans, the fans of Partizan, Red Star, and Rad football clubs. In accordance with the Law on Free Access to Information of Public Importance, *Insajder* got information about the names of leaders of the hooligan gangs and many crimes that they had committed, together with confirmation that none of those leaders had been prosecuted, let alone tried and sentenced. Soon after the program was broadcast, Ms Stanković received serious threats from fans of the football clubs, first on Facebook and later during football matches.[144] She was threatened that she would end up like Slavko Ćuruvija, a journalist murdered in front of his home in 1999, whose killing remains unsolved. It is interesting that the messages on the internet were not posted anonymously.

Recently, Teofil Pančić, a journalist with the weekly *Vreme*, was attacked by two men who beat him with metal bars as he sat in a public bus in Zemun, on the outskirts of Belgrade.[145] The perpetrators fled the scene and remain at large. Mr Pančić suffered concussion and injuries to his right arm.

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141. See ANEM, "Disregard for Serious Threats to Personal Safety Endangers Freedom of Expression and Democratization of Society," public state-
ment, 23 April 2010, available at http://www.anem.org.rs/en/aktivnostiAnema/saopstenja/story/11074/ANEM%3A+DISREGARD+FOR+SE
RIOUS+THREATS+TO+PERSONAL+SAFETY+OF+JOURNALISTS+ENDANGERS+FREEDOM+OF+EXPRESSION+AND+DEMO
CRATIZATION+OF+SOCIETY.html (accessed 1 October 2010).

142. See "Insajder uživo: Putevi Srbije" (Insider Live: Roads of Serbia), B92, 30 May 2011, available at http://www.b92.net/info/emisije/insajder.php
(accessed 1 October 2010).

143. Interview with Veran Matić, editor-in-chief of B92, Belgrade, 14 May 2009, available at http://www.b92.net/info/emisije/kaziprst.
php?yyyy=2009&mm=05&nav_id=363133 (accessed 1 October 2010).

144. See "Nove pretnje Brankici Stanković (New Threats for Brankici Stanković), B92's YouTube channel, 17 December 2009, available at http://
www.youtube.com/watch?v=UqwRtcy_YAA (accessed 1 October 2010).

145. "Pretučen Teofil Pančić" (Teofil Pancic Beaten Up), *Vreme*, 25 July 2010, available at http://www.vreme.com/cms/view.php?id=942469 (accessed
1 October 2010).

It is important to bear in mind that these threats harm society as a whole. However, they do not appear to be related to the process of digitization.

4.2.3 New Platforms

In the past years, the amount of investigative journalism on new platforms has increased, thus tending to overtake investigative journalism in traditional media (see section *4.2.4*).

4.2.4 Dissemination and Impact

The past two years were by far the worst for investigative journalism in Serbia, because the financial crisis had a great impact on the media and their readiness to work on big and important stories.[146] The first effects were already visible at the beginning of 2009, when media reported a loss of more than 40 percent of their advertising income.

Yet digitization undoubtedly helps to improve the impact of investigative journalism. It seems that more investigative reporting is now available on the internet than in traditional media—for example, the online newspaper E-novine.com, the Balkan Investigative Reporting Network's website Birn.eu.com, the Center for Investigative Reporting's website Cins.org.rs, the Organized Crime and Corruption Reporting Project at Reportingproject.net, Istinomer.rs, or the most recent project that invites whistleblowers to post their input directly, Pistaljka.rs.

A positive development is that the 2010 award for investigative reporting was for the first time given for a story published only online. The investigation was run jointly by the Center for Investigative Reporting and Juznevesti.com.[147]

4.3 Social and Cultural Diversity

4.3.1 Sensitive Issues

The most sensitive issues in Serbian reporting are religious and sexual minorities, followed by the abuse of children and women.

4.3.2 Coverage of Sensitive Issues

Children, as the most vulnerable group in society, tend to be portrayed in the media as bullies or victims of violence. In addition, the identity of a child who has suffered violence or sexual abuse is often revealed, either directly or by showing the parents, home, or school, even though this violates the Convention on

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146. M. Ivanović, "The crisis is the worst obstacle to investigations in Serbia," Scoop, 1 November 2009, available at http://i-scoop.org/index.php?id=24&tx_ttnews[tt_news]=818&tx_ttnews[backPid]=143&cHash=ffdb0ecbe3&MP=24-178 (accessed 1 October 2010).

147. "Južnim vestima nagrada NUNS" (The Association of Independent Journalists of Serbia Granted Award to Južne vesti), *Južne vesti*, 5 May 2010, available at http://www.juznevesti.com/Juzne-vesti-istrazuju/Juznim-vestima-nagradha-NUNS.sr.html (accessed 1 October 2010).

the Rights of the Child and domestic media legislation, as well as codes of conduct. Also, media often broadcast interviews with children without parental consent, or who are under medical surveillance and on medication.[148] Media outlets justify the publication of photos of children who died due to a medical error or as a result of violence, in terms of pressuring the courts to prosecute the responsible parties, regardless of the further posthumous harm to the child's dignity.[149] Sometimes pornographic images or video material of abused minors become available on YouTube and even in the tabloid media, although it is against the law, ethical codes, and public decency, and re-traumatizes the victims.

It has been recorded that some reporting on sexual minorities uses homophobic language. Also, it usually concerns exceptional incidents, such as attacks on the dignity and reputation of lesbian, gay, bisexual, and transgender (LGBT) persons, or even physical attacks on them.[150] When the press was monitored for such coverage over two months in 2009, the monitors found a neutral contextualization of LGBTIQ (*Lesbian, Gay, Bisexual, Transgender, Intersex, and Questioning)* issues in 169 articles, a negative contextualization in 20 articles, and a positive framing in only 11 articles.[151]

It is important to mention the positive discrimination affirmed by some media outlets. For example, B92 launched socially beneficial actions such as building women's safe houses, a national kitchen, lobbying for free digital mammography examinations, animal welfare, and so forth. *Blic* runs a humanitarian action for procuring medical supplies and drugs, and raises funds for treatment, while RTS campaigns for building another women's safe house, the "Clean Serbia" environmental action, and donor action.

Monitoring by the Lesbian Human Rights Organization (*Grupa za lezbejska ljudska prava,* LABRIS), an organization for gay and lesbian rights, shows that during February and March 2010 some 200 articles with LGBTIQ terminology were published in daily newspapers. Previous research by LABRIS had shown that the largest number of published articles appeared in the entertainment columns. During this monitoring period, however, the highest percentage of articles was found in the politics columns, for two reasons: first, because of the activities of local LGBTIQ human rights organizations in February and March; and second, because of the release of the US State Department's annual report on human rights in Serbia. However, a large number of texts were in the entertainment columns, focusing on show business, people's private lives, and scandals.[152]

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148. See *Presentation of Children in the Serbian Media—Children in the Media Mirror*, Center for Media and Media Research of the Faculty of Political Sciences, Belgrade, 20 November 2008, available at http://www.unicef.org/serbia/media_13365.html (accessed 1 October 2010) (hereafter, Center for Media, *Children in the Media Mirror*).

149. "Center for Media, *Children in the Media Mirror*.

150. *Diskriminacija i zlostavljanje lgbt osoba u srbiji* (Discrimination and Harassment of LGBT People in Serbia), Youth Initiative for Human Rights, 2005, available at http://balkanshumanrights.org/bcms/wp-content/uploads/2010/02/DISKRIMINACIJA-I-ZLOSTAVLJANJE-LGBT-OSOBA-U-SRBIJI.pdf (accessed 20 September 2010).

151. "LGBT populacija u štampanim medijima 02/03 2010" (The LGBT Population in Print Media 02/03 2010), GayEcho, 19 April 2010, available at http://www.gayecho.com/aktivizam.aspx?id=10545 (accessed 20 September 2010).

152. LABRIS, "LGBTTIQ populacija u štampanim medijima u Srbiji, februar i mart 2010" (LGBTIQ Population in Print Media in Serbia, February and March 2010), available at http://www.labris.org.rs/lobiranje-i-zagovaranje/analiza-medija-feb-mart-2010.html (accessed 20 September 2010).

It can be concluded that the treatment of these issues in the traditional media is not close to being adequate. Except for B92, commercial outlets do not cover sensitive issues except as news content, such as Belgrade's anti-gay riot in October 2010. The situation on the internet is very different, as some outlets, especially those treating sexual minorities, are very active on the net, but this cannot be said for national or ethnic minorities. "New technologies, digitalization and related further liberalization of the media space present a challenge and opportunity for the media in the minority languages," according to a 2007 report by the Fund for an Open Society. "These challenges are not sufficiently taken into consideration and there are hardly any preparations for them. These are certainly issues which should be seriously taken into account when drafting the strategic and developmental plans for the future of minority media outlets and editorial offices which provide information in the minority languages."[153]

The relationship between the media and conflict in Yugoslavia was exhaustively treated during the 1990s (culminating with the war in Kosovo in 1999), and that debate continues, especially concerning the media coverage of and complicity in war crimes, but without new data.

4.3.3 Space for Public Expression

The internet has opened a new era for all groups and contents that have suffered from restricted access to and presence in the traditional media. Undoubtedly, the space for public expression by sexual minorities has expanded. But there is also by the same token now more space available for homophobic and nationalistic speech.

4.4 Political Diversity

4.4.1 Elections and Political Coverage

Digitization has not triggered any changes in the regulation of media coverage of elections. The only new piece of regulation was the "General binding instructions to radio and television stations (broadcasters) on conduct in the pre-election campaign for 2008 local, provincial, and republic parliamentary elections," issued by the RBA in accordance with the Broadcasting Law. These instructions restated certain basic principles of fair elections, where all radio and television stations had to "ensure equality in informing about all the parties submitting lists of candidates and the candidates on these lists." Any violation of the instructions or of the Broadcasting Law itself would entail a pronouncement of appropriate measures enforced by the RBA, which is in charge of supervision of the implementation of regulation in broadcasting.

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153. Fund for an Open Society, "Right to Information in Minority Languages in Serbia," Belgrade, 2007, available at http://www.fosserbia.org/view_file.php?file_id=193 (accessed 20 September 2010).

Most news outlets with online editions have election specials, with dedicated webpages. In addition, the Center for Free Elections and Democracy (*Centar za slobodne izbore i demokratiju*, CeSID) has been monitoring elections in Serbia for more than a decade on its website.[154] Also, the website of the Republic Election Committee regularly reports on election results in real time on election night.[155]

4.4.2 Digital Political Communications

By increasing available diversity, the internet has also multiplied the number and intensity of different voices in political life. Not only politicians but also civil society activists, consultants, analysts, sociologists, and many other political thinkers are using the web, often as bloggers, to promote their ideas and to lobby for them, to encourage public discussion on various issues, or simply to protest on their own or on someone else's behalf. Therefore, digital media are sometimes a last resort for people's voices. Some media outlets have blogs for various authors, but they all share some kind of credibility. For example, neither B92 nor *Blic* interferes with the opinions of celebrity bloggers on their site.

A political party, the Zvezdara Liberal Democratic Party, started to broadcast an online radio station in the period running up to the local elections in the Belgrade municipality of Vozdovac in December 2009;[156] it continued its broadcasts after the elections. Professor Rade Veljanovski of the Faculty of Political Sciences in Belgrade told the daily newspaper *Danas* that although no permit is required for internet webcasting, the broadcasting itself was in breach of the Broadcasting Law because the radio station needed a license from the RBA.[157]

4.5 Assessments

The positive effects of digitization for journalists' work are their easy access to final product; they can upload content, together with photos or video clips; and they can report from any place where they have a mobile phone, internet connection, and a full battery for a laptop. With a mobile phone, they can make a picture, record sound or video, and upload these files directly to the online edition of their outlet. However, if journalists have more options, they also have more responsibilities, which may not be simple to discharge. When information must be uploaded as quickly as possible, the main imperative for any information —finding a second source or checking the facts—is sometimes excluded.

The low professional level of journalism and the growth of "Google journalism" are dominant trends in Serbian media.[158] Journalists' codes of conduct do exist but they are often not implemented, and journalistic

154. See http://www.cesid.org.

155. See http://www.rik.parlament.gov.rs/index_e.htm.

156. See http://ldp-zvezdara.org/radio-ldp-zvezdara/ (accessed 20 September 2010).

157. ANEM, *Pravni Monitoring Medijske Scene U Srbiji* (Legal Monitoring of the Media Scene in Serbia), December 2009, available at http://www.anem.rs/admin/download/files/_id_502/MR%20VII%20total.pdf (accessed 20 September 2010).

158. IREX, *Media Sustainability Index*.

ethics vary from one editorial office to another. The number of newsroom journalists has decreased, which affects the daily routine of the rest, who have to take on more responsibility. In the last five years, newsrooms have developed their online editions and this has shaped organizational changes. In most cases, journalists have been given new duties: to work for the web together with their work for television, radio or print. As we have noted, investments in equipment have not been followed by understanding the new nature of the media, foreseeing new traps and temptations. Media in Serbia have not developed an awareness of professional standards that need to be adjusted to the new technological environment, and ultimately to the new media themselves.

Digitization has had a positive effect on election coverage insofar as journalists can access online content about events that they have not witnessed themselves. Some of this content is available on political party websites, which have all become very active during election campaigns. In addition, information on election results is updated online in real time, which both eases the work of journalists and improves access to information.

Marginalized groups are more present online where they feel safe to create websites, social network groups, and other UGC. On the other hand, hate speech is a major problem facing some marginalized groups.

Investigative journalism has been facilitated by the scale of information that is available online and the range of online options for pursuing investigations. Digitization has also accelerated the spread of information and its availability to a wider audience. On the other hand, the negative impacts are information for which they cannot check the source. Also, political parties and movements with high numbers of online activists are spinning public perception in the media, either through regular media websites or through web forums and political party websites.

5. Digital Media and Technology

5.1 Broadcasting Spectrum

5.1.1 Spectrum Allocation Policy

There is currently a problem with radio spectrum, which has serious implications for planning the transition from analog to digital broadcasting. RATEL and the Ministry of Telecommunications and Information Society (*Ministarstvo za telekomunikacije i informaciono društvo,* MTID), have undertaken various actions to improve the efficient use of this source. (After the reconstruction of the Serbian Government in March 2011, the MTID was renamed the *Uprava za Digitalnu Agendu* (Department for the Digital Agenda),[159] and became part of the Ministry of Culture, Media and Information Society.)[160]

The European Commission's Progress Report on Serbia for 2005 described the situation with spectrum and broadcasting licenses:

> In Serbia, the lack of implementation of the Telecommunications Law and, as a consequence, the absence of a plan for frequencies that could permit the Broadcasting Council to issue licenses or to have some control over the broadcasters, together with the lack of a proper budget hamper the normal functioning of the Broadcasting Council. Serbia amended its Broadcasting Law in August 2005. The amendments, which were widely contested by professional organizations, provide for the extension of the deadline for the transformation of the Serbian Radio Television (RTS) from its present government-controlled role into a public broadcasting service to March 2006, as well as the postponement of the privatization of broadcasters operated by local government to July 2007.[161]

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159. See the special session of the Serbian Parliament, 14 March 2011, available at http://www.parlament.rs/Druga_posebna_sednica_Narodne_skupštine_Republike_Srbije_u_2011.godini.5160.941.html (accessed 18 August 2011) and the Digital Agenda website, available at http://www.digitalnaagenda.gov.rs/ (accessed 18 August 2011).

160. See the Ministry of Culture, Media and Information Society website, available at http://www.kultura.gov.rs/?p=5 (accessed 18 August 2011).

161. See *Serbia and Montenegro 2005 Progress Report*, European Commission, Brussels, 9 November 2005, available at http://ec.europa.eu/enlargement/archives/pdf/key_documents/2005/package/sec_1428_final_progress_report_cs_en.pdf (accessed 1 September 2010).

Spectrum allocation was an unregulated zone in the 1990s, when effective order in the spectrum was not maintained. Therefore, the spectrum was chaotic and saturated without control of any authority. In 2006, the first spectrum license was issued and the implementation of the Law on Telecommunications finally began.[162] The spectrum allocation process was finished in 2008. However, the spectrum is still not fully or efficiently used. As a result, the number of spectrum users fell heavily due to the fact that many former users that had used spectrum for free were in many cases not eligible for a license.

The Law on Telecommunications was replaced in 2010 by the Law on Electronic Communications, which introduces new mechanisms of spectrum allocation, in accordance with EU regulations, and will facilitate more efficient spectrum usage.

According to Article 81 of the Law on Electronic Communications, the management and use of the radio frequency spectrum, as a scarce public resource, are to be carried out following the principles of objectivity, efficiency, transparency, and non-discrimination. The Government had adopted the Frequency Allocation Plan using a proposal from the MTIS, prepared in cooperation with RATEL; under Article 84, MTIS enacts the Frequency Allocation Plan using a proposal from RATEL.[163] Articles 86–99 regulate the use and assignment of the spectrum for special purposes (e.g. defense and internal affairs), on the basis of general authorization, of an application, or of public tender. Furthermore, RATEL enacts by-laws that regulate spectrum allocation in a more detailed and practical manner, setting clear rules for assigning and using spectrum.

RATEL also determines the fees for radio spectrum use, depending on the service offered and its purpose and, where applicable, according to the number of citizens in the service zone, according to the Statistical Office, bearing in mind the need to ensure the introduction of new services, market competition, and the rational use of spectrum.[164]

In light of the above, it can be concluded that no users, groups, or institutions are favored by the spectrum allocation policy. However, it should be noted that the institutions in charge of defense and internal affairs hold a large part of the available spectrum under specific terms. The Law on Electronic Communications defines that the authorities of the Republic of Serbia in charge of defense and internal affairs, security agencies, and emergency services shall use radio frequency bands exclusively reserved for their use according to the Frequency Allocation Plan, with no obligation to obtain a license or to pay for the use.[165]

The completion of digital switch-over will release part of the spectrum (the digital dividend). Under Article 104 of the Law on Electronic Communications, the Government has to decide on the use of this newly available spectrum by the time digital broadcasting begins at the latest. To date, most public comment favors the use of the digital dividend for broadband.

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162. Law on Telecommunications, *Official Gazette of RS*, nos 44/2003, 36/2006, 50/2009, 20 April 2006.

163. Law on Electronic Communications, *Official Gazette of RS*, no. 44/10, 29 June 2010, Art. 83 (hereafter, Law on Electronic Communications).

164. Law on Electronic Communications, Art. 31.

165. Law on Electronic Communications, Art. 97.

5.1.2 Transparency

As described above, there are clear and non-discriminatory rules on spectrum allocation under the Law on Electronic Communications. Allocation is now placed under the general authorization regime, except the allocation of spectrum based on individual licenses, requests, or following the completion of the public bidding procedure (under Article 86). Therefore, it is expected that the regulator will respect the rules and ensure their full implementation.

Before the Law on Electronic Communications was adopted, spectrum allocation was decided by public tender.

The fees for spectrum licenses are determined by RATEL and based on the provisions of the rulebook on fees for the usage of the frequencies (*Official Gazette of the Republic of Serbia*, *RS*, no. 93/10). As stated, RATEL determines the fees for spectrum usage. It is commendable that the register of all spectrum licenses is available on RATEL's website.

The allocation of frequencies for radio stations is carried out under the provisions of the Broadcasting Law, since a broadcasting license covers both radio and television. When RATEL receives a request from the RBA to issue a radio station license which conforms to the Frequency Allocation Plan, RATEL issues the license to the broadcaster.

5.1.3 Competition for Spectrum

The Strategy for Switch-over prescribes that only two multiplexes will be used in the switch-over process and that they will be managed by the newly established public enterprise, the Broadcasting Equipment Company (*Emisiona tehnika i veze*) (see below); this is intended to prevent commercial broadcasters and operators from gaining control and management of digital multiplexes. The Government decided to put only two multiplexes in use since this satisfies the needs of the broadcasting market. After the switch-over, other multiplexes will become available by public auction, depending on the broadcasting market's needs.

Although B92, Pink, and Prva have all asked to operate multiplexes after switch-over (i.e. from 4 April 2012), no decision has yet been taken on whether commercial broadcasters and operators may exercise this function. In addition, the mobile telecom operators Telekom, Telenor, and Vip mobile have expressed interest in using the digital dividend for mobile broadband.[166]

According to the Strategy for Switch-over, channels 61–69 will be exempt from digital broadcasting because this bandwidth is earmarked for digital dividend after 4 April 2012. The Government was supposed to adopt the decision on the allocation of digital dividend by the end of the second quarter of 2010, using the proposal of MTIS. However, this did not happen.

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166. Comments received during the public discussion on the Strategy for Switch-over, available at http://www.mtid.gov.rs/aktivnosti/javne_konsultacije/strategija_i_akcioni_plan_za_prelazak_na_digitalno_emitovanje.521.html (accessed 1 September 2010) (hereafter, Public comments on the Strategy for Switch-over).

The Strategy for Switch-over stresses the importance of the public interest in relation to the allocation and use of digital dividend:

> The frequency spectrum does not belong to the broadcasters, the mobile phone operators, the spectrum regulators or the state. As a public domain, it belongs to the citizens; hence, network planning has to be guided by this principle, so the digital dividend will not turn into a digital deficit.[167]

5.2   Digital Gatekeeping

5.2.1   Technical Standards

Between October 2008 and July 2009, three public consultations were held where one of the main topics was the selection of a technical standard for digital broadcasting. Public opinion was split between DVB–T and MPEG–2 on one side, and DVB–T2 and MPEG–4 on the other.

Secondly, in cooperation with the ITU, MTIS hosted the Sub-Regional Seminar and Ministerial Round Table on Switchover from Analogue to Digital Terrestrial Television Broadcasting in Belgrade in April 2009.[168] The Ministerial Round Table was organized as the first ITU event related to digital switch-over since the Geneva conference in 2006. The aim was to improve understanding of the switch-over process and to define a roadmap for analog switch-off in the region. This event gathered relevant authorities from 19 Central and Eastern Europe (CEE) countries plus Japan (which has also decided to perform switch-off in one day) in order to exchange experiences and best practices covering legal, technical, and economic aspects of the switch-over process. Among other topics, the selection of standards was debated. Two opinions were prevalent. One was expressed by those countries that had started the switch-over process before Serbia and had chosen DVB–T and MPEG–2 standards, while the other was voiced by countries that had started switch-over later, and considered DVB–T2 and MPEG–4 to be optimal. The main concern was that, at the time, no television sets were available for DVB–T2 standards, while the set-top boxes (STBs) were too expensive for a wider audience. However, it was concluded that many manufacturers had already announced the production of digital television sets, and that the prices of STBs would certainly drop by 2012.

Within the public consultation on the Strategy for Switch-over, between 22 May and 12 June 2009, three round tables were held in Belgrade, Niš, and Novi Sad in order to obtain public opinion on digitization. RTS sent comments and, inter alia, suggested that DVB–T would be more appropriate for Serbia's circumstances.[169] (RTS Digital, the digital experimental channel, broadcasts in DVB–T.) Furthermore, one member of

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167. Strategy for Switch-over, p. 20.

168. ITU Sub-Regional Seminar and Ministerial Roundtable on Switch-over from Analogue to Digital Terrestrial Television Broadcasting, Belgrade, 27–29 April 2009, available at http://www.itu.int/events/eventdetails.asp?lang=en&eventid=8904 (accessed 1 September 2010).

169. Comments received during the public discussion on the Strategy for Switch-over, available at http://www.mtid.gov.rs/upload/documents/kon-sultacije/dtv2/DTV2-RTS.pdf (accessed 1 September 2010).

RATEL's management board also supported DVB–T and MPEG–2.[170] All the other submissions were in favor of DVB–T2 and MPEG–4. Therefore, the Strategy for Switch-over decided to adopt the DVB–T2 and MPEG–4 version 10 (H.264/AVC) compression standards for digital terrestrial television. The chosen standards may be considered to be appropriate, due to the fact that many countries that chose DVB–T and MPEG–2 are now planning to switch to DVB–T2 and MPEG–4, which have proven to be more efficient.

5.2.2 Gatekeepers

No problems have been recorded in relation to the gatekeepers in digital broadcasting. Since network management and distribution are assigned by the Government to the Broadcasting Equipment Company, existing commercial broadcasters do not have the opportunity to appear as digital gatekeepers. However, it should be noted that commercial broadcasters with national coverage already broadcast on more channels through cable distribution (e.g. Pink, Pink Family, Pink Music, Pink Kids, Fox Life, Fox Crime, B92, B92 Info); as such, they have a clear potential for broadcasting more channels on digital terrestrial platform.

5.2.3 Transmission Networks

For many years, the broadcasting transmitters belonged to RTS. Much of the equipment was destroyed by the NATO bombing campaign in 1999; reconstruction has been financially very challenging for RTS and the state budget. Therefore, some of the funds from the EU's Instrument for Pre-Accession Assistance (IPA) project to assist digital broadcasting switch-over have been earmarked for this purpose.[171]

In December 2008, the Government authorized MTIS to separate the broadcasting system from RTS and establish an independent public broadcasting company. On 9 October 2009, the Government created the Broadcasting Equipment Company as Serbia's multiplex and broadcast network operator. One of the problems slowing down the digitization process is that Vladimir Homan was appointed managing director of the newly formed enterprise nine months later, on 2 July 2010.[172] During the interim period, the company did nothing to implement the Action Plan from the Strategy for Switch-over. Meanwhile, the separation of the broadcasting system from RTS is still not complete.

According to this Action Plan, MTIS should—in cooperation with RATEL and the RBA—enact two by-laws that would regulate in detail the relations among the Broadcasting Equipment Company, the broadcasters, RATEL, and the RBA.[173]

The establishment of the Broadcasting Equipment Company was also important for implementing the IPA 2010 project to assist digital broadcasting switch-over, with a total budget of €13.5 million (US$19

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170. Public comments on the Strategy for Switch-over.

171. The IPA offers assistance to countries engaged in the accession process to the EU for the period 2007–2013. The aim of the IPA is to enhance the efficiency and coherence of aid by means of a single framework in order to strengthen institutional capacity, cross-border cooperation, economic and social development, and the rural development of the country.

172. *Official Gazette of RS*, no. 46/10.

173. These by-laws are: "Rules on switch-over from analog to digital broadcasting of radio and television programs and multiplex access in digital terrestrial broadcasting" and "Rules on amendments and supplements for existing program licenses."

million). The project aims to introduce European digital television standards in Serbia by 4 April 2012. The three components of the project are as follows: first, to strengthen the institutional and legal framework for digital television switch-over harmonized with the *acquis communautaire*; second, to improve the technical conditions for digital broadcasting; and third, to inform and educate the general public about digitization. At the time of writing, the equipment for digital broadcasting has been procured and installation is expected to start punctually.

Ownership of the signal transmitter network may affect the distribution of spectrum resources. For example, during the 1990s, local stations bought their transmitters and at the present time it seems that they should transfer ownership over transmitter sites to the Broadcasting Equipment Company. The transmitters and associated equipment will not be used by the Broadcasting Equipment Company because they are designated for broadcasting in analog technology, meaning that the company will only use the transmitting sites from which it can broadcast digitally. It is hard to envisage what other problems may occur, since the process of digital switch-over has just begun and will need to be monitored closely in future. However, the Broadcasting Equipment Company, which is a public utility responsible for operating the transmission infrastructure and multiplexes, is to have a purely technical role in the broadcast industry, with no possibility of influencing broadcast content.[174]

5.3   Telecommunications

5.3.1   Telecoms and News

Telecoms companies providing mobile and fixed telephony services are Telekom Srbija, Telenor, Vip mobile, and, since 16 June 2009, Orion Telekom, which started offering the service of fixed telephony and internet connection from 21 June 2010 (see figures 6 and 7).

Figure 6.
Market shares of the main telecoms operators, by number of subscribers, 2009
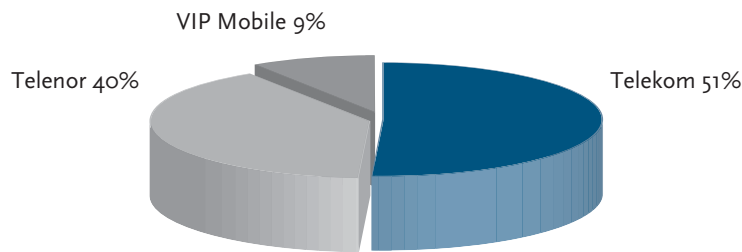

VIP Mobile 11%

Telenor 29%
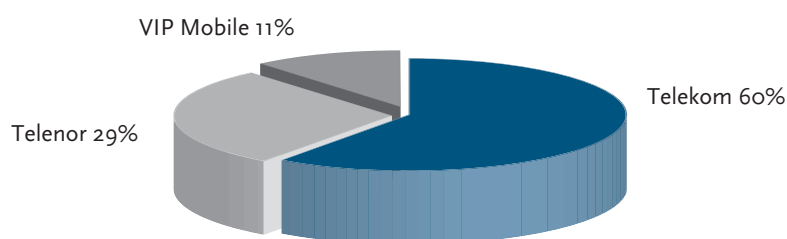
Telekom 60%

Source: RATEL Annual Report for 2009, p.35.

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174. Strategy for Switch-over, p. 2.

Figure 7.

Market shares of the main telecoms operators, by sales revenues, 2009

Source: RATEL Annual Report for 2009, p.35.

On 3 March 2006, RATEL declared that Telekom Srbija was the SMP (significant market power) operator for retail public fixed telephone networks and services, and imposed the following obligations: network access and interconnection, non-discrimination, cost orientation, transparency, prohibition of cross-subsidization, and retail price control.[175]

Telekom Srbija offers Open IPTV packages (live television, video on-demand, content recording, program guide), internet packages (ADSL (Asymmetric Digital Subscriber Line), ADSL speed-up, dial-up, mailbox, domain registration, DNS (Domain Name System) hosting and web hosting), mobile telephony packages (prepaid, postpaid, 3G, data transfer, MMS (Multimedia Messaging Service), IOCall, BlackBerry service, etc.), and fixed telephony packages (ISDN (Integrated Services Digital Network), voice mail, etc.).[176] Telenor does not offer media content distribution services. Its offer is directed at the internet and mobile telephony.[177] Vip mobile offers internet and mobile telephony services in various different packages.[178]

In the cable market in 2009 there were 75 operators authorized to distribute radio and television programs via cable (including two operators which provide IPTV). According to the number of subscribers, Serbia Broadband (*Srpske kablovske mreže*, SKM) is still the leading operator in radio and television program distribution services, with a 52 percent market share. Consequently, on 16 February 2007, in accordance with the Telecommunications Law, RATEL's managing board passed a Decision on Designating the Public Telecommunication Operator with SMP for the Radio and Television Program Distribution via Cable

175. Cullen International, *Enlargement Countries Monitoring Report III*, March 2010, p. 118, available at http://ec.europa.eu/information_society/activities/internationalrel/dialogue_coop/enlargement/Enlargement%20Countries%20Monitoring%20Report%203%20-%20March%202010.pdf (accessed 9 September 2011).

176. See Telekom Srbija's website, available at http://www.telekom.rs/Information/Information.aspx?temp=0&sid=5&id=98 (accessed 20 September 2010).

177. See "Services" on Telenor's website, available at http://www.telenor.rs/en/Consumer/Services/ (accessed 20 September 2010).

178. See "Data Services" on Vip mobile's website, available at http://www.vipmobile.rs/private/services/data-services.271.html (accessed 20 September 2010).

Distribution Network. Thus, SKM was declared to be the operator with SMP. Accordingly, the regulation of an SMP operator's services requires the application of a special tariff regime for radio and television program distribution services, along with the obligation to apply the cost-based model in pricing telecommunications services. Hence, SKM is required to observe the rules and conditions set out in the Rules on the Application of the Cost-accounting Principle with regard to separate accounts and the reporting of a telecommunications operator with SMP (*Official Gazette of RS*, no. 103/08). Evidently, the cable market is fairly developed, with its main focus on covering Serbia's cities, but it also shows great potential for future growth. Competition exists; however, SKM should be monitored since it possesses enough market power for it to impede market competition.

Besides SKM, significant players in radio and television distribution are Public Enterprise PTT—RJ KDS, Kopernikus Technology, Digi SAT, IKOM, and Radijus Vektor. In terms of subscribers, the total cumulative share of these operators in 2009 amounted to approximately 48 percent. In terms of network type, most subscribers are still connected to the hybrid fiber-coaxial (HFC) network, which, in addition to radio and television program distribution, enables VoD (Video on Demand), broadband internet access, and VoI (Video over the Internet). Even though analog cable television subscribers comprise 95 percent of all cable subscribers, this proportion can be expected to fall in the run-up to analog switch-off in 2012.[179]

Must-carry rules are regulated under Articles 101 and 102 of the Law on Electronic Communications. According to Article 101, upon a request from the broadcasting authority, RATEL designates an operator of an electronic communications network for media content distribution and broadcasting, which shall distribute one or more radio and/or television programs at the national, provincial, regional, or local level, when:

1) a significant number of end-users use the electronic communications network of that operator as the only or primary way of receiving media content, and

2) it is necessary in order to achieve clearly defined objectives of public interest, as established by the broadcasting authority, taking the principles of proportionality and transparency into account.

Furthermore, pursuant to Article 102 of the Law on Electronic Communications, RATEL may impose on the operator of an electronic communications network for media content distribution and broadcasting the obligation to enable, under acceptable and non-discriminatory conditions, access to application programming interfaces and electronic program guides (EPGs) to the extent necessary for offering services to end-users.

5.3.2   Pressure of Telecoms on News Providers

There are no recorded cases of cable or telecoms operators exerting pressure on news and information providers.

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179. RATEL, *Annual Report for 2009.*

5.4   Assessments

The goals and the principles of electronic communications regulation are based, inter alia, on boosting the rational and efficient usage of radio frequency spectrum and maximizing the benefits for electronic communications consumers.[180] Furthermore, RATEL, as an independent regulator, manages spectrum allocation on the principles laid down in the Law on Electronic Communications, and has a duty of efficient spectrum allocation according to society's needs.

In conclusion, the new Law on Electronic Communications provides a solid regulatory framework which ensures that spectrum allocation is not politicized, or at least that political influence is minimized. Under the law, RATEL is obliged to take the needs of the whole of society into account when allocating spectrum. Respect for this obligation will have to be monitored.

The regulatory framework lays a solid foundation for appropriate spectrum management. However, much will depend on its implementation. Due to the fact that the Law on Electronic Communications only came into force at the beginning of July 2010, there has been very little opportunity to gather viable evidence on how it is being implemented with regard to spectrum regulation.

Although regard for the public interest is prescribed by the Strategy for Switch-over, this term has not been defined. The allocation and regulation of the digital dividend were determined, but were considered from the public interest perspective. The Action Plan from the Strategy for Switch-over states that the Government would adopt a decision on the allocation of digital dividend by the end of the second quarter of 2010 following the proposal of MTIS. At the time of writing no decision has been made.

Taking into consideration that many EU Member States have not yet decided on the allocation of the digital dividend—and that, hence, good practices have not been decided upon—and also the fact that switch-over is scheduled for 4 April 2012, it has yet to be seen whether the decision on the allocation of digital dividend will be made as scheduled and will take due account of public interest.

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180. Law on Electronic Communications, Art. 3.

6. Digital Business

6.1 Ownership

6.1.1 Legal Developments in Media Ownership

Several attempts to create a legal framework for the transparency of media ownership have failed in recent years. First, the Ministry of Culture, with the support of the Organisation for Security and Co-operation in Europe (OSCE) and the Council of Europe, created a working group in June 2007 to draft a law on the prevention of media cross-ownership and transparency of media ownership. Unfortunately, although the draft was prepared and found approval in public debate, lack of political will prevented the draft from reaching Parliament.

Instead, on 31 August 2009, Parliament adopted the Law on Amendments and Additions to the Law on Public Information, which was heavily criticized by media organizations, journalists' associations, and independent institutions.[181] The controversial articles introduced a high deposit for the establishment of media companies, suspended the right to publish media for individuals whose bank account had been blocked for more than 90 days during 12 months, and obliged all media to be registered with the Serbian Business Registers Agency, with a publishing ban as the sanction for failure. The amendments also prohibited the transfer of media ownership rights, and imposed excessively high fines for violations of the presumption of innocence and minors' rights. The final text of the law was unavailable to the public before it was published in the *Official Gazette*. President Boris Tadić signed the law immediately, despite warnings that it was unconstitutional and posed a threat to freedom of expression.[182]

Fortunately, the Constitutional Court decided on 22 July 2010 that certain articles of the new law were unconstitutional because they violated media freedom and freedom of expression. The court ruled that the obligation to register did not violate the constitution or international law, but that the decree which connected

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181. ANEM, *Legal Monitoring of Serbian Media Scene*, August 2009, pp. 3–12, available at http://www.anem.rs/admin/download/files/_id_370/MR3%20engl%20kon.pdf (accessed 20 September 2010).

182. Ministry of Foreign Affairs press release, available at http://www.mfa.gov.rs/Bilteni/Engleski/b010909_e.html#N3 (accessed 20 September 2010).

the register with a ban on publishing was unconstitutional. Other provisions in the law were likewise held to be unconstitutional, such as the stipulations that only domestic legal entities may found to be a public body, and that violations of the assumption of innocence and the protection of the rights of children may be treated as economic offenses (because, by their very nature, they do not cause economic harm).[183]

The existing rules for media ownership are considered in section *6.1.5*. According to the amended Public Information Law, domestic and foreign companies can set up media in Serbia prior to registering with the official Media Register, which is part of the Business Registers Agency.[184] The Media Register collects basic media information such as the name of the founder, address, dates, and other information.[185] Governmental entities cannot be founders of media, according to the same law. The Broadcasting Law still limits foreign investors to 49 percent of ownership in broadcasting media and regulates concentration according to the number of owned media.[186] Illegal concentration can be found in six cases, according to the Broadcasting Law: when a national broadcaster possesses more than 5 percent of another national broadcaster; when it possesses more than one television station and one radio station for the same region; when a national broadcaster possesses more than a 5 percent share of print media with a circulation of more than 30,000 copies; when it possesses more than a 5 percent share in a press agency; when a local or regional broadcaster owns more than a 30 percent share in a broadcaster in the same region; or has print media at the same local, organizational, or regional level.

6.1.2   New Entrants in the News Market

One of the entrants to the news and information market in the last five years is Ringier, the Swiss media corporation that in 2004 purchased *Blic*, today the highest-selling daily newspaper, averaging 152,000 copies. In 2006, Ringier launched Serbia's first free newspaper, *24 sata* (24 Hours),[187] and in October 2007 it launched a newspaper, *Alo!*, which switched successfully from broadsheet to tabloid format in 2009.[188] In 2009, Ringier took over the majority shares of *NIN*, Serbia's venerable news magazine.[189] Its portfolio also includes *Blic Žena*, a magazine for women,[190] *Puls*,[191] and the Sunday edition of *Blic*. The free newspaper *24 sata* ended 2009 as one of the few profitable "free sheets" in Europe. The use of online media has grown

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183. "Constitutional Court abolishes media fines," B92, Belgrade, 23 July 2007, available at http://www.b92.net/eng/news/politics-article.php?yyyy=2010&mm=07&dd=23&nav_id=68624 (accessed 10 September 2010).

184. Public Information Law, *Official Gazette of RS*, nos. 43/03 and 61/05; Constitutional Court decision, available at http://www.ustavni.sud.rs/page/view/0-101247/saopstenje-sa-31-redovne-sednice-ustavnog-suda-odrzane-22-jula-2010-godine-kojom-je-predsedavala-dr-bosa-nenadic-predsednik-ustavnog-suda?_qs=%D1%98%D0%B0%D0%B2%D0%BD%D0%BE%D0%BC%20%D0%B8%D0%BD%D1%84%D0%BE%D1%80%D0%BC%D0%B8%D1%81%D0%B0%D1%9A%D1%83.

185. See "About Register" on the Serbian Business Registers Agency website, available at http://www.apr.gov.rs/eng/Registers/PublicMedia/AboutRegister.aspx.

186. Broadcasting Law.

187. See http://www.24sata.rs (accessed 10 September 2010).

188. See http://www.alo.rs (accessed 10 September 2010).

189. See http://www.nin.rs (accessed 10 September 2010).

190. See http://zena.blic.rs/ or www.bliczena.com (accessed 10 September 2010).

191. See http://www.blicpuls.com/ (accessed 10 September 2010).

sharply. Alo.rs saw its unique-visitor figure nearly triple. The women's portal Zena.blic.rs was added to Blic.
rs, which saw its unique visitors rise to 1,480,000,[192] making it the most visited website in Serbia, leading in
both page views and traffic.

The German WAZ–Mediengruppe (publisher of the *Westdeutsche Allgemeine Zeitung newspaper in Germany)*[193]
decided to enter the Serbian market by purchasing shares in the *Večernje novosti* newspaper,[194] financing the
takeover through three offshore companies,[195] Ardos Holding, Trimax Investments, and Karamat.[196] After
WAZ had made several attempts to claim the majority share of *Večernje novosti* and thereby complete the
2006 transaction, the Commission for the Protection of Competition eventually blocked the acquisition
in spring 2010 by denying WAZ the necessary permit. This provoked WAZ to announce its withdrawal
from Serbia, which triggered many political and diplomatic scandals, at one point even threatening to affect
Serbia's relations with Germany after the German Ambassador to Serbia, Wolfram Mass, warned that it
could send a signal to other potential investors to beware. *Transitions Online* magazine reported that WAZ's
real reasons for withdrawing from the region, not only from Serbia, were shrinking circulations and poor
advertising revenue in the print sector.[197]

Furthermore, on 21 November 2010, in the B92 television show *Izmedju redova* (Between the Lines), the
controversial businessman Milan Beko admitted that he became the major shareholder of *Večernje novosti*
when he entered into certain business arrangements with WAZ. Although WAZ withdrew from Serbia, Beko
went ahead with the €24 million (US$34.2 million) purchase of shares.[198] After this interview, the Republic of
Serbia Securities Commission initiated proceedings to determine whether Mr Beko was a shareholder of over
25 percent in *Večernje novosti*, because there are three companies that have major shares in *Večernje novosti*—
Trimax (24.98 percent), Ardos (24.89 percent), and Karamat (12.55 percent)—and Beko is suspected of
being the owner of all three companies.[199] If the Commission finds that Beko owns these three companies, it
will be an illegal takeover according to the Law on Takeover of Joint Stock Companies. In January 2011, the
European Parliament voiced concern "about the controversies surrounding the privatization of the *Večernje
novosti* daily," in a motion for a resolution on the European integration process in Serbia.[200]

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192. Ringier, *Annual report 2009,* p. 174.

193. From previous purchases, WAZ holds 50 percent of shares in the company that publishes the *Politika* daily newspaper and is the majority share-
holder of the Novi Sad daily *Dnevnik*.

194. "Media in Serbia: Lost and Lobbying for the Status Quo," *Helsinki bulletin*, Helsinki Committee for Human Rights in Serbia, Belgrade, August
2010, No. 67, available at http://www.helsinki.org.rs/doc/HB-No67.pdf (accessed 20 September 2010).

195. Z. Glavonjić , "Mediji u Srbiji tajkunizirani" (The Media in Serbia are Tycoonized), Radio Slobodna Evropa, 23 June 2010, available at http://
www.slobodnaevropa.org/content/srbija_mediji_tajkuni_politika_privatizacija_novosti/2080598.html (accessed 10 September 2010).

196. Central Securities Depository and Clearing House of Serbia, "Ownership structure of companies," Belgrade, 2010, available at http://www.
crhov.rs/?Opcija=1 (accessed 10 September 2010).

197. M. Dragomir, "A Race to the Exit," *Transitions Online*, Prague, 23 August 2010, available at http://relaunch.tol.org/client/article/21736-a-race-
to-the-exit.html (accessed 10 September 2010).

198. "Beko: Jesam vlasnik 'Novosti'" (Beko: I Am the Owner of 'News'), B92, 21 November 2010, available at http://www.b92.net/info/vesti/index.
php?yyyy=2010&mm=11&dd=21&nav_id=473897 (accessed 20 September 2010).

199. See "Postupak o Beku u 'Novostima'," B92, 26 November 2010, available at http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=
11&dd=26&nav_id=475206 (accessed 20 September 2010).

200. European Parliament, Motion for a resolution on the European integration process in Serbia, Brussels, 10 January 2011, available at http://www.
europarl.europa.eu/sides/getDoc.do?type=MOTION&reference=B7-2011-0021&format=XML&language=EN (accessed 16 March 2011).

6.1.3   Ownership Consolidation

In March 2009, the weekly news magazine *NIN*, founded in Belgrade in 1935, was taken over by the Ringier Srbija Publishing Company for €810,000 (US$1.1 million). Ringier promised to invest €186,607 (US$266,000) in *NIN*, and it also accepted certain additional elements in the social program regarding employees' rights and status as being obligatory for the privatization of public companies in Serbia. *NIN* registered a turnover of €1.5 million (US$2.1 million) and a profit of €12,000 (US$17,100) in 2007. With *NIN*, Ringier acquired Serbia's second-oldest press title and a highly influential political publication, and consolidated a large group of print outlets, including *Blic*, *Alo!*, and *24 sata* as daily newspapers, *NIN* as a weekly news magazine, and *Puls* and *Blic Žena* as feature magazines. In 2010, Ringier merged with the Axel Springer publishing house to form Ringier Axel Springer Serbia.[201]

In 2009, the Greek investor Minos Kyriakou, owner of the Antenna media group,[202] took over TV Fox from Rupert Murdoch's News Corporation. The station changed its name to Prva Srpska Televizija, but official trading details were not released. Another Greek investor, Stephanos Papadopulos, participated in 2010 in taking over RTV B92 through a Cyprus-based offshore company, Astonko, which now holds 85 percent of B92.[203] Astonko is a joint venture of Papadopulos's company from Cyprus, Lake Bade Holdings, and another Cyprus company, Salink, which is managed by a Swedish fund, East Capital. Papadopulos is also a co-owner of Makedonia TV[204] in Thessaloniki, holding 18.91 percent of its shares.[205] According to the Greek National Council for Radio and Television,[206] Makedonia TV and Antenna are independent stations, and their ownership structures are not mixed. However, it was reported back in 2000 that Antenna was granted a call option to acquire certain interest in Makedonia TV.[207] Some reports state that Makedonia TV was purchased by Antenna.[208] Nevertheless, there is no information available indicating that the 2000 call option was ever exercised. Hence, the controversy remains unresolved.

The privatization of publicly owned media has not yet finished, even though it was supposed to be completed in 2006 for print media and in 2007 for electronic media. More than 24 state-owned outlets remain to be sold, while privatization has been temporarily suspended for another 47 outlets. Only half of the already privatized media were privatized successfully.[209] The list of unsuccessful media privatizations is very long: the Agency for Privatization has had to terminate the contracts in 17 out of 56 privatizations (i.e. 30 percent),

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201. "NIN sold to company Ringier Serbia for €810,000," eKapija, 13 March 2009, available at http://www.ekapija.com/website/sr/page/224096_en (accessed 10 September 2010).

202. See http://www.antenna.gr.

203. See "Dokapitalizacija B92, izabran UO," B92, 18 November 2010, available at http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=11&dd=18&nav_id=473269 (accessed 19 August 2011).

204. See http://www.maktv.gr.

205. See http://www.rra.org.rs/uploads/useruploads/PDF/graficki-prikaz-vlasnicke-stukture-RTV-emitera.pdf (accessed 18 August 2011).

206. See http://www.esr.gr/arxeion-xml/pages/esr/esrSite/get-index.

207. See "Antenna TV SA intends to acquire Makedonia TV," AlacraStore, M&A Deal Snapshot, 24 February 2000, http://www.alacrastore.com/deal-snapshot/Antenna_TV_SA_intends_to_acquire_Makedonia_TV-253879.

208. See "Television in Greece and Cyprus," Citizendia, available at http://www.citizendia.org/Television_in_Greece_and_Cyprus.

209. According to the *Dossier* of the Independent Journalists' Association of Serbia, May 2009, available at http://www.nuns.rs/dosije/specijal3/index.jsp (accessed 10 September 2010).

because the new owners were in breach of the legal provisions relating to the privatization of public property. All of the remaining 70 percent are also experiencing problems with their owners such as selling off property (in violation of their contracts), reneging on commitments to social programs, and failing to achieve business continuity.

A problem in the privatization process was that the Agency for Privatization did not require buyers to meet preconditions or provide guarantees. The Ministry of Culture recently admitted that the process was poorly designed and implemented, especially in smaller communities, where negative results are most visible and represent a major problem for information quality.[210] Moreover, the process of privatization has been further complicated by the contradiction between several laws that regulate the privatization of media outlets. For example, the Broadcasting Law stipulated that electronic media had to be privatized by 31 December 2007. Just a few days before the deadline, two other laws were adopted, the Law on the Capital City and the Law on Municipalities, without any public debate. These laws were directly in conflict with the Broadcasting Law as they allowed city halls and local councils to found print and electronic media. Two opposing camps of legal experts emerged following the adoption of the two laws, but the legal conundrum that they created has not yet been solved. The Law on Privatization has not played any part in this process as it is seen by lawyers as simply a technical instrument prescribing how privatization should be carried out.

On the other hand, several large and influential media—such as the Tanjug news agency, the *Politika* and *Večernje novosti* dailies, and the Studio B television station in Belgrade—are still partly or completely owned by the state or the city authorities, making them very vulnerable to political influence.[211] With the suspension of privatization, a number of media still depend on local authority budget allocations. These outlets played a significant role when local elections were held in 2008, when privatization was actually stopped. Activists of the so-called Kragujevac Initiative (*Kragujevačka inicijativa*),[212] a group of local media outlets, argue that Serbia has no market conditions for local broadcasters to survive, and the optimal strategic goal would be not to privatize local outlets, but to transform them into regional public service broadcasters.

6.1.4 Telecoms Business and the Media

Telecoms companies in Serbia presently do not hold shares in traditional media outlets. However, together with B92, the majority state-owned public telecom company Telekom Srbija launched a podcast website in 2008,[213] connecting the internet, radio, and music as an interactive portal allowing registered users to manipulate the program content of Radio B92 and to listen at the time of their choice. In addition, Telekom Srbija launched the Nadlanu.com web portal in 2005,[214] offering the most diverse content: news,

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210. Ministry of Culture, *Do donošenja medijske strategije—preporuke za finansiranje lokalnih medija* (Recommendations for Financing Local Media—Before the Media Strategy is Adopted), 15 June 2010, available at http://www.kultura.gov.rs/?p=5411 (accessed 10 September 2010).

211. G. Cetinić, "Sedi, jedvadvojka," *Vreme*, 22 April 2010, available at http://www.vreme.com/cms/view.php?id=927183 (accessed 10 September 2010).

212. Journalists Association of Serbia (*Udruženje novinara Srbije*, UNS), available at http://www.uns.org.rs/sr-Latn-CS/content/vesti/10795/kragujeva%C4%8Dka-inicijativa-za-spas-medija.xhtml (accessed 9 September 2011).

213. See http://B92.fm.

214. "*Sajt Telekoma Srbije zvaće se 'Na dlanu*" (The Website of Telekom Serbia Will Be Called "At A Glance"), *Dnevnik*, 2 November 2005.

information about cultural events, a telephone directory, and detailed information about Telekom Srbija services. Nadlanu.com is currently 18th in Alexa's top 100 sites, with 320,000 unique visitors per month.

The MTS mobile operator, which is part of Telekom Srbija, launched Mondo.rs in 2005, when it was the sole portal for mobile phones only. Mondo is currently 17th on the Alexa list, with 340,000 unique visitors per month.

It is important to add that Telekom Srbija is by far the most important advertising company in Serbia, with a marketing budget of €30 million (US$42.7 million) in 2009,[215] which was a fifth of the entire advertising market that year. With this budget, Telekom Srbija is present in almost every media outlet in Serbia. The other two other mobile operators, Telenor and Vip mobile, also have substantial budgets for marketing. Although these telecoms operators dedicate a large portion of their budget to advertising, there is no evidence that they use this power to influence specific media outlets. When a group of prominent thinkers recently started an initiative to stop the privatization of Telekom Srbija,[216] most commercial outlets did not report on the initiative or its case against privatization.

6.1.5 Transparency of Media Ownership

The lack of transparency over media ownership (see above) creates controversy, is widely criticized by the public, and urgently needs a remedy.

From the regulatory perspective, the Broadcasting Law and the Law on Public Information tackle media ownership in the following way.

Under Article 97 of the Broadcasting Law, concentration of media ownership exists when a broadcaster:

- Possesses a share in the founding capital of another broadcaster;

- Possesses a share in the founding capital of a company publishing a daily newspaper, or vice versa;

- Possesses a share in the founding capital of a company performing the activities of a news agency, or vice versa;

- Simultaneously possesses several broadcasting licenses;

- Simultaneously broadcasts both radio and television programs;

- Simultaneously broadcasts a radio and/or television program and publishes a daily newspaper distributed in the area where the radio and/or television program is broadcast;

- Simultaneously broadcasts a radio and/or television program and performs the activities of a news agency.

215. Telekom Srbija, "Izveštaj o poslovanju za 2009.godinu" (Business Report 2009), Belgrade 2010, pp. 52–53, available at http://www.telekom.rs/Financial/Financial.aspx?temp=0&sid=2&id=598.

216. See "Povreda Javnog Interesa," *Balkan Magazin*, 27 May 2010, available at http://www.balkanmagazin.net/kolumna/javno_mnjenje/povreda_javnog_interesa.xhtml; and "Telekom bez zaštite," *Republika*, 2010, available at http://www.republika.co.rs/490-491/13.html (accessed 23 February 2011).

Articles 98 and 99 of the Broadcasting Law state that prohibited concentration of media ownership—that is, prevalent influence on public opinion—shall exist when a broadcaster violates the principles of the pluralism of opinions in the mass media that are prescribed by the Broadcasting Law.

Furthermore, the RBA will not license an applicant in a public tender if it establishes that this would result in prohibited levels of ownership concentration. Therefore, an applicant for the public tender shall submit together with the application form a certified statement that the issuance of the broadcasting license would not result in prohibited concentration of media ownership in terms of the provisions of the Broadcasting Law. If the RBA establishes that the prohibited concentration of media ownership occurred after the granting of the license, it shall order the broadcaster to bring its status into accordance with the provisions of the Broadcasting Law related to prohibited concentration of media ownership within six months.

According to Article 103 of the Broadcasting Law, a broadcaster shall notify the RBA in writing of any change in ownership structure prior to the change. If the RBA establishes that the planned changes in the ownership structure would result in prohibited concentration of media ownership, it will recommend to the broadcaster to revise the changes so as to avoid it.

It should also be noted that a new Law on Media Concentration was drafted but never adopted, suggesting a lack of political will to address this issue in a transparent and legally binding way that would allow the public to have access to information on who owns and controls the media.

The RBA as a regulatory agency responsible for issuing broadcast licenses applies the provisions of the Broadcasting Law on media ownership and media concentration. However, there is an impression that the RBA may lack expertise in the overall analysis of the media market in terms of ensuring effective competition, in order to anticipate whether prohibited media concentration can occur. This suggests that the RBA's actions over media ownership are merely formal. For example, the controversial concentration of TV Avala was approved in February 2008,[217] when Željko Mitrović, owner of TV Pink, gained 4.95 percent of this broadcaster. However, the RBA failed to disclose who was behind the Austrian company Greenberg Invest, which took a 48.41 percent share in the station.

The WAZ saga described in section *6.1.2* also demonstrated all too clearly the extent to which media ownership in Serbia is still non-transparent.

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217. A. Rodic, "Mali ekrani veliki minusi" (Small Screen, Big Disadvantages), *Blic Online*, 17 October 2010, available at http://www.blic.rs/Vesti/Drustvo/212296/Mali-ekrani-veliki-minusi.

6.2   Media Funding

6.2.1   Public and Private Funding

Various sources of public and private funding for media have emerged in the last five years. It has been provided through advertising or the state budget—of the central government, the Autonomous Province of Vojvodina, or local authorities—or through EU funds and donor organizations. Furthermore, RTS is financed from the license fee as well as from the advertising, production, and selling of television programs, services, and other sources defined by statute. Of the 2.49 million households that should pay the license fee, only half of them really pay it.[218] The main financial challenge facing RTS is the inefficient collection of license fees.

Information about direct subsidies to private media was not available between 2005 and 2008, even though it was known that the Government was financing some media outlets in a non-transparent way. However, in 2009, the Ministry of Culture opened a much more transparent process of supporting media by allocating 80 million Serbian Dinars (CSD) (€7.3 million, US$10.3 million) to 125 out of 355 registered projects in a public competition for co-financed program content.[219] The Ministry supported projects of 46 radio stations, 43 television stations, 16 newspapers, 13 web portals, and seven television productions (see Table 11).

Table 11.
Support to media by the Ministry of Culture, 2009

Medium	Total sum (CSD)		
	CSD million	€ million	US$ million
Television stations	31.0	2.82	4.01
Radio stations	21.5	1.95	2.77
Web portals	11.2	1.20	1.70
Print media	9.8	0.89	1.26
Television production	6.5	0.59	0.83

Source: Ministry of Culture.[220]

The allocation of funds was one of the Government's urgent measures to assist media when the economic crisis began. Certain outlets criticized the allocation, claiming that the funds were awarded to so-called obedient media, including many state outlets and some that did not have a reputation as a serious media enterprise. As of 2010, the Ministry of Culture reduced the available funds for media projects by CSD20

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218. Deloitte, *Economic Study*, p. 30.

219. Ministry of Culture, Media and Information Society, *Kriterijum: kvalitet* (Criterium: Quality), 21 September 2009, available at http://www. kultura.gov.rs/?p=4684 (accessed 20 September 2010).

220. See http://www.kultura.gov.rs/dokumenti/SPISAK-MEDIJA0909.doc (accessed 20 March 2011).

million (€1.8 million, US$2.56 million), but increased the amount for minority media by CSD7 million (€634,000, US$902,000).[221] The outcome of the competition is not yet known.

The provincial authorities in Vojvodina have started to allocate regular funds to media projects.[222] In 2010, such projects were awarded a total of CSD24.4 million (€2.22 million, US$3.1 million).

In June 2010, the Delegation of the EU to the Republic of Serbia awarded €1.8 million (US$2.56 million) through the project "Support for Media in the Area of EU Integration" to 57 media projects that aim to improve reporting on the EU integration process in Serbia and the effects that EU membership would have on Serbian citizens' everyday lives. The beneficiaries were printed media, news agencies, and radio and television stations all over Serbia.[223] The grants under this project range from €20,000 (US$28,000) to €100,000 (US$142,000).

The 2009 advertising market in Serbia was worth €161 million (US$229.1 million), about 20 percent less than in 2008 when it was worth about €206 million (US$293.1 million). Again, that was higher than in 2007, when the advertising market had a turnover of €175 million (US$249.2 million).[224] Preliminary data for 2010 indicate a modest, almost imperceptible recovery in the advertising market—partly thanks to campaigns during the football World Cup—which have encouraged the advertising and marketing agencies to hope they can overcome the crisis.[225] Most (59 percent) of the market last year was controlled by television stations, up from 54.8 percent in the year before. This may indicate that the crisis will strengthen traditional formats, if advertisers seek low-risk solutions, even when these are more expensive.

Having said that, internet advertising grew from 0.97 percent of the total ad spending in 2008 to 1.6 percent in 2009.[226] Print media, however, are the real victims of the recession (their share falling from 25.2 to 22.4 percent), along with the OOH (out-of-home) category, which includes billboards, advertising on the street, in transportation facilities, waiting rooms, and similar places (falling from 14.6 percent to 12.7 percent).

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221. Ministry of Culture, *Ministarstvo kulture upućuje Javni poziv za prijavu projekta koji će doprineti unapređenju sistema javnog informisanja* (The Ministry of Culture Calls For a Public Tender For Projects That Would Promote the Public Information System), 21 August 2010, available at http://www.kultura.gov.rs/?p=5559 (accessed 20 September 2010).

222. Provincial Secretariat for Information of Vojvodina, available at http://www.vojvodina.gov.rs/psinf/index.php?option=com_docman&task=doc_download&gid=34&Itemid=9 and http://www.vojvodina.gov.rs/psinf/index.php?option=com_docman&Itemid=&task=doc_download&gid=37 (accessed 20 September 2010).

223. "Eur 5.3 Million For the Media and Civil Society Organizations," Delegation of the European Commission to the Republic of Serbia, 18 June 2010, available at http://www.europa.rs/en/mediji/najnovije-vesti/566/EUR+5.3+million+for+the+media+and+civil+society+organisatio ns.html (accessed 20 September 2010).

224. "Tržište oglašavanja u Srbiji premašilo 160 miliona evra" (Advertising Market in Serbia Exceeds €160 million), *Danas*, 1 August 2010, available at http://www.danas.rs/danasrs/ekonomija/trziste_oglasavanja_u_srbiji_premasilo_160_miliona_evra.4.html?news_id=196287 (accessed 20 September 2010).

225. "Televizija caruje na tržištu reklama" (Television rules on the advertising market), *Pregled*, 2 August 2010, available at http://www.nuns.rs/vesti/view.jsp?articleId=13358 (accessed 20 September 2010) (hereafter, "Television rules on the advertising market").

226. "Television rules on the advertising market."

6.2.2 Other Sources of Funding

Unfortunately, data on this issue are lacking. Journal and newspaper subscriptions are insignificant. There were some attempts to develop subscription policies and alternative funding, but they proved to be unsuccessful.

6.3 Media Business Models

6.3.1 Changes in Media Business Models

At a July 2010 conference in Belgrade on "Information technology and the future of media in Serbia," media managers and editors-in-chief concluded that the survival of the media would depend on their ability to adapt to new technologies.[227] Daily newspaper circulation fell in 2009 by almost 13 percent over 2008, together with a drop of about 21 percent in the circulation of weekly magazines.[228] Also, the number of adverts published in newspapers in 2009 fell by 30 percent to 50 percent compared with 2008.

At the same event, Dragoljub Žarković,[229] editor-in-chief of the weekly *Vreme*,[230] said that the economic crisis had accelerated the decline in circulation figures and advertising revenues, as well as speeding the development of information technology. The content of print media must change; mere information should be left to the new technologies that are able to react faster in real time. Whoever introduces this sort of qualitative change would achieve a rise in circulation.[231]

Not all traditional media understood the new, internet-based media, or a necessity to modify the traditional media forms, especially the printed media. While TV B92 has developed one of the most popular websites, which had no serious competition for a long time, and *Blic* has also put some effort into its online edition, all free, some publishers have been suspicious of releasing their content on the web without payment. Some editors-in-chief think that free online editions of print media are a mistake and that the most valuable content should not be given away.[232] The fact remains, however, that the most visited online editions are free of charge, and that they have successfully survived the crisis. Finally, there is again the positive example of *Blic*'s online edition, which doubled its online advertising share between 2009 and 2010.[233]

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227. B. Cvejic, "Prilagođavanje u hodu ili nestanak sa medijske scene" (Immediate Adjustment or Disappearance From the Media Scene), *Danas*, 8 July 2010, available at http://www.danas.rs/dodaci/biznis/prilagodjavanje_u_hodu_ili_nestanak_sa_medijske_scene.27.html?news_id=192668 (accessed 20 September 2010).

228. Đorđe Padejski, Head of the Center for Investigative Journalism (CINS) of IJAS, speaking at the above-mentioned conference, available at http://www.danas.rs/konferencije/informacione_tehnologije_i_budu%C4%87nost_medija_u_srbiji.970.html?cId=62 (accessed 20 September 2010).

229. See D. Žarković, available at http://www.danas.rs/konferencije/informacione_tehnologije_i_budu%C4%87nost_medija_u_srbiji.970.html?cId=62 (accessed 20 September 2010) (hereafter, Žarkovic).

230. See http://www.vreme.com (accessed 20 September 2010).

231. Žarkovic.

232. See T. Skrozza, "Preživljavanje 'namišiće'" (Hardly Surviving), *Dossier*, IJAS, Belgrade, February 2010, available at http://www.nuns.rs/dosije/32/01.jsp (accessed 20 September 2010).

233. Interview with Jovan Protić, 26 August 2010.

What this all shows is the vast potential for online business in Serbia, especially in the connection between traditional media and their web editions, following the example of *Blic*. However, the overall rise in online advertising is still very small.

6.4   Assessments

The Registry of Public Media provides only minimal information about the actual owners of media outlets, such as information about the company which formally publishes a newspaper or broadcasts a program. Consequently, the lack of transparency in media ownership is one of the biggest problems in this area. Offshore companies are very much present, with the purpose of concealing the true owners. For example, Prva Srpska Televizija, TV B92, Radio B92, Radio Index, and Radio Roadstar, all with national coverage, and the *Večernje novosti* and *Press* newspapers, are owned by companies registered in Cyprus, and TV Avala has unknown owners in Austria.

In addition to this, there is a significant group of media with insufficiently transparent domestic capital, where the formal owners of the companies are fronts for local businessmen or politicians. The Socialist Party of Serbia (*Socijalistička partija Srbije*, SPS) used to own Radio S directly,[234] but now this station is formally in the possession of Ljubinka Andjelković, the mother of Zoran Andjelković, a member of the SPS main board and president of the management board of Serbian Railways.[235] There are some more obvious examples of party officials owning media outlets. TV Most,[236] which has a regional license, is owned by the parents of Dusan Bajatovic, SPS vice-president and director of the state-owned company Srbijagas; and Dalibor Markovic, son of Dragan Markovic Palma, mayor of Jagodina and president of the political party United Serbia, owns TV Palma plus,[237] which has a regional television license.

While there is no reliable evidence that digitization has affected media monopolies, dominant positions, or ownership transparency, it has certainly increased the amount of available information and the pluralism of news sources. There is no indication that digitization has had a noticeable impact on media ownership. Unfortunately, there are no publicly available data on media financing and business models. It is known that they struggled with the financial crisis and that advertising revenues declined.

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234. See information about Radio S at the RBA website, available at http://www.rra.org.rs/pages/view_permit/latinica/23 (accessed 20 June 2011).

235. On 17 July 2011, the RBA published the new ownership structure for all national broadcasters, where it is shown that Radio S is owned by Ljubinka Andjelković. See http://www.rra.org.rs/uploads/useruploads/PDF/graficki-prikaz-vlasnicke-stukture-RTV-emitera.pdf (accessed 15 August 2011).

236. See information about TV Most at the RBA website, available at http://www.rra.org.rs/pages/view_permit/latinica/65 (accessed 20 June 2011)

237. See information about TV Palma plus at the RBA website, available at http://www.rra.org.rs/pages/view_permit/latinica/53 (accessed 20 June 2011).

7. Policies, Laws, and Regulators

7.1 Policies and Laws

7.1.1 Digital Switch-over of Terrestrial Transmission

7.1.1.1 Access and Affordability

The Strategy for Switch-over and the Law on Electronic Communications create a solid basis for clear access by broadcasters holding a license for analog broadcasting to signal carriers and multiplexes before switch-off. If it develops consistently, the process will be fair. All the programs that are broadcast in accordance with the Broadcasting Law or based on licenses for terrestrial broadcasting on a nationwide basis (public service and national commercial operators) will be placed in the same multiplex, while the service zones from existing licenses for analog broadcasting remain the same.[238] The question is whether it is realistic to achieve that until the date scheduled for the switch-over from analog to digital broadcasting when 90 percent of the population must have digital signal, as prescribed by the Strategy for Switch-over. In addition, a concern remains as to whether switch-off will actually be implemented on 4 April 2012 as planned, or will have to be postponed due to many delays in the switch-over process (including, to date, the missed deadlines for adopting necessary by-laws, the failure to prepare the digital network project, and the fact that the Broadcasting Equipment Company is only just now becoming operational).

As a general objective regarding program content, the Strategy for Switch-over aims to create conditions for the development of freedom of expression, information, and media pluralism; introduce new services in the audiovisual sector; and develop interactive services and other content, with preservation and promotion of cultural differences and the realization of the rights of persons with disabilities.[239] However, there are no specific provisions to increase minority media or news programs.

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238. Strategy for Switch-over, p. 20.

239. Strategy for Switch-over, p. 21.

7.1.1.2 Subsidies for Equipment

The Strategy for Switch-over states that the costs for the equipment needed for digital broadcasting of radio and television programs will be covered by the state budget through MTIS.

The prescribed subsidies scheme, in accordance with economic conditions at the time of the switch-over from analog transmitters to digital broadcasting, will be to the tune of €25 (US$34.75) for the acquisition of an STB for both terrestrial and paid-television subscribing households.[240] This will translate into a total budget of some €77.5 million (US$107.73 million). There will also be subsidized costs of acquiring STBs for socially vulnerable persons (including pensioners with the lowest pensions and citizens who receive financial support on different grounds, e.g. family support, care for disabled, etc.) to the tune of €50 per household, which will mean another budget worth €15 million (US$20.9 million). It remains to be seen which subsidy scheme the Government will use in order to help socially vulnerable groups of citizens.

Under Article 97 of the constitution of the Republic of Serbia, the State has the authority to regulate and ensure all relations that are of general public interest, and according to Article 51 of the constitution, all citizens have the right to obtain prompt and full information on matters of public importance. Therefore, there is an obligation on the State to provide such resources from the budget in order to ensure that citizens can receive television programs.

7.1.1.3 Legal Provisions on Public Interest

The existing legal framework, namely the Strategy for Switch-over and the Law on Electronic Communications, provides clear and transparent criteria to ensure that digital switch-over of terrestrial platforms serves the public interest. However, this requires the adoption of several by-laws and documents, including the financial plan for acquiring and distributing STBs, and measures for motivating the domestic producers of STBs and equipment producers for the distribution network. The crucial document that MTIS needs to prepare is the financial plan for the realization of the digital broadcasting network and for the implementation dynamics of the investments.[241] None of this has been done.

7.1.1.4 Public Consultation

Several legal documents have a direct or indirect impact on pluralism and diversity in digital broadcasting. However, further regulatory measures are needed to ensure that digital switch-over strengthens these values rather than weakens them.

The first policy paper is the Strategy for Switch-over, which sets the policy on switch-over to digital broadcasting by acknowledging the chosen standards for digital broadcasting; determining the switch-off date; and establishing the network and multiplex operator as a public enterprise, the Broadcasting Equipment

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240. Strategy for Switch-over, p. 13.

241. Strategy for Switch-over, p. 25.

Company, economic aspects of the whole process, subsidy models for socially vulnerable groups of citizens, and so on. The Action Plan, as an integral part of the Strategy for Switch-over, determines the concrete actions and steps necessary to be taken in order for the process of digitization to be successful, in particular the by-laws that are expected to be enacted (see above)—namely, rules on switch-over from analog to digital broadcasting of radio and television programs and multiplex access in digital terrestrial broadcasting, and rules on amendments and supplements for valid existing broadcasting licenses.[242]

The next one is the Law on Electronic Communications that gives a firm ground for transition from analog to digital television program broadcasting by regulating in particular the manner and schedule of transition; the requirements and timetable of the establishment of the network for digital television program distribution; applications for the formation of the multiplex; and the scope of use of radio frequencies to the necessary extent for successful transition to digital television program broadcasting. In addition, the Broadcasting Equipment Company shall establish an electronic communications network for multiplexing, distributing, and broadcasting digital television programs enabling access to multiplexes for television license holders and, with the accompanying by-laws that need to be adopted urgently, create a solid legal base for digital switch-over from a technical point of view. Almost nothing has been done by the media to create a proper regulatory environment for the diversity of digital programming.

The Broadcasting Law was written for the analog media environment with the aim of regulating more than 1,000 electronic media that were all broadcasting without licenses. Therefore, a completely new Law on Electronic Media is now needed in order to regulate broadcasting in the digital environment, both linear and non-linear services, enabling media to offer a variety of programs, and so forth.

The first step toward the preparation of a new Strategy for Media Development in Serbia has been the presentation of a Media Study, funded by the EU, prepared by experts from Austria, Germany, and Denmark between April and June 2011, and comprising an overview of the media scene in Serbia together with the recommended issues that need to be addressed. Six roundtable meetings were organized by the OSCE, the Delegation of the European Commission to the Republic of Serbia, and the Ministry of Culture, with support from the British Embassy between 2 September and 4 October 2010, giving the public an opportunity to debate the Media Study and its conclusions. However, participants were invited by the organizers, so there was no possibility of wider public debate. After each roundtable, ANEM presented conclusions drawn from the discussions, because it was felt that it was very important to include public opinion in the process of drafting the Media Strategy in order to ensure that the Media Study would represent good grounds and a basis for drafting.[243]

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242. Strategy for Switch-over, p. 34.

243. See ANEM, *Predlog zaključaka sa drugog okruglog stola za izradu nacrta medijske strategije* (Draft Conclusions of the Second Roundtable to Draft a Media Strategy), 16 September 2010, available at http://www.anem.rs/sr/aktivnostiAnema/AktivnostiAnema/story/11317/PREDLO G+ZAKLJU%C4%8CAKA+SA+DRUGOG+OKRUGLOG+STOLA+ZA+IZRADU+NACRTA+MEDIJSKE+STRATEGIJE.html (accessed 10 October 2010).

The next step was the drafting of the Media Strategy by a working group, established by the Ministry of Culture in cooperation with six media organizations: NUNS, ANEM, UNS, NDNV, Local Press, and the Association of Media. The Ministry signed the Protocol on 18 April 2011 in which six entities proposed five members of the working group, while the Ministry appointed two. Support was given by the EU, which assigned an expert to help during the drafting process. The task had a deadline of 1 June, when the working group delivered the Draft Media Strategy to the Ministry, which presented the paper to the public for debate. The Ministry organized debates in six Serbian cities while at the same time publishing audiovisual records of these events, as well as comments received on the website.[244] The comments[245] were mainly related to media ownership (especially concerning the role of the State), the position of media broadcasting in national minority languages, and the role of the regulatory authorities.

The Draft Media Strategy has defined the public interest in Serbia's public information area for the first time; it also defines media concentration and measures to achieve transparency of media ownership. Mr Vincent Degert,[246] Head of the Delegation of the European Union to the Republic of Serbia, sent a clear message that Serbia needs clear rules on financing media as well as to guarantee fair competition.[247] However, the draft has already triggered a lot of political disagreement.[248] Therefore, the Ministry of Culture asked the Prime Minister to form a commission of government bodies to decide on the problematic issues.[249] No one, apparently, was keen to decide on unpopular measures, such as the privatization of the remaining local media outlets, one year before elections. The only positive development seems to be the EU pressure on the Government to adopt the Strategy for Switch-over as a major step forward in Serbia's EU integration process.[250]

However, the Prime Minister decided to establish a new working group consisting of nine members: seven from various government institutions, only one from the media sector, and one from the European Commission. After very tense negotiations under the auspices of the European Commission, the working group finished a final draft on 8 September. While the government accepted six of the seven comments submitted by media sector, the comment about establishing six regional public broadcasting services

244. See Ministry of Culture, *Audio video zapisi javnih rasprava o nacrtu strategije razvoja sistema javnog informisanja u republici srbiji do 2016* (Audio-visual Recordings of Public Hearings on the Draft Strategy for Public Information in Serbia in 2016), Belgrade, 7 July 2011, available at http://www.kultura.gov.rs/?jez=&p=6131 and *Predlozi komentari primedbe i sugestije na nacrt strategije razvoja sistema javnog informisanja u republici srbiji do 2016* (Suggestions, Comments, and Remarks on the Draft Strategy for Public Information in Serbia in 2016), Belgrade, 12 July 2011, available at http://www.kultura.gov.rs/?jez=&p=6136 (accessed on 15 July 2011).

245. J. Surculija, "Analiza komentara učesnika javne rasprave o nacrtu medijske strategije" (Analysis of the Comments Received through the Public Debate on Media Strategy), ANEM, August 2011, available at http://www.anem.rs/sr/aktivnostiAnema/AktivnostiAnema/story/12503/ANALIZA+KOMENTARA+U%C4%8CESNIKA+JAVNE+RASPRAVE+O+NACRTU+MEDIJSKE+STRATEGIJE.html (accessed 18 August 2011).

246. See "Welcome" page of the EU Delegation to Serbia's website, available at http://www.europa.rs/o_nama/dobro_dosli.html (accessed 1 August 2011).

247. "Dežer: potrebna jasna pravila u finansiranju medija" (Degert: We Need Clear Rules on the Financing of Media), *Danas*, 31 July 2011, available at http://www.danas.rs/danasrs/drustvo/dezer_potrebna_jasna_pravila_u_finansiranju_medija.55.html?news_id=220606 (accessed 1 August 2011).

248. See B. Cvejic, "Javnost nejedinstvena potrebna politička odluka" (Divided Public Need a Political Decision), *Danas*, available at http://www.danas.rs/danasrs/drustvo/javnost_nejedinstvena_potrebna_politicka_odluka.55.html?news_id=221380 (accessed on 15 July 2011).

249. See Ministry of Culture, Media and Information Society, *Završen predlog nacrta medijske strategije* (Draft Strategy Completed), Belgrade, 17 August 2011, available at http://www.kultura.gov.rs/?jez=sc&p=6193 (accessed on 15 July 2011).

250. See EU Delegation to Serbia, *Dežer: sledeći korak—reforme* (Degert: Next Step—Reform), available at http://www.europa.rs/mediji/najnovije-vesti/1063/De%C5%BEer%3A+Slede%C4%87i+korak+-+reforme.html (accessed on 15 July 2011).

remains the subject of dispute.[251] The government adopted the Media Strategy on 28 September 2011, but unfortunately—and inexplicably—this was done by telephone conference, one day before a regular meeting of government ministers. This meant that the ministers did not really have a chance to discuss the document at the government session.

Nevertheless, in its subsequent communication to the European Parliament and the European Council, the Commission pointed out the progress in Serbia'sn media sector by saying that "a long awaited Strategy for the Development of the Media Sector (Media Strategy) was adopted in September 2011. It aims at increasing editorial independence and better protecting media outlets from undue influence. It also lays down the foundations for forthcoming legislative changes which should clarify the market environment in which media outlets are operating."[252]

The Strategy for Switch-over was subject to broad public discussion on several occasions, including roundtables and comments available on the Ministry's website (e.g. B92, RTS, TV Pink, FOX, Telenor, Vip mobile, Ericsson, GSM Association, and RATEL).[253] Received comments showing public opinion appeared to have a great influence on the final formulation of the Strategy for Switch-over. After its adoption, civil society organizations took over the events where digitization in Serbia was being discussed. One of them was the public discussion "Digitization, obligations and deadlines" that was held in Belgrade on 11 September 2009 and was organized by NUNS.[254] The other occasion where digitization was discussed was in a workshop on "Upcoming digitization and its implications for ANEM's local and regional stations—how to survive?," held on 20 May 2010 in Belgrade's Media Center.[255] These events demonstrated a high level of public interest and engagement in digitization.

Furthermore, the public discussion on the Draft Law on Electronic Communications was held during October 2009, and three roundtables were organized in Belgrade, Niš, and Novi Sad. The comments were received from the Alliance for Passenger Connectivity, the Security Information Agency, the Foreign Investors Council, RATEL, the National Competition Authority, Serbia Broadband (SKM), RTS, the Ministry of Internal Affairs, the Faculty of Transport and Traffic Engineering, the Commissioner for Information of Public Importance and Personal Data Protection, Telenor, and Vip mobile, and were published on the Ministry's website.[256]

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251. *Medijska strategija—Šta dalje?* (Media Strategy—what next?), available at http://www.mc.rs/medijska-strategija--sta-dalje.4.html?eventId=8173 (accessed 7 October 2011).

252. See the *Communication from the Commission to the European Parliament and the Council: Commission Opinion on Serbia's application for membership of the European Union*, published 12 October 2011. Available at http://ec.europa.eu/enlargement/pdf/key_documents/2011/package/sr_analytical_rapport_2011_en.pdf (accessed 15 October 2011).

253. See http://www.mtid.gov.rs/aktivnosti/javne_konsultacije/strategija_i_akcioni_plan_za_prelazak_na_digitalno_emitovanje.521.html (accessed 10 October 2010).

254. The discussion was fully reported in a special issue of *Dosije* magazine, available at http://www.nuns.rs/dosije/specijal6/index.jsp (accessed 10 October 2010).

255. For information about the workshop, see http://www.anem.rs/sr/aktivnostiAnema/ostaleAktivnosti/story/11135/RADIONICA+ZA+%C4%8 CLANICE+ANEMA%3A+Predstoje%C4%87a+digitalizacija+i+njene+implikacije+na+ANEMove+lokalne+i+regionalne+stanice+%E2%80% 93+kako+opstati.html (accessed 10 October 2010).

256. See http://www.mtid.gov.rs/aktivnosti/javne_konsultacije/zakon_o_elektronskim_komunikacijama.621.html (accessed 10 October 2010).

RATEL has the same practice of conducting public consultations in the course of preparing relevant by-laws. The text of a proposed act can be found on its website with detailed instructions and information.[257]

Furthermore, it has been recorded that, besides public administration and regulators, public participation in media policymaking is ensured by certain actions of independent entities and institutions or citizens individually. For example, Public Information Commissioner Rodoljub Šabić runs a blog on B92's website,[258] where he raises issues of public importance. Also, the British Embassy in Serbia has its blog on the same site, commenting on political issues but also on everyday life in Serbia, thus encouraging public participation.[259] Finally, Branka Stamenković, alias Krugolina Borup, has made an impact on health policy by her online campaign, involving the wider public on her blog, pressuring the Ministry of Health to change policies on the rights of women in maternity hospitals.[260]

Pistaljka.rs (The Whistle) is a new website, established on 30 July 2010, where citizens can report corruption at their workplace or elsewhere, without fear that their identity will be discovered. The editor, Vladimir Radomirović, says that citizens need only complete the form that is available on the website and identify the action or document that they consider to be implicated in fraudulent activities. This action can be followed up by journalists who approach the institution concerned to disclose the document under the Law on Access to Public Information.

7.1.2   The Internet

7.1.2.1 Regulation of News on the Internet

At the moment, news delivery is not regulated on the internet and mobile platforms. The new Law on Electronic Media, now in preparation, is expected to fill this gap by regulating news and other content delivery, but it is not known what form such regulation will take.

7.1.2.2 Legal Liability for Internet Content

Liability for internet content has not been regulated. Only general rules apply, by which the author or website owner is held responsible for content. Again, the new Law on Electronic Media is expected to plug this gap.

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257. See http://www.ratel.rs (accessed 10 October 2010).

258. See Rodoljub Šabić's blog, available at http://blog.b92.net/blog/12170/Freedom-of-Information/ (accessed 15 October 2010).

259. See the British Embassy's blog, available at http://blog.b92.net/blog/114976/UKinSerbia/ (accessed 15 October 2010).

260. See Krugolina Borup's blog, available at http://blog.b92.net/blog/7485/Krugolina-Borup/ (accessed 15 October 2010).

7.2 Regulators

7.2.1 Changes in Content Regulation

Content regulation has not been changed in a more profound way to include the regulation of both linear and non-linear audiovisual services. The Broadcasting Law is still in force, although it dates back to 2002. The new Law on Electronic Media, now in preparation, is urgently needed, so that it can be harmonized with the *acquis communautaire*, especially the EU's Audiovisual Media Services Directive (AVMSD).[261]

7.2.2 Regulatory Independence

Serbia has two regulatory authorities, the RBA and RATEL. The first was established under the Broadcasting Law, and the second was established by the Law on Telecommunications and its continuity was ensured in the new Law on Electronic Communications. The independence of these regulators is guaranteed by Article 6 of the Broadcasting Law and Article 7 of the Law on Electronic Communications. However, these mechanisms are not properly implemented.

At the RBA, the procedure for selecting council members has proved to be very complicated since its first composition in April 2003. According to Article 23 of the Broadcasting Law, members are elected by Parliament upon the proposal of authorized proponents (the competent parliamentary board; the Autonomous Province of Vojvodina; the Conference of Universities of Serbia; the Association of Broadcasters; journalists and other experts from the media sector; domestic NGOs and an association of citizens; and traditional church and religious communities). It is very unclear which organizations and institutions are actually eligible to be authorized proponents.

Problems over the selection of RBA council members have occurred on several occasions. The Broadcasting Law had to be amended, initially in August 2004, in order to solve the huge criticism over the controversial appointments of three council members.[262] In its 2006 Progress Report, the European Commission pointed out that the situation of the RBA was "a matter of concern," and that the problem went beyond the issue of independence to include professional standards, accountability, and legality.[263] The lack of transparency of the decision-making process with regard to the allocation of national, regional, and local frequencies was stressed. In addition, the Law on the Amendments to the Broadcasting Law,[264] adopted in October 2006, states that the Government (and not, as in the original text, Parliament), gives consent to the RBA's Financial Plan.

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261. See Directive 2007/65/EC of the European Parliament and of the Council of 11 December 2007 amending Council Directive 89/552/EEC on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the pursuit of television broadcasting activities, 18 December 2007, *Official Journal of the European Union*, L332/27, available at http://www.ebu.ch/CMSimages/en/leg_ref_ec_directive_ams_111207_tcm6-57064.pdf.

262. Legal opinion concerning the Decisions of the Republican Broadcasting Agency Council of Serbia on the allocation of broadcasting licenses for Radio and Television stations for the territory of the Republic and for the territory of the Autonomous Province, by Dr Karol Jakubowicz, Director, Strategy and Analysis Department, National Broadcasting Council of Poland, Warsaw, 21 May 2006.

263. See European Commission Staff Working Document, *Serbia 2006 Progress Report*, Brussels, 8 November 2006, available at http://ec.europa.eu/enlargement/pdf/key_documents/2006/Nov/sr_sec_1389_en.pdf (accessed 15 October 2010).

264. Official Gazette of the Republic of Serbia 85/2006.

The European Commission repeated in its 2007 and 2008 Progress Reports that the situation of the RBA remained a cause for concern. Hence the allocation of national frequencies in 2006 was still controversial and continued to raise issues of transparency and accountability.[265] A number of decisions had been contested before the courts, while the allocation of regional and local frequencies had been ongoing, with a number of appeals pending. One concern was related to the enforcement of judicial decisions. The first progress related to the transparency, accountability, and efficiency of the RBA was reported in the 2009 Progress Report, reflecting the fact that decisions since 2008 have all been published on the internet.[266]

However, new controversies emerged in 2009. After the mandate of two council members expired on 17 February 2009, it took 10 months and many controversies before new members were selected. The criticism arose when the authorized proponents submitted a list of candidates to Parliament that contained more names than are prescribed by Article 24 of the Broadcasting Law. The competent parliamentary committee applied, for the first time, the right prescribed by the amendments of the Broadcasting Law from May 2009, stating that when the list contains more than two candidates for council membership, the parliamentary committee is entitled to select two names and propose them to Parliament. When the parliamentary committee selected two candidates who did not have public support, some 30 NGOs submitted a petition for the committee to annul this decision, which they likened to a farce.[267] Parliament voted down the two new candidates of the authorized proponents, which provoked criticism that Parliament had rejected the media experts' or authorized proponents' opinions, and this would open the selection process to political influence. The authorized proponents had to prepare a new set of candidates.[268] Finally, on 11 December 2009, one member was selected as a representative of the NGO sector and the association of citizens; at the end of the month, Parliament elected three more members, who were actually re-elected from the previous RBA council.[269]

As a result, with the election of the Broadcasting Council in Serbia, even in 2010, seven years after the first case of breach of the Broadcasting Law appeared, all mechanisms that had been changed in its composition and election process proved to be insufficient to ensure the regulators' independence and actually strengthened political influence. In such an environment, the independence of the regulatory authority becomes questionable.

On the other hand, the Law on Electronic Communications that replaced the Law on Telecommunications was adopted by Parliament on 29 June 2010. It brought certain changes in the election of the managing board of RATEL, and has thus raised the issue of the independence of the selection process.

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265. See European Commission Staff Working Document, *Serbia 2007 Progress Report*, Brussels, 6 November 2007, available at http://www.europa.rs/upload/documents/key_documents/2007/serbia_progress_reports_en.pdf; and European Commission Staff Working Document, *Serbia 2008 Progress Report*, Brussels, 5 November 2008, available at http://www.europa.rs/upload/documents/key_documents/2008/serbia_progress_report_en%202008.pdf (accessed 15 October 2010) (hereafter, EU, *Serbia 2008 Progress Report*).

266. See European Commission Staff Working Document, *Serbia 2009 Progress Report*, Brussels, 14 October 2009, available at http://www.europa.rs/upload/documents/key_documents/2009/sr_rapport_2009_en.pdf (accessed 15 October 2010) (hereafter, EU, *Serbia 2009 Progress Report*).

267. ANEM, *Legal Monitoring of the Media Scene in Serbia*, October 2009.

268. ANEM, *Legal Monitoring of the Media Scene in Serbia*, November 2009.

269. ANEM, *Legal Monitoring of the Media Scene in Serbia*, December 2009.

Under the previous Law on Telecommunications (Article 11), the managing board was selected by Parliament on the Government's recommendation. This recommendation reflected the candidates' expertise and experience in telecommunications. The right to submit applications for the management board rested with the Government, MTIS, the Autonomous Province of Vojvodina, associations of telecoms operators, associations of entrepreneurs, and academic institutions involved with telecommunications.

According to the Law on Electronic Communications, MTIS announces a public competition for the election of members of the managing board at least 180 days before the expiry of the mandate of the current members, or in certain circumstances shortly before the expiry. The competition is published in the *Official Gazette* and on the MTIS and RATEL websites. The applications are to be submitted to MTIS within 30 days of the announcement of the public competition in the *Official Gazette*. Within 30 days, the Government draws up the list of proposed candidates and sends it to Parliament. Parliament votes on the management board selection, taking into account relevant provisions of the Law on Electronic Communications. If Parliament does not choose all the members of the managing board, the procedure is repeated for the empty places.[270]

The biggest difference under the new law is that there are no longer authorized proponents for the members of the managing board. Public competition is now the only way of submitting applications. The new system appears to be more transparent and publicly accountable. However, due to the fact that MTIS is in charge of collecting the applications and drawing up the list of eligible candidates, concerns remain that political influence may still occur.

In accordance with the Law on Electronic Communications, as proposed by the Government, Parliament appointed the president, deputy president, and members of the managing board of RATEL on 31 March 2011.[271] The current composition sounds very positive and time will tell whether the mechanisms for ensuring the board's independence work in practice.

7.2.3   Digital Licensing

The issues that caused most concern in terms of the fairness and transparency of digital licensing related to the Broadcasting Equipment Company. The dysfunctional aspects of this body meant that broadcasters had no counterpart to negotiate with. The newly established company became functional in September 2010, but there is no information on its performance. Also, the network architecture for terrestrial digital broadcasting is still not determined, so broadcasters cannot plan their investments for switch-off in 2012. There is a fear that there will be no plan on how new licenses for empty multiplexes will be divided after 2012. Furthermore, the by-law on switch-over from analog to digital broadcasting that the MTIS prepared in cooperation with RATEL and RBA was opened for public discussion on 18 November 2010. Seven comments were received:

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270. Law on Electronic Communications, Art. 14.

271. See *Official Gazette of the RS*, 23/11, 1 April 2011; "Managing Board" on RATEL's website, available at http://www.ratel.rs/about_ratel/managing_board.113.html; and http://www.mtid.gov.rs/aktivnosti/aktuelno.903.html (accessed 15 October 2010).

from Telekom Srbija, Vip mobile, the Broadcasting Equipment Company, RTS, ANEM, a member of RATEL's managing board, and EI Informatika Nis, a public company.[272]

The by-law deals predominantly with technical aspects of digitization, by setting certain standards for the digital network, determining the composition of the multiplexes and channels, and confirming 4 April 2012 as the date for switch-over. The by-law was adopted in February 2011 and is expected to be published in the *Official Gazette* as well as on the MTIS website. Furthermore, it is noted that it does not deal with the issue of broadcasting licenses, due to the fact that the Broadcasting Law does not create a legal basis for dealing with this matter in this specific by-law. Therefore, there is an acute need for the new Law on Electronic Media to regulate the licenses for digital broadcasting, in order to ensure that all aspects of digitization of television are covered.

7.2.4 Role of Self-regulatory Mechanisms

The Ombudsman of the Republic of Serbia and the Commissioner, as independent institutions, have a very important role in the digital environment, extensively using their websites and blogs to raise awareness of issues of public importance as well as to communicate with citizens.

One example is the recent adoption of the Law on Electronic Communications, which provoked keen media attention and public criticism due to a contentious article (128) that was not included in the version of the draft that was available for public debate, but was added to the version that was adopted by Parliament by emergency procedure.

Article 128 states that the operator has a duty to retain electronic data in order to make possible the discovery, investigation and prosecution of criminal offences, in accordance with the law and in order to protect national or public security and defense of the country. Retained data provide the information on electronic communication traffic data such as its source and destination, duration, identification of the user's equipment, including mobile user's equipment, but do not include the content of the call. Article 128 (paragraph 5) states that the operator has a duty to retain these data so that they are accessible or delivered without any delay upon the demand of the public authorities, in accordance with Article 128 (paragraph 1), which creates an impression that these data can be accessed on the demand of the public authorities without a court order.

The Ombudsman, Saša Janković, together with the Commissioner, Rodoljub Šabić, argued that these provisions of the law were not in line with Article 41 of the constitution, which guarantees the secrecy of postal and other means of communications, allowing exceptions only for a limited period and on the basis of a court order. Thus, the Ombudsman demanded the line to be inserted in the law that the only way to access the data by the police or security agency had to be with a court order. On 8 June 2010, he submitted

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272. See Ministry of Telecommunications and Information Society, "Public Consultation," 18 November 2010, available at http://dev.mtid.gov.rs/ aktivnosti/javne_konsultacije/javne_konsultacije_o_predlogu_pravilnika_o_prelasku_sa_analognog_na_digitalno_emitovanje_televizijskog_ programa_i_pristupu_multipleksu_u_terestrickoj_digitalnoj_radiodifuziji.1005.html (accessed 25 February 2011).

a proposal to amend Article 128 to the competent parliamentary committee. The head of the largest ruling party coalition group, Za evropsku Srbiju (For a European Serbia), had made several statements that this proposed amendment would not be accepted, and also that it had not been submitted in the prescribed form and therefore was not put to a parliamentary vote.[273]

However, on 14 June 2010, the Parliamentary Committee for Traffic and Communication rejected one proposed amendment (of Article 128 paragraph 5) offered by the Ombudsman, but adopted another proposed amendment (to Article 130 paragraph 3), also made by the Ombudsman, that allows the Commissioner and Ombudsman to supervise the implementation of these provisions.[274] As a response to the head of the coalition group, the Ombudsman stated that he submitted regularly the proposal for the amendment and he attached the copy of the submitted proposal with the date of the receipt on the Ombudsman's website.[275] It was a very important use of digital media; hence, the attached document was published in all the media the next day, quoting the website as the source. In addition, many institutions and individuals supported the Ombudsman's initiative.[276]

As a result, when the Law on Electronic Communications was adopted by Parliament on 29 June 2010, 117 MPs voted yes, four abstained, and five did not vote.[277] On 1 October 2010, the Ombudsman and the Commissioner asked the Constitutional Court to assess the constitutionality of contestable provisions of the Law on Electronic Communications.

The consequences of the adoption of the Law on Electronic Communications for the media lead to concerns that the possibility of tracking the listing of incoming and outgoing calls of journalists may reveal their reliable sources of information, thereby undermining the provision of the Law on Public Information that guarantees the protection of secrecy of the source of information.[278]

The Press Council of Serbia was formed on 2 November 2009 and its founders were Veselin Simonović, Vladan Filipčev, Nadežda Gaće, and Ljiljana Smajlović (representatives of ANEM, the local press association of independent local media, and the NUNS and UNS journalists' associations). The editor-in-chief of *Politika*, Dragan Bujošević, was appointed as the first director of the management board of the Press Council.

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273. See "Ombudsman nije podneo amandman" (Ombudsman Did Not File An Amendment), B92, 10 June 2010, available at http://www.b92.net/info/vesti/index.php?yyyy=2010&mm=06&dd=10&nav_id=437732 (accessed 15 October 2010).

274. ANEM, *Legal Monitoring of the Media Scene in Serbia*, June 2010.

275. See Ombudsman, *Saopštenje zaštitnika građana Saše Jankovića povodom izglasavanja predloga Zakona o elektronskim komunikacijama u Narodnoj skupštini Republike Srbije*, 29 June 2010, available at http://www.ombudsman.rs/index.php/lang-sr_YU/aktivnosti/saopstenja/955-2010-06-29-09-58-53 (accessed 15 October 2010).

276. See Ombudsman, *Reagovanja nevladinih organizacija i stručne javnosti na odbijanje amandmana Zaštitnika građana na Predlog zakona o elektronskim komunikacijama*, 23 June 2010, available at http://www.ombudsman.rs/index.php/lang-sr_YU/component/content/article/947 (accessed 15 October 2010).

277. See "Usvojen zakon o elektronskim komunikacijama" (Adopted Law on Electronic Communications), *Blic Online*, 29 June 2010, available at http://www.blic.rs/Vesti/Politika/196025/Usvojen-Zakon-o-elektronskim-komunikacijama (accessed 15 October 2010).

278. ANEM, *Legal Monitoring of the Media Scene in Serbia*, June 2010.

The Press Council will be sponsored by the Press Council of Norway. The question of long-term funding has not yet been solved; this is an important aspect of its future independence. The media industry will appoint four members to the board of directors, and the same number will be appointed by media associations. Three further members will be chosen as public representatives. The Press Council should represent an important tool for solving conflicts between the media and the public. However, it has not yet taken any steps that have led to a broader public discussion about the digitized environment. The question today is whether it will become truly functional at all.

7.3   Government Interference

7.3.1   The Market

Government interference in the market and regulation occurs where legal gaps exist or regulation is not sufficiently clear or wrongly implemented.

7.3.2   The Regulator

According to the European Commission's Progress Reports on Serbia and Montenegro from 2005, the Government was in charge of all affairs regarding telecommunications and broadcasting because the regulators were newly established and faced many problems from the outset. Furthermore, the lack of regulation such as the Strategy of Development of Telecommunications or the Frequency Allocation Plan allowed for more government interference with the regulator.[279]

In 2006 and 2007, the regulatory agencies were reported to be working with increased independence. However, in 2008 it was noted that coordination between MTIS and RATEL had been affected by major disagreements, preventing the proper functioning of regulatory and legislative mechanisms. In June 2008, MTIS decided to temporarily take over RATEL's responsibilities. The Government subsequently repealed this decision, indicating that it was not in line with the Law on State Administration. With the appointment of the new Government in July 2008, relations between MTIS and RATEL started to improve.[280] Given that the level and quality of cooperation between the two differ from the composition of the Government, it can be concluded that government inference and political influence were a factor. However, since then, the positive development—of a decrease in political interference—has been noted. According to the 2009 Progress Report on Serbia, RATEL is operationally and financially autonomous.[281] Also, in September 2010, the Government adopted RATEL's annual financial plan for the first time. This action is certainly commendable because it leads to a transparent and proper functioning of the regulatory agency.

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279. European Union, *Serbia and Montenegro 2005 Progress Report*, Brussels, 9 November 2005, available at http://www.europa.rs/upload/documents/key_documents/2005/2005%20sec_1428_final_en_progress_report_scg.pdf (accessed 20 October 2010)).

280. EU, *Serbia 2008 Progress Report*.

281. EU, *Serbia 2009 Progress Report*.

The Government's influence on RBA is shown in section *7.2.2*, providing an example of political interference in the election of its managing board. According to the 2009 Progress Report, RBA's capacity was bolstered with new equipment, which allowed more efficient monitoring of broadcasters. However, the Report also stated that the inadequate institutional and regulatory capacity needs to be addressed and real progress remains contingent on the implementation of existing legislation.[282]

7.3.3   Other Forms of Interference

As described in section *6.1.1*, the adoption of the Law on Public Information initiated many public discussions of state interference in the media as a means of exerting extra-legal pressures. When the Constitutional Court repealed the contentious provisions of the law that clashed with constitutional provisions on human rights and freedom of speech, observers concluded that pressure by the state authorities was diminishing. The fact that the Constitutional Court fulfills its role as a guardian of the constitution points to the conclusion that human rights and freedoms are duly protected.

7.4   Assessments

The European Commission's 2010 Progress Report stated that overall preparations in the area of the information society and media in Serbia have continued, the legislative framework has been strengthened, but implementation has remained slow.[283] The European Convention on Transfrontier Television (ECTT) was finally ratified by Parliament on 29 May 2009.[284] Although the media laws were all written for the analog environment, there is a regulatory framework that allows and encourages the diversity of news and information in independent media outlets which is directly in accordance with the ECTT.

Overall, the policy and regulatory framework appears to have a sound basis for coping with the challenges of digitization, such as the Strategy for Switch-over. However, all the necessary regulations have not yet been adopted, and the new Law on Electronic Media needs to be passed in order to create functional policy and regulation.

There have been cases of state interference with the media, apart from the ownership of many outlets (see section *7.3.3*). Although it is hard to assess whether the decrease of state interference can be attributed to digitization, it is certain that digitization positively affects the independence and pluralism of the media as well as increasing transparency in society overall.

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282. EU, *Serbia 2009 Progress Report*.

283. See European Commission Staff Working Document, *Serbia 2010 Progress Report*, Brussels, 9 November 2010, available at http://ec.europa.eu/enlargement/pdf/key_documents/2010/package/sr_rapport_2010_en.pdf (accessed 20 September 2010).

284. *Official Gazette of the RS*, no. 42/09, available at http://www.parlament.gov.rs (accessed 20 September 2010).

New technologies, predominantly online, have made an impact on public participation in media policymaking, regulation, and other aspects of social life. Furthermore, the practice of conducting public discussions on relevant documents prepared by MTIS and independent institutions benefits the participation of the public in making media policy. Also, the increased role of the Ombudsman and the Commissioner in public life has a positive effect on the decision-making process and regulation.

Due to the fact that the digitization of terrestrial television is still in its early stage, it is hard to predict how it will affect the television sector.

8. Conclusions

8.1　Media Today

8.1.1　Positive Developments

Media Independence

- One of the most positive influences contributing to media independence is the development of investigative journalism in Serbia. The benefits that digitization brings to investigative journalism include: the greater availability of online information and sources, improved and faster spreading of information to a wider audience, and the increase of the independent work of the media in providing news to its audience.

- Although the media sector was impeded heavily by the financial crisis in 2009 and the funding issue is of the essence for the media, there are several commendable actions that boldly tackle the media's financing problems. First is the action of the Ministry of Culture from 2009 to introduce much more transparent processes of supporting the media, through various projects in the public competitions for co-financed program content in the media. Second, in June 2010, the Delegation of the EU to the Republic of Serbia awarded funding for 57 media projects that aim to improve reporting on the EU integration process in Serbia and the effects that EU membership will have on Serbian citizens' everyday lives. The beneficiaries were printed media, news agencies, and radio and television stations from all over the country.

- RTS, the public service broadcaster, recorded a positive development in the modernization of its website and services it offers, such as the various programs that can be viewed on demand directly from the website. The introduction of the experimental digital channel in 2008, RTS Digital, led to an increase in the content that public service media provides. RTS is foreseen as the carrier of the promotion campaign on the process of switch-over to digital broadcasting and has a reserved place in Multiplex A that will ensure national coverage. It is expected that RTS will increase the number of specialized channels in digital broadcasting after switch-off and an increase in the policy significance of RTS is expected, because in a world of abundant information, citizens tend to trust a reliable, familiar source and existing brand.

- The process of switch-over to digital broadcasting commenced by setting the main policy direction with the Strategy for Switch-over. It is commendable that the chosen standards proved to be a choice that

is considered worldwide as the best available at this time. The Law on Electronic Communications addresses spectrum allocation and the digitization of television in a fairly effective manner. Work on one of the necessary by-laws has been completed, suggesting that positive efforts are ongoing. However, many steps need to be taken before the switch-over. In addition, the Broadcasting Equipment Company has a lot of work scheduled for the future and only a much faster pace will ensure that this is carried out in a timely way. The IPA project for assisting switch-over represents a great investment and an opportunity to set up the digital broadcasting network and to plan promotional activities. Therefore, it is expected that the most effective use of these financial resources will be ensured. It remains to be seen whether the overall process will speed up in order to meet the 4 April 2012 deadline for switch-over.

Diversity of Media and Media Content

- The use of new media for investigative journalism has contributed tremendously to the diversity of media and variety of media content. The abundance of information available on the internet and the digitization of media in general (e.g. reporters can independently perform reporting tasks by providing both the video and audio signal from the news scene itself) lead to an increase in the accessibility of opinion from different groups in society and in diverse media content.

- The development of UGC became a valuable source of information. It represents one of the fastest means of spreading news to a wider audience and of contributing to media and news diversity as well as the availability of varied content. Social networks such as forums, blogs, and independent websites, as well as video- and photo-sharing websites, helped the initiatives of many civil actions and political activists to get the message across by other means than traditional media.

Pluralism

- The emergence of UGC and the development of investigative journalism positively influenced media pluralism by introducing new sources of information and news offered to citizens. The positive development represents the entrance to the Serbian news and information market in the last five years by Ringier, a Swiss media corporation which purchased the daily newspaper *Blic*, today the largest daily in the country, at the beginning of 2004.

8.1.2   Negative Developments

Media Independence

- In spite of a high number of media outlets that have been privatized to date, there are a significant number of media that are still not privatized. The final deadline for their privatization was not met. Moreover, the process has been further encumbered by the adoption of a series of laws that were passed in contradiction with each other.

- The most severe problem that is seriously endangering media independence is certainly media funding. First, in the past several years there were several attempts to create a proper legal framework for transparent media ownership that failed, leaving room for many controversies over funding, such as political influence, tycoons attempting to establish dominance and monopolies in the media market, and

cases of fictitious ownership. Second, the State's influence is still present in the form of direct subsidies to private media, while information on government financing is lacking. Last, the factor that impeded the funding of media was the financial crisis in 2009, which led to the decline of advertising revenue, and in turn to losses by media of more than 40 percent of their income on average compared with the previous year.

Diversity of Media and Media Content

- It is noted that there are certain barriers to the development of investigative journalism, such as powerful indirect political control, government ownership in a number of media, monopoly, and control of the advertising market, etc.

Pluralism

- The media should not be under the direct control of the State (republic/province/city/municipality) for many reasons, chiefly to avoid political control and interference, financial control, and changing the management structure after every election. However, although the privatization of media outlets is a legal obligation, many municipal media are still not privatized.

- The way the German publisher WAZ entered the Serbian market in 2006 (see chapter 6) had a strong negative impact on media diversity and pluralism.

The process of digitization contributed significantly to the introduction and development of new media platforms. For example, the most significant growth in all available platforms between 2006 and 2009 has been the penetration of broadband internet.

The positive effects of digitization for journalists' work and the development of investigative journalism are that it enables easy access to the final product, faster spreading of information, and speedy content upload. Journalists can report from any place where they have a mobile phone, internet connection, and a full battery in their laptop. Furthermore, it is noted that there is more investigative reporting available on the internet than in traditional media**.** There are also examples of digitization helping to disseminate information as well as citizen journalists' input to investigative reporting (such as the "Road Mafia," "Crna Reka Monastery," and "Kosovo For a Pair of Trainers" cases).

A positive effect of digitization on the coverage of election campaigns is the availability of online content, which allows more journalists access even though they may not have been present at the event. Also, there is a higher number of political party websites that become active during the elections. Information on election results are updated online in real time, which eases the work of journalists as well as improving citizens' access to information.

On the other hand, the negative impacts of digitization are that there is information for which reporters cannot check the source. Also, political parties with many online party activists are spinning public perception in the media, either through regular media websites or through web forums and political party websites.

The process of digital switch-over is still in its early stages. As little concrete action has been taken, there is almost no tangible result.

8.2   Media Tomorrow

The principal advances of the media in Serbia following digitization are certainly the further development and institutionalization of investigative journalism, leading to the recognition of new online media equal to the traditional media. Due to this, it is expected that media pluralism and media diversity will have a positive growth. UGC is on a developing path and it is expected that it will gain greater importance in the media and an important role in society, because it excludes the possibilities of covering up the truth.

List of Abbreviations, Figures, Tables, Companies

Abbreviations

3G	Third-generation mobile telecommunications
ADSL	Asymmetric Digital Subscriber Line
ANEM	Association of Independent Electronic Media (*Asocijacija nezavisnih elektronskih medija*)
ASMEDI	*Asocijacija Medija (*Media Association)
AVMSD	EU's Audiovisual Media Services Directive
CEE	Central and Eastern Europe
CeSID	Center for Free Elections and Democracy (*Centar za slobodne izbore i demokratiju*)
CINS	Center for Investigative Reporting (*Centar za istraživačko novinarstvo*)
CSD	Serbian Dinar
DMGT	Daily Mail and General Trust
DNS	Domain Name System
ECTT	European Convention on Transfrontier Television
EPG	Electronic program guide
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Product
GNI	Gross National Income
HD	High Definition
HFC	Hybrid fiber-coaxial
ICTY	International Criminal Tribunal for the former Yugoslavia
IJAS	Center for Investigative Reporting of Independent Journalists' Association of Serbia
IPA	Instrument for Pre-Accession Assistance
IPTV	Internet Protocol Television
ISDN	Integrated Services Digital Network
IT	Information Technology

ITU	International Telecommunication Union
LABRIS	Lesbian Human Rights Organization (*Grupa za lezbejska ljudska prava*)
LGBT	Lesbian, Gay, Bisexual, and Transgender
LGBTIQ	*Lesbian, Gay, Bisexual, Transgender, Intersex, and Questioning*
MMS	Multimedia Messaging Service
MTID	Ministry of Telecommunications and Information Society (*Ministarstvo za telekomunikacije i informaciono društvo*)
NGO	Non-governmental Organization
NUNS	Independent Association of Journalists of Serbia (*Nezavisnog udruženja novinara Srbije*)
OOH	Out-of-home
OSCE	Organisation for Security and Co-operation in Europe
PC	Personal Computer
PR	Public Relations
RATEL	Republic Agency for Electronic Communication (*Republička agencija za elektronske komunikacije*)
RBA	Republic Broadcasting Agency (*Republička radiodifuzna agencija*)
RTS	Serbian Radio and Television (*Radio-televizija Srbije*)
RTV	Radio Television of Vojvodina (*Radio Televizija Vojvodine*)
SKM	Serbia Broadband (*Srpske kablovske mreže*)
SMP	Significant Market Power
SPS	Socialist Party of Serbia (*Socijalistička partija Srbije*)
STB	Set-top Box
TV	Television
UGC	User-Generated Content
UN	United Nations
UNS	Journalists Association of Serbia (*Udruženje novinara Srbije*)
VoD	Video on Demand
VoI	Video over the Internet

Figures

Tables

Companies

AGB Nielsen

Alexa

Antenna

Ardos Holding

Astonko

Axel Springer

Blogger

Broadcasting Equipment Company

B92

Daily Mail and General Trust

Delta Holding Company

Digi SAT

East Capital

EI Informatika Nis

Ericsson

Facebook

Google

Greenberg Invest

IKOM

Karamat

Kopernikus Technology

Lake Bade Holdings

Mediametrie/Eurodata TV Worldwide

News Corporation

Orion Telekom

Public Enterprise PTT—RJ KDS

Prva Srpska Televizija

Radio-televizija Srbije

Radijus Vektor

Ringier Axel Springer Serbia

Salink

Serbia Broadband

Serbian Railways

Srbijagas

Studio B

Telekom Srbija

Telenor

Total TV

Trimax Investments

TV Avala

TV Fox

TV Pink

Twitter

Vip mobile

WAZ–MedienGruppe

YouTube

Mapping Digital Media: Country Reports

Mapping Digital Media is a project of the **Open Society Media Program** and the **Open Society Information Program.**

Open Society Media Program

The Media Program works globally to support independent and professional media as crucial players for informing citizens and allowing for their democratic participation in debate. The program provides operational and developmental support to independent media outlets and networks around the world, proposes engaging media policies, and engages in efforts towards improving media laws and creating an enabling legal environment for good, brave and enterprising journalism to flourish. In order to promote transparency and accountability, and tackle issues of organized crime and corruption the Program also fosters quality investigative journalism.

Open Society Information Program

The Open Society Information Program works to increase public access to knowledge, facilitate civil society communication, and protect civil liberties and the freedom to communicate in the digital environment. The Program pays particular attention to the information needs of disadvantaged groups and people in less developed parts of the world. The Program also uses new tools and techniques to empower civil society groups in their various international, national, and local efforts to promote open society.

Open Society Foundations

The Open Society Foundations work to build vibrant and tolerant democracies whose governments are accountable to their citizens. Working with local communities in more than 70 countries, the Open Society Foundations support justice and human rights, freedom of expression, and access to public health and education.

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