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MATTERS

RECLAIMING PUBLIC SERVICE VALUES
IN MEDIA AND JOURNALISM



South East European

MEDIAOBSERVATORY

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in media and journalism*

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**MEDIA
INTEGRITY
MATTERS**

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PREFACE

This book is an attempt to address obstacles to a democratic development of media systems in the countries of South East Europe by mapping patterns of corrupt relations and practices in media policy development, media ownership and financing, public service broadcasting, and journalism as a profession. It introduces the concept of media integrity to denote the public-service values of media and journalism. In analyzing the current situation of the media, the focus was on the assessment of factors that have been identified as posing a risk to media integrity, with an overview of past developments if relevant for understanding the current situation.

Five countries were covered by the research presented in this book: Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia. The research – conducted between July 2013 and February 2014 – was part of the regional project South East European Media Observatory – Building Capacities and Coalitions for Monitoring Media Integrity and Advancing Media Reforms. The project is a joint effort of seven civil society organisations from the five countries mentioned above plus Slovenia and Hungary. They have been for more than a decade part of a broader regional network – South East European Network for Professionalisation of the Media (SEENPM), systematically raising voices to promote and protect values of free, independent and responsible media in their countries and on the regional level.

This book and the project South East European Media Observatory build on the legacy of previous research and advocacy actions of the SEENPM, especially the 2003/2004 research and book on media ownership and its impact on media independence and pluralism. In fact, the present media integrity research has been an elaboration of the situation “ten years after.” Some of the researchers have been involved in both. We also use the same regional book design to indicate the connection between the two researches.

The following centers and country researchers contributed to the research presented in the book.

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During the research period, two workshops for the research team were organised in Novi Sad (in July and October 2013) by the Novi Sad School of Journalism, importantly contributing to the refinement of the research framework.

The project advisory board assisted in drafting and implementation of the research by reviewing the methodology and sections of the research reports. The board included Sandra B. Hrvatin, University of Primorska, Slovenia, Dušan Reljić, German Institute for International and Security Affairs, Germany, and Aidan White of Ethical Journalism Network. Sandra B. Hrvatin also participated in both research workshops and significantly contributed to the theoretical and comparative overview.

The research was led and coordinated by the team at the Peace Institute in Ljubljana consisting of Brankica Petković as a lead researcher, and Jovana Mihajlović Trbovc and Maja Ladić as research assistants.

With this research and the book, the South East European Media Observatory moves closer to its goal of providing a regional instrument for media research and monitoring, and a regional framework for debates, consultations and coalitions among key actors, seeking to inform and influence media reform processes.

The project has been financed mainly by the European Union's program "Civil Society Facility" aimed at the enlargement countries, which explains the selection of countries for this research. In addition, in 2013 and 2014 the SEE Media Observatory activities have been supported by the Open Society Foundations Program on Independent Journalism, Konrad Adenauer Stiftung Media Program for South East Europe, Open Society Foundation Serbia, Office for Cooperation with NGOs within the Government of the Republic of Croatia, the Government of the Autonomous Province of Vojvodina in Serbia, Central European Initiative, Technical Assistance for Civil Society Organisations, and the Guardian Foundation.

The reports in this book and effort invested in their preparation and presentation rest on the belief that media integrity matters. Public service values in media and journalism are endangered and therefore need to be monitored and protected.

REGIONAL OVERVIEW

Sandra B. Hrvatin and Brankica Petković

JOURNALISM TAKEN FROM JOURNALISTS, MEDIA TAKEN FROM THE PUBLIC

There were newspapers founded, and indeed for about ten years, until the big crisis struck, they had been trying to print money, not texts. Money and not newspapers. ... The newspapers owners were more or less companions of the ruling politicians, the ruling elites. ... What should have been a public issue was taken away from the public and what should have been journalism was taken away from journalists, but no one did it alone, they themselves [journalists] had part in it, unfortunately. In my opinion, journalists and editors are most to blame. There was no defence of professional integrity there. There was over-willingness to serve owners and their interests, more willingness even than owners could expect, and more than any market factor could expect. In the meantime, the profession degenerated in terms of craft and ethics. After all, it is a profession in which human reputation is under scrutiny. ... In fact, media's most important capital is credibility and quality that is taken for granted. The entire system caved in. Advertisers fled. ... readers. ...¹

The above is a description of the current state of media and journalism in the words of the renowned Croatian journalist Predrag Lucić. The media (and journalism) are not “where they are” by accident, but as a result of years-long processes of “euthanasia and analgesia” (as Lucić put it) of the profession and system that should have served the public rather than particular interests. His assessment can by no means be said to describe the “local” situation only, or to be characteristic solely of the media and social systems analyzed in this book. It can be applied to any media system and any society in which for decades the media were exposed to owners' self-will, inefficient regulation, the absence of state's involvement in the protection of the public interest and the absence of efficient policies that could take the media back to where they belong – to public service. A decade ago, in 2004, our research “*Media ownership and its impacts on media independence and pluralism*” set the framework for the questions posed in the present study.²

The main findings of this research are still valid today. The only difference is that the problems identified in 2004 have in the meantime become part of the system which itself has become sacrosanct and therefore impervious to change. Moreover, what at first glance appeared to be a “problem of post-socialist countries,” has turned out to be a global media problem. In this respect, no differences between the East and the West exist any longer. What remains is the global world of media inequality, which consequently calls for global measures.

In February 2014, journalists of the French *Libération* staged a warning strike to draw attention to the unacceptable moves planned by their media shareholders in an attempt to resolve financial difficulties. “*We are a newspaper; the giant headline, below, thundered. ‘Not a restaurant, not social media, not a TV studio, not a bar, not a startup incubator.’ ... An editorial said the shareholders’ latest plan ... had no chance of success and would ‘reduce Libération to a mere brand.’*”³ The newspaper that was established to give voice to those “who have none” became a victim of media policy which treats journalism and journalistic content as a postscript to advertisements. The scandal involving the British newspaper *News of the World* made it clear that the western⁴ media, too, began to challenge the sacrosanctity of existing ownership models and predominant modes of regulation. “*Corporate corruption of the media has shown itself to be a threat to free expression, as well as democracy. But it’s only part of a wider corruption of public life, driven by privatisation above all*” wrote Seumas Milne in *The Guardian*.⁵ The early cursory interpretations of the “scandal,” describing it as a matter of “several bribed journalists and several problematic shareholders” were eventually placed in the right context.⁶ Corrupt practices within the media and journalism are not structural but systemic in nature. Put differently, at a certain point in time the existing media systems, and above all the existing models of media funding and ownership structures, necessarily transform journalism from the “fourth estate” into the most lucrative supporting business of the advertising industry and the industry of political communication. “*The corporate media is a gigantic astroturfing operation: a fake grassroots crusade serving elite interests. ... Journalism’s primary purpose is to hold power to account. This purpose has been perfectly inverted*”⁷ says George Monbiot and proposes the introduction of a journalistic version of Hippocratic Oath (a higher level of the non-functioning self-regulation), which would oblige journalists to work in the public interest. “*Our primary task is to hold power to account. We will prioritise those stories and issues which expose the interests of power. We will be wary of the relationships we form with the rich and powerful, and ensure that we don’t become embedded in their society. We will not curry favour with politicians, businesses or other dominant groups by withholding scrutiny of their affairs, or twisting a story to suit their interests.*”⁸ If we ignore for a moment the fact that journalists should already work in the public interest (it is what sets apart journalism from other persuasion-oriented professions such as advertising and PR), the main problem that journalists should tackle is conflict of interest unacceptable in journalism, which in other spheres of public activity is readily labelled corruption.

Despite the existence of self-regulatory bodies, the most influential among them being the UK Press Complaint Commission on which were modelled self-regulatory bodies in Central and East Europe, it has become obvious that the media have unchecked power and that they abuse it without being accountable to anyone. At the time of debate on media's influence on politics and on the degree to which media is fused with (mediated) politics, perhaps the most tragic consequence of the breakdown of trust in institutions is precisely the fact that none of the mechanisms devised so far to establish efficient control over the media worked. Moreover, the very institutions established by the media industry to regulate its own power clearly demonstrate media's inability to serve the public interest⁹ and develop on their own (not under external pressure from the state) respect for professional standards that are meant to safeguard the public interest. The idea of self-regulation remained "buried" under the jumble of corrupt and clientelistic relations between media and politics.

Therefore, we can safely argue that, at the moment, there does not exist an effective mechanism for the protection of citizens' right to receive quality and credible information, either on the national or on the supra-national (EU) level. The absence of efficient media regulation and reliance solely on the goodwill of the media to serve the public interest clearly demonstrates why the state cannot (and should not) relinquish its active role in the protection of fundamental rights. We should not forget that freedom of expression and media freedom are fundamental rights, so any attempt to leave the protection of these rights at the mercy of media industry's goodwill is a typical example of the privatisation of public interest (a shift from *res publica* to *res privata*) – it is something on which consensus within public politics never existed.

2 MEDIA THAT DO NOT SERVE THE PUBLIC INTEREST ARE CORRUPT

To be able to understand the detrimental effect of the current forms of relationship between politics/politicians and the media, we must tackle the issue of corruption. The fundamental thesis of this analysis is that media which do not serve the interests of the public are – corrupt. In saying so, we do not have in mind any specific media outlet or a specific journalistic practice but rather the media systems within which these media operate.

Speaking at an international forum on communications in the economy held in February 2010 in Brussels, Wolfgang Hetzer, the adviser to the Director General of the European Anti-Fraud Office (OLAF), stated that financial industry, the economy and politics became partly a domain of organized crime. He continued to point out that the

financial crisis is not a crisis but a result of predictable and unavoidable consequences of the systemic mistakes caused by the collapse of ethics, professional incompetence, negligence of politicians and criminality. The financial needs of political parties, politicians' wish to influence, and commercial companies' drive for profit merged in a destructive manner. In his opinion, the main problem of contemporary society is corruption, since it enables organized crime to attain its goals in an elegant manner without resorting to armed violence. It is true that money can corrupt people but it can also remove all obstacles. With this, says Hetzer, the vicious circle is created.

Antonio Maria Costa, formerly the Executive Director of the Vienna based UN Office on Drugs and Crime (UNDOC), similarly stated that globalisation transformed the world financial market into a casino, with disastrous consequences. Moreover, international organized crime networks infiltrated the economy and spread across the world. At the core of it all is corruption: the governments allowed the systems and their most important elements to run wild, and they also turned a blind eye when these systems collapsed and financiers and businessmen continued to amass wealth unhampered (Schneider 2011, 178–179).

Corruption is primarily *a strong indicator of a poor health of democracy, since it points to a political class that has become cynical, immoral, exempt from checks and set apart from the public* (Crouch 2013, 18). Proof that the media are corrupt will be sought on several levels. We will first show why media cannot serve the public interest, although this mission constitutes the framework of journalistic work. In the next step, we will show that it is the predominant source of media income (advertisements) that prevents the media industry from being “democratized from the inside.” In this context, we will dedicate special attention to the situation of journalists, prevailing journalistic practices and their (in)ability to critically reflect on their own conduct. Finally, we will draw attention to the problem of lost trust in governmental institutions (distrust as a consequence of society's higher expectations of democratic standards) and show that demands for a radical transparency of institutional operation should be accompanied with the mechanisms of pragmatist democracy, i.e. democracy oriented towards joint resolution of problems. In this process, the primary role of the media is to define and interpret meta-concepts that extend beyond the existing interpretations of social processes.¹⁰

We should also point out several other analytical frameworks. Although the analysis covers the countries that are within politics (and politically guided academic discourse) referred to as “countries in transition” or post-socialist and post-Communist countries, it is obvious that the problems discussed are characteristic of all countries regardless of their (past or present) ideological structure. What is important for the analysis, however, is to take into account particular sets of circumstances that influenced the shaping of media systems in these countries. The first to be considered is the requirement to bring the legal

framework in line with EU standards (predominant discourse of “moving closer to the EU” has been the main argument in adopting laws). Although most of these countries already had one or another kind of a legal system and although their media did not operate in a “legal vacuum,” the change of the political system spurred a non-reflected adoption of certain legal standards that were simply transported from other countries without deliberation or a broader public debate. Apart from the lack of political will, this is the main reason why this legislation has not been implemented in practice.

One of the peculiarities of the media systems covered by this analysis is a result of donations. Donations enabled the development of parallel (artificially created) media systems which, in the long run, when the inflow of donors' money ground to a stop,¹¹ led to even more intransparent media privatisation and to media becoming the prisoners of political interests. It is necessary to add that the collapse of this part of the media sector that relied on external funding sources, and was therefore able to maintain certain professional standards for some time at least, had a negative impact on public trust as well. Its disintegration and subsequent plundering on the part of local owners (the second round of privatisation) led the public to lose its trust in the possibility of another kind of the media system. Finally, there is the issue of instrumentalized civil society. In fact, the largest portion of active civil society has become part of politics through the political changes mentioned above, while the vacated space has been filled with institutions whose primary goal was the satisfaction of the political and economic interests of financiers rather than of citizens. All this should also be placed in a wider context. In fact, the decision took by most of the countries – to equate democracy with the capitalist production system and to stigmatize the state in its role of the active protector of the public interest in the face of a supposedly neutral operation of the market – created a situation in which the issue of privatisation of collectively owned and state-owned property became an exclusively political issue rather than the economic one.¹² The result was corrupt privatisation leading to a replacement of state ownership with apparently private ownership of politically motivated clientelistic groups. The current ownership relations in the media sector vividly demonstrate how the revolving door between politics and media functions. To understand how corruption works, one should understand its fundamental principle, that is, the way in which corruption influences governance, or to be more precise, poor governance that destroys democracy. Democracy requires from those in power to rule to the benefit (not in the interest) of all. Democracy rests on freedom of expression, freedom of speech and media freedom. Corrupt media spell the death for democracy. They are a deeply undemocratic institution that transforms the state into a private company. Democracy, however, is neither a noun nor an adjective. It is a verb, denoting ongoing checks of how much those who happen to be in power at a given moment operate to the benefit of all (West 2005, 68). Accordingly, corruption has no national

prefix nor is it geographically locatable – it is a global problem. The crisis that engulfed the media industry and journalism is above all the crisis of the existing models of media operation. Therefore, we agree with Paul Starr who correctly draws attention to a direct connection between the decline of the newspaper industry and the rise of new forms of corruption:

News coverage is not all that newspapers have given us. They have lent the public a powerful means of leverage over the state, and this leverage is now at risk. If we take seriously the notion of newspapers as a fourth estate or a fourth branch of government, the end of the age of newspapers implies a change in our political system itself. Newspapers have helped to control corrupt tendencies in both government and business. If we are to avoid a new era of corruption, we are going to have to summon that power in other ways. Our new technologies do not retire our old responsibilities (Starr 2009).

Fight *against* corruption in the media, including the exposure of intransparent ownership relations and funding methods and a critique of the fall of journalism as a practice of public control over the operation of governmental institutions, is simultaneously a fight *for* democracy. The purpose of this analysis is not solely to identify negative practices in media operation but also to establish new forms of media operation in which the struggle for media integrity would be one of the key political demands. An efficient media policy is one that establishes a dialogue between the media (journalists) and the public and creates an environment for media operation that would enable the media to cast off the yoke of dependence on private centres of power and become dependent on the public. To attain this goal it is necessary to challenge the existing management, funding and ownership models in the media sector.

3 THE HIJACKING OF THE PUBLIC INTEREST

Since it is not our goal to address corruption as such or define it, for the purpose of this analysis we will try to challenge the two “myths”¹³ on which the operation of the media industry rests. One involves the thesis that the media/journalists work in the public interest, and the other purports that media are not constrained by ownership relations and not dependent on advertising money. Before we proceed to explain why these notions are myths and what repercussions this mythology has for the imagery of the journalistic work, we should first determine the meaning of several concepts used in this text. Let us first look at the concept of corruption. We will focus on the consequences created by the “money at a wrong place,” that is, the special economy of giving and receiving favours – “dependence corruption” to use Lawrence Lessig’s term,¹⁴ or the governance practices that lead to “horizontal accountability,” as O’Donnell put it. For O’Donnell, horizontal accountability

is a manner of control and power balancing that “includes the executive, legislative, and judicial branches, but in contemporary polyarchies also extends to various oversight agencies, ombudsmen, accounting offices, fiscalías, and the like” (O’Donnell 1998, 119). When speaking about the conditions needed to increase accountability, O’Donnell mentions media in particular, because of the key role of information in modern societies. A problem with this otherwise useful analytical tool is that the author presupposes that media are independent and autonomous (horizontally accountable) and that they pursue the public interest. However, we want to demonstrate that the media are much more intertwined with politics and the economy than with civil society, that they are not capable of a critical self-reflection or of challenging institutionalized conventions that govern the selection and processing of news, and that the concepts of responsibility and accountability (to the public, by the public and in the public interest) have become the main “battlefield” of the public in its attempts to establish control over the media. If mechanisms of checks and balances are needed to ensure an efficient and responsible operation of the three branches of government, then similar mechanisms should be introduced to establish control over the fourth estate – the media. Media accountability and their concern for wider social problems cannot be regulated by way of professional standards adopted by the media industry (on its own or with the help of the carefully chosen representatives of the public interest). On the contrary, it should be a result of wider negotiations and consensus within society. As we will show later in the text, the issue of responsibility is of key importance for understanding media operation. In *The Communitarian Persuasion*, Selznick says that “*accountability imposes an external standard. Responsibility internalizes standards by building them into the self-conceptions, motivations, and habits of individuals and into organization’s premises and routines.*” (Selznick 2002, 100). Responsibility is different from accountability. An individual sense of responsibility implies personal commitment, while accountability to (someone) involves solely respect for external mechanisms of control (the government, the public, law). Naturally, responsibility and accountability are intertwined. Present day politics wrongly attempts to strengthen the sense of responsibility by strengthening the external standards of control. “*The real problem of our public life is the failure of responsibility, not accountability.*” (Ansell 2011, 134). The result is a complex issue of diminishing administrative and democratic self-responsibility, which is manifested as a growing distrust of practically all political institutions. The public and various interest groups place various demands on state institutions (including contradicting ones), requiring (legal) responsibility but devoid of self-responsibility for their success or failure. One of the key problems, as Ansell argues, is the inability and unwillingness of both political institutions and citizens to accept “ownership of the problem” and develop a sense of

responsibility for its resolution (ibid, 136–137). In the case of media, unwillingness to “own the problem” is not a consequence of the shortage of repressive and autonomous forms of legal protection but of the absence of self-responsibility and accountability. The media indeed give an ear to the public now and then, but they are not ready to respond to or understand various interpretations. This unwillingness to “own the problem” renders media incapable of reflecting on how media ownership affects their ability to internalize mechanisms of self-responsibility.

In this sense, what is important for our analysis is to perceive democracy as a method of governance and a representative democracy as a republic – *res publica* – or a way of managing public affairs. The binding fabric of this method of governance is a public interest which does not imply only a distinction between the private, or particular interest, and the public good, but also includes its “material” aspect. The basic function of a republic is to recognize this difference and to take it into account in the process of governance. The meaning (or content) of the public interest cannot be determined in advance. Rather, its content becomes defined through a public debate in which particular interests of all participants become confronted. The public interest does not imply a consensus within society on a specific (public) issue, but it is rather a guideline that determines a particular method of governance. In this sense, the public interest is *public benefit*, enjoyed by the public as a whole regardless of what the interests of individuals are at any given moment. If good governance takes into account this distinction, then a similar dimension should also be the driving principle for civil actions. Citizenship should primarily be understood as a public service employment. A citizen who thus performs a public service is obliged to pursue public benefit rather than solely his/her private interests. Zephyr Teachout says: “Citizens can be corrupted and use their public offices for private gain, instead of public good. They are fundamentally responsible for the integrity of their government.” (Teachout 2009, 359–360). O’Donnell holds a similar opinion. A premise that political authority emanates from every individual member of the *demos* is an important factor in the strengthening of horizontal accountability. Democracy, says O’Donnell, requires from those who manage public affairs to work in the name of good for all. If power emanates from the people (members of the public), then people are obliged to take part in the adoption of collective decisions and ensure that content of these decisions and decision-making procedures are public (O’Donnell 1998, 121). If we now juxtapose the notions of political transparency and dependence corruption, it becomes obvious that good governance (on which republic is based) means dependence on *demos* and only *demos*.

It should be added that taken-for-granted positive connotations of the public interest also need to be questioned, and even more so the meaning of the public interest that

should be the fundamental guiding principle of (media) journalists' work. If the pursuit of public interest is primarily aimed at taming passions, an important question to be asked is which passions are tamed and which profits/benefits are gained.

*To move beyond a description, however meticulous, of what happens in a television studio, in order to try and grasp the explanatory mechanisms of journalistic practice, says Pierre Bourdieu in *On Television*, it is necessary to introduce the idea of the journalistic field. "Journalism is a microcosm with its own laws, defined both by its position in the world at large and by the attractions and repulsions to which it is subject from other such microcosms. To say that it is independent or autonomous, that it has its own laws, is to say that what happens in it cannot be understood by looking only at external factors." (Bourdieu 2001, 35). If we want to understand what happens in a media outlet, we must take into account all that happens inside the universe of objective relations among various media that compete on the market. Competition, on the other hand, is invisibly defined by power relations that cannot be pinpointed but can be assessed using the indicators such as the market share, the weight of a media outlet (the price of the advertising space), collective capital of reputed journalists and the like. The structure of the journalistic field is not obvious; what we (readers, viewers, listeners and journalists) perceive are its effects. If we want to understand what a journalist has said or written or understand the editorial policy adopted by a media outlet (i. e. self-evident fact) we should first know which position in a specific environment a media outlet occupies, that is to say, its specific power. The latter is measured using the criteria such as economic power, market share, and a symbolic weight (which is harder to determine in terms of quantity) (ibid, 38).*

In this contribution, we would like to challenge the taken-for-granted idea that the media are independent from centres of power. Indeed, we will try to prove that owing to ownership structures and the prevailing funding method, media are in fact part of these centres of power. We further believe that in fighting corruption in the media, the main emphasis should be placed on the need to make media *dependent on the public*. This, however, should not be mixed with the notion of public service, which is repeatedly pointed out by the media in an equally taken-for-granted manner. If the traditional criteria for moral conduct are difficult to *meet*, the interests are difficult to *define*, says Hirschman (2002, 41).¹⁵ It is precisely the source of one part of the problem. Although public interest is a fundamental guiding principle of journalistic work (or the fundamental criterion for moral conduct, one could say), its definition is far from being clear. In the traditional definition of public interest, the latter inevitably includes the interests of journalists and media owners, meaning that media's concern for the public interest is similar to the pharmaceutical industry's concern for people's health. Put differently, the public interest in this case coincides with the big companies' goal to boost profit.

It is obvious that such a blend of interests can by no means work to the equal benefit of all. One result of the economy of influence is that it re-directs the conduct of those who have power, taking them away from the principle of dependence on the people. A consequence of this process is that we are ruled by corruption (Lessig 2011, 89). In this case, corruption denotes abuse of power to satisfy private interests and abuse of the public sphere and public information to satisfy the interests of privileged fractions which, in turn, abuse their economic, political or media power. Lessig lists three harmful manners of governance: distraction, distortion (regulatory capture) and trust (ibid, 125).

To establish how media's attention is diverted,¹⁶ one only has to look at the issues that dominate their public debate agendas – what they report and what they discuss. In *Winner-Take-All Politics*, Hacker and Pierson point out that governments are insensitive to public preferences and needs of those without power. They distinguish between two kinds of societies, Broadland and Richistan. In Broadland, all income groups across some period of time are doing better, even if not necessarily at the same pace. In Richistan, only the very rich do better across that same period of time. The rest of society is either just holding on or falling behind. Today, Broadland is dead and Richistan has prevailed (Hacker and Pierson 2010, 194).

However, the most important issue to address is not the growing inequality between the two but the circumstances that created the chasm and the manner in which this happened. In short, the problem is not (only) that some are getting rich (richer) while others are not, but that those who are getting richer amass their wealth with the help of the state and its regulatory measures. Therefore, when discussing corruption risks, one should pay attention to lobbying, or “legislative subsidies” granted to those that have formal or informal power to influence legislative decisions or to affect regulation of a specific area. In their study of the influence of lobbying on the legislative process, Hall and Deardoff want to prove that lobbyists concentrate on those politicians who already have a definite political (and legislative) viewpoint on a specific public issue. Their strategy is not to change the opinion of those they try to persuade, but to create a kind of “natural harmony” between selected politicians and lobbyists. Put differently, lobbyists influence those who already have clear-cut standpoints with a view to strengthening them and making them ready to act. To be able to identify corruption risks in the media field, it is necessary to monitor carefully how the media legislation is adopted and to establish which (potential) legal subsidies are available to individual media owners (Hall and Deardoff 2006). The examples analyzed in this book prove the correctness of this approach.

4 HOW SHOULD CORRUPTION IN THE MEDIA SPHERE BE ANALYZED?

There are practically no research studies trying to identify the presence of corrupt practices in the media.¹⁷ The first step in shaping an adequate methodological framework could be to focus the analysis on the three main areas: media ownership, distribution of advertising money and state advertising, and privatisation of the public service. A special part of analysis should be dedicated to the identification of the “mother of all corruption cases” – politically guided privatisation to which only a small group of individuals had access. Privatisation of the media is one of the topics that only rarely received in-depth analysis by the media (because the media are entangled in the political sphere). A focus on journalistic reports that clearly demonstrate a negligence of the public interest is a trap to be wary of. In saying so, we want to emphasize again the above-mentioned Bourdieu’s thesis that it is necessary to be watchful of the method in which the journalistic field functions rather than concentrate on the operating manners of the media. Edward H. Spence’s (2008) excellent text *Corruption in the Media* demonstrates the most frequent forms of neglecting the proper conduct in reporting (although these practices could hardly be termed “news reporting”): fictional news, biased news, and news for sale (“*the enemy within*”), as well as fake news, staged news and cash for comment (“*sleeping with the enemy*”). What Spence’s analysis does not offer, however, is answer to the question of how much such corrupt practices contradict professional standards of the journalistic profession and to what extent these practices are an unavoidable product of media operation (what we earlier named dependence corruption)?

In conclusion of this subjective overview of academic deliberations on this subject, let us mention the most symptomatic approach to analysis found in Hallin and Mancini’s very influential book *Comparing Media Systems* (Hallin and Mancini 2004, 34–36). The authors argue that one of the main indicators of the level of democracy of a media system is professionalisation of journalism (whatever the meaning of this notion is). In short, professional values (or professional myths) constitute a defining feature that enables the categorisation of journalistic practices into “good” and “bad.” While the journalistic community may be in favour of this explanation, it contributes practically nothing to the understanding of journalistic work in the process of producing public (political) knowledge. Hallin and Mancini start from the assumption that professional (objective) journalism is possible if journalists adhere to specific (shared) values. The problem is that such shared values are an alibi for particular media practices that unavoidably lead to non-professional journalism. One could say that

these are the values to which journalists aspire but cannot easily respect because of media's involvement in the economic sphere. As a result, the media world is replete with individual stories of mythical journalists who resisted the system, published a true story and paid with their life for what they did, then suffering victims and stars who publish books explaining the background of their stories, and journalists who dare and persist in their hope that journalism freed from the yoke of ownership relations is still possible.

A common trait of all these approaches is a deliberate sidestepping of the issue of the link between the economic system in which the media operate and the manner of reporting. At this point it is necessary to cut short those critics who brand references to political economy as an economy-based approach that cannot help in understanding why media reporting is as it is. This is the crux of the problem from which ensues our fundamental thesis – that analysis of the manner of news reporting (or of specific media practices) has no practical value, and that we should strive to identify mechanisms that produce specific media practices rather than some other. The only way to do this is to concentrate on the fundamental production relations. In doing so, there is no need to resort to conspiracy theories, evil owners, corrupt journalists and dumb publics. What suffices is the basic premise – that media are capitalist enterprises *par excellence* and as such their primary task is to perpetuate the capitalist system. Below are the foundations of what we named the holistic approach to the analysis of corruption in the media.

5

METHODOLOGY

In order to capture the whole set of qualities of the media sector crucial for its ability to serve the public interest and democracy, the research conducted within the project South East European Media Observatory introduces the notion of “media integrity”.

Media integrity encompasses several qualities of the media system – policies, structures and practices in the media field, and their relations – which enable the media to serve the public interest and democratic processes, demonstrating in their operations and content:

- freedom and independence from particular/special private or governmental interests;
- transparency of own operations and interests including clear disclosure of exposure to or dependence upon particular private or governmental interests;
- commitment to and respect for ethical and professional standards, and
- responsibility and responsiveness to citizens.

Media integrity more specifically refers to media's ability to:

- provide accurate and reliable information to citizens without being dependent upon, having clientelistic relations with, or serving particular/special private or governmental sources, and
- ensure that citizens have access to and are able to express a wide range of views and opinions without being exposed to bias and propaganda.

Media integrity also implies journalists' and other media professionals' capacity to adhere to professional autonomy and standards, demonstrating commitment to serve the public interest in contrast to relations and practices which corrupt and instrumentalize the profession for particular/special private or governmental interests; this capacity includes transparency of dependence upon particular interests and sources and commitment of journalists to protect professional standards in such circumstances.

Media integrity relates to the notions of media freedom and independence, as well as to media pluralism, but within attempt to capture causes for and manifestations of dysfunctional democratic role of the media in South East Europe, it tends to develop additional analytical category focusing on *institutional corruption* in the media system, on manifestations of *economy of influence and conflicting dependence*¹⁸ as well as on *political clientelism* in the media sector (Hallin and Papathanassopoulos 2002).

In order to grasp the scale of the issues covered by the concept of media integrity as a new analytical category, we applied a holistic approach in the methodology design. The purpose of such approach was to check how this concept works in various aspects of the media system, and how much it is useful in analysis and understanding why the media (systems) in the countries of South East Europe are as they are, and what influences their ability to serve public interest and democracy.

The holistic approach sought to explore the media systems in the region on various levels: on the level of media policy development and implementation, but also on the levels of media structures and institutions, and of journalists and their professional practices. Within that analytical framework, we put special focus on media ownership and finances. In the part of the research on media ownership patterns, a strong reference was made to the research on media ownership conducted in 2003/2004 within the same regional network of civil society organisations – South East European Network for Professionalisation of the Media, also under the leadership of the Peace Institute, Ljubljana.

The current research on media integrity focused on five countries of South East Europe – Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia. It was conducted from July 2013 to February 2014, aiming to identify and elaborate sources and mechanisms that systematically corrupt the role and ability of the media to serve democracy.

Applying the holistic approach and adapting the risk-based analytical framework we identified four risk areas for media integrity – media policy development and implementation, media structures (including ownership, finances, and public service broadcasting), journalists and journalistic/media practices – and specific risks for each of them.¹⁹ Different research methods and presentation formats were used to explore, elaborate and illustrate processes, policies, structures, practices, mechanisms, techniques and actors which constitute risks for media integrity in the selected countries of South East Europe. The research focused on current situation, but applied also diachronic/historical assessments where necessary.

The methodological framework of the media integrity research included also identification and elaboration of examples of policies, structures and practices in the media field in individual countries and on the regional level which are considered good examples in terms of media integrity.

The research was complemented by six investigative journalism projects conducted between September 2013 and January 2014 with the support of the South East European Media Observatory (through sub-granting) to examine corrupt practices in the media sector in Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia.

Media integrity research was guided by the following general research questions:

- Whether and in which way media systems in the countries of SEE integrate risks of institutional corruption and political clientelism?
- How these risks influence the ability of media to serve public interest and fulfill their democratic role?
- Particularly, how these risks are manifested in four areas: media policy development and implementation, media structures and institutions (specifically media ownership, finances and public service broadcasting), journalists and journalistic/media practices?
- Which policies, structures and practices can be considered “agents of change” in terms of the protection of media integrity and advancement of democratic media reforms?

The examination of four media integrity risk areas was guided by specific research questions and by a detailed inventory of risks identified in each area.²⁰

MEDIA INTEGRITY RISK AREA: POLICY DEVELOPMENT AND IMPLEMENTATION

- Why policy development and implementation do not result in efficient measures and operational media systems based on respect for media freedom, independence and pluralism? What are the forms of institutional corruption and conflicting dependence in this area, and which factors influence them?

MEDIA INTEGRITY RISK AREA: MEDIA STRUCTURES AND INSTITUTIONS

(OWNERSHIP, FINANCES, PUBLIC SERVICE BROADCASTING)

- Which are the key patterns in establishing, governing, sustaining and controlling media structures such as media ownership, media finances and public service broadcasting, and how much these patterns are based on political clientelism, institutional corruption and conflicting dependence?
- How much and in which way are private and commercial media businesses dependent on and sustained by financial sources connected to the state on the basis of clientelistic relations between media structures and political groups in power, and how much and in which way are the state owned media controlled by and instrumentalized for private interests of particular business and political groups?
- What are the forms of institutional corruption and conflicting dependence in this area? How do they differ in public and in private media institutions?

MEDIA INTEGRITY RISK AREA: JOURNALISTS

- How much and in which way journalists and editors are made victims or constituents of structures and relations that obstruct the democratic role of media? Which conditions, capacities and status of journalists and editors within media structures and in the society contribute to their ability and decisions to take part in or to confront relations and practices which corrupt and instrumentalize the profession for particular business or political interests?

MEDIA INTEGRITY RISK AREA: JOURNALISTIC AND MEDIA PRACTICES

- Whether and in which way journalistic and media practices – dominant patterns in gathering, selection, reporting and framing the news on social phenomena and actors, and dominant formats of media content – reflect and support structures and relations based on the instrumentalisation of media for particular political and business interest, and diminish its democratic role?

The research applied mainly qualitative research methods and techniques, such as interviews and focus group discussions with relevant actors and stakeholders, case studies and desktop research of secondary sources. The synthesizing of data available in the existing reports and documents and their use in elaboration of the issues identified within the analytical framework for media integrity research have been commonly used.

The goal to identify patterns of establishing, governing and operations of the media structures, primarily patterns of ownership and financing, was in focus of our research, and in that context our guiding principle was to collect relevant data to the level that

makes us able to identify patterns, and check how they work in terms of the risks for media integrity we have identified.

Consequently, despite its holistic approach in terms of the scope and areas to be examined, the research of media integrity did not aim to provide representative data, but rather to identify patterns and trends, as well as conditions and circumstances allowing certain patterns.

6

RESEARCH FINDINGS

Our research in 2004 showed that ownership matters. Ten years later we have to conclude that integrity matters too! There are obstructing patterns appearing across media systems that prevent media from serving the public interest. These patterns constitute a system of corrupt relationships that has pervaded the media sphere infecting all of its sections, from media policy to journalism as a profession.

6.1

MEDIA POLICY

A comparative view reveals that the current media situation in the countries analyzed is not solely a result of lacking or non-existent media policy, or lacking legal framework within which the media operate. It is rather a consequence of the political and economic system which literally forces media to establish “incestuous relations” with various centres of power. In this context, it is necessary to devote attention to the manner in which political elites in these countries created circumstances that enable a particular type of control over the media system. The concept of transition is not of much help here, and moreover, it may even distort the analysis of the situation.

The problem lies in the fact that over the past two decades or so, since the fall of socialism, none of these countries has launched a comprehensive public debate on the systemic, normative and institutional changes that have been taking place under the banner of transition. What kind of media do we want? No consensus on this question has ever been sought or reached. Instead, the goal was to adopt and imitate one or another model of a media system, laws and institutions found in the countries generally perceived as democratic which provided assistance during the “transition” process. A conclusion that imposes itself on reviewing the analysis of media policies in the countries covered by this study is that transition is still in progress and that it will never end.

The process began in the 1990s and the motto was: *As little of the state as possible, as much of the market as possible*. Marked by the experience of restrictions on freedom of

speech and media freedom during the period when the state played the main role and held the levers of repression, the new governments apparently relinquished regulation but in reality retained all “invisible” levers of influence on the media. Public interest was simply exchanged for the special interest of political and economic elites.

Media legislation hence only legalized and legitimized the actual state of affairs that existed in reality. Therefore, it is not surprising that successive governments over the past two decades did not radically differ in terms of their attitude to the media. References to the “European standards,” “examples of good practice,” and “implementation of the EU AVMS Directive,”²¹ but without a thought given to their implications for media development, led to a peculiar “pre-accession” copy-and-paste policy. However, the areas in which European standards required a principled approach by the state (e.g. the autonomy of the regulator and media pluralism) remained deficient. Regulatory institutions that emerged were only apparently autonomous but in reality very dependent, and instead of regulating the media they protected particular interests of powerful players on the media market (often with the help of significant political connections).

In Bosnia and Herzegovina, almost two decades after the end of the war, the situation is even worse. Not only that state institutions are not capable of governing, but the entire political and economic sphere is split along ethnic lines. The media legislation formulated with the assistance of the international community is in place, fully supporting media freedom, but its implementation depends on the whims of local political elites. The international community established an independent broadcasting regulatory body, CRA/RAK, thus setting the foundations for efficient regulation, but the local political elite, through continuous political pressure, blocked all possibilities for its efficient operation (Jusić and Ahmetašević 2013). Even the decriminalisation of libel, which was meant to protect journalists against the danger of the criminalisation of news reporting, did not produce a desired effect. In fact, politicians exploited this change and they now file civil lawsuits frequently demanding high damage payments from journalists and the media, endangering in this way primarily critical media. Although the idea of self-regulation has taken the deepest root in Bosnia and Herzegovina, in the environment where the laws are implemented in accordance with political interests its effect is restricted in scope. In Serbia, the processes described above were delayed, starting one decade later than in other countries in the region. Although Serbia now has a broad media coalition composed of all key actors in the media sphere (journalists’ association and associations of various media organisations) which reached a consensus and adopted a media strategy (in 2011), most of the key requirements have not yet been met. Adoption of laws without a previous analysis of past mistakes and shortcomings, the absence of methodology for establishing (and measuring) media pluralism, the absence of a definition of the public interest, media market surveys

and fundamental information on the scope of media sector, can eventually lead to a legislation that is adequate in form but difficult to implement.

A comparison of fundamental laws regulating the media sector shows that a majority of analyzed countries have inbuilt mechanisms that should ensure free operation of the media. However, in practice certain provisions are not implemented or their implementation is lacking, responsibility is re-delegated from one institution to another (the result being that eventually no one performs control) and relevant institutions do not have information on the real state of affairs on the media market. This situation is mirrored in media content and eventually media are used as the main trump card in negotiations between media owners and politicians.

In shaping the normative framework and consequently the media system, there were conflicting interests of many players on the media market. The analysis of the role of international assistance in media reform in Bosnia and Herzegovina has shown that crucial factors that caused a stalemate in media reform were the absence of cooperation and coordination among many donor countries and organisations, and the opposition of the local elites to changes that threatened to restrict their control over the media (Jusić and Ametašević 2013). The three pillars of a successful media reform are an open and inclusive public debate, support of political elites that should accept ownership of the problem, and support of key media players – ranging from media owners to journalists and the public.

6.2 MEDIA OWNERSHIP

The absence of the market, a strong dependence on the financial flows involving the state, vague regulation on unlawful concentration, hidden ownership and intransparent trading in media shares led to a growing media's dependence on the state, or rather political parties and their agendas, in all the countries covered by this analysis. Instead of serving the public interest, strengthening democracy and democratic institutions, the media remained entrapped in the web of intransparent clientelistic relations. The large number of active media outlets by no means points to media pluralism but rather indicates an artificial maintenance of the levers of influence on political decisions. In certain cases, political links are obvious, but most of the time these can be only discerned based on editorial policies. The online media that were promoted as a mechanism for ensuring pluralism of voices on the media market, have proved to be the most intransparent in their operation; many among them operate under the patronage of business-political groups and are funded with the money of suspicious origin. How these links work has been shown through the investigative journalism project *MediaPedia* in Macedonia, which looked into the hidden ownership networks in which the Macedonian online news media are entrapped.²²

In Croatia, the case known as Fimi Media affair and the sentence (still not final) given to the former Prime Minister Ivo Sanader, showed how dependence corruption works.²³ An important conclusion resulting from this process is that former PM would not have been able to build such a complex corrupt system to manage his political party and the state had he not been assisted by both the state and media owners who, in turn, were awarded through receiving money from the state budget or banks that were under Sanader's control (favourable loans for media purchases). A thorough analysis of the Croatian media space shows how the market has been increasingly concentrated despite a plethora of radio and television programs. In fact, an increasing number of outlets strive to connect into networks in an attempt to reduce costs, while online media can survive only if their owners have other lucrative businesses. Media owners have become so powerful that they are almost untouchable.

To understand the relation between the state authorities and media/media owners, the key question that needs to be answered is how those who exert influence on the media benefit from them. The answer derived from the case of Macedonia is quite unequivocal – media owners are the owners of public opinion. The most important in this respect is journalistic content, i.e. how and what media report and what they do not report. Ownership of radio and television stations in Macedonia is already transparent, and the new legislation passed towards the end of 2013 (and amended shortly after, in January 2014) requires from the owners of print media to disclose their media stakes. The web media outlets which, in the opinion of analysts, represent the last sanctuary of critical journalism are not subject to any regulation that addresses transparency of ownership or the constitutional right of reply and right of correction.

An overview of media owners in Macedonia showed that nothing has changed significantly in the past decade, including the ways the media are abused for political purposes. Local radio and television channels, mainly owned by individual businessmen-small owners, are the most powerful instrument for ensuring political support of the ruling party. Media owned by individual businessmen-big owners live in symbiosis with the ruling elite until the owner decides to be critical of the current politics. The ruling political elites tolerate only owners who are willing to support their politics unconditionally. This type of relationship precludes any possibility of critical journalism.

In Serbia, the transparency of media ownership is one of the key political issues. It is not known how many media are owned by the state. Owing to state funding, the media are less oriented towards market-based operation, while the state has many levers of influence to affect media content. Foreign owners, on the other hand, are exclusively driven by profit and they mainly publish tabloid media. A specific feature of the Serbian media environment is political tabloids which appear and disappear in accordance with the

dictates of hidden, business-political networks aided by criminal and intelligence providing circles. Tycoon-businessmen usually conceal their media shares by registering their companies off-shore or by establishing an incomprehensible network of companies registered in Cyprus, Austria or Russia. Such media are completely dependent on politically guided financial flows (advertisements for large state companies), and their mobilisation for political purposes becomes most conspicuous at the time of elections. In a typical local media ownership model, it is a small (local) entrepreneur who owns a local media outlet. Journalists are obliged to observe the business interests of their media owners because they depend on them for their livelihood. The owner of Pink Media Group, Željko Mitrović, built his television empire during the reign of Slobodan Milošević, and was able to retain and expand it after the change of government. Mitrović has always used his media outlets to promote his own business and private interests and interests of the political structures in power. In contrast to many other (former) media owners in the region, who strove to become actively involved in politics with the help of their media and eventually lost everything, Mitrović always put his media outlets at the “disposal” of ruling politicians, regardless of their political prefix. The media owned by journalists have been most affected by the financial crisis. Their survival in the environment in which the “market” operates in accordance with political and clientelistic principles is uncertain.

In Albania, all media except the public service broadcaster and the national news agency are privately owned. Very few media owners are willing to admit publicly that they have political links, but their entrance into politics has become a common occurrence. Owing to the specific features of this market, practically no media outlet can survive unless supported by a behind-the-scenes, more lucrative business of the owner. A commonly found pattern in media companies is the rotation of the same group of family, relatives or trusted persons through the positions of general administrators, board members or shareholders (e.g. national *+2Radio* and *Top Channel TV*). The conduct of media owners, their concealment of ownership links and various forms of media instrumentalisation have proved to be among the most important factors preventing media integrity.

6.3

MEDIA FINANCES

Media policies depend for their efficiency on the transparency of data (on ownership and funding sources) and the presence of adequate, independent institutions that provide credible information about the media market. In the countries analyzed here, both present a problem. In Albania, after 23 years of market liberalisation, there are still no reliable and accessible data on the state of affairs in the media sector. A situation in which something is known or assumed and in which the money travels from various businesses of media owners to their media outlets (parallel business) with the help of state advertising, creates

a media market whose operation is guided more by political and private interests than market principles. In Bosnia and Herzegovina, the war that broke out among audience measurement companies clearly shows that this data is frequently adjusted to the needs of the most powerful market players. In countries where this data is accessible, the regulatory body's measures have been missing. Obviously, in such circumstances it is pointless to talk about a media market.

The distribution of state advertising and various forms of state subsidies represents an area of very high corruption risk. Who receives this money and for what purposes? (Officially, state subsidies are earmarked for the support of media pluralism.) A large part of these funds is given to PR agencies, advertising, marketing and production agencies that are mainly owned by political party activists and persons connected with them. A consequence of politically motivated distribution of state funds to influence media operation is the (ab)use of media as a means of shaping public opinion, boosting political ratings (of political parties or individual politicians) or increasing individual wealth. The trends are unambiguous. Political parties and politicians, using funds from the state budget, maintain a web of politically affiliated and politically motivated agencies whose owners use a network of a small number of powerful people to establish control over the media sector. Owing to this hijacking of funds, most of the media are never critical of the state bodies' operation, except in cases when it suits the interests of certain political parties or a part of the political elite. Media as watchdogs over the operation of state institutions have become themselves subject to control. The awarding of funds to the media that are close to political parties particularly increases during election periods. In the Albanian polarized media world, television stations closely connected with the government are awarded the largest portion of state advertising. The major part of the advertising fund of the Ministry of Defence went to the television stations owned by Aleksander Frangaj, closely connected with the former PM in the government of Sali Berisha and his Democratic Party.²⁴

Croatian media are in the "tight embrace" of political elites and large advertisers. The state still plays an important role in media funding, distributing various forms of state subsidies to both national and local media. For some local media, state subsidies are the main source of finances. In addition to direct forms of co-financing, the state may also influence the financial stability of the media by way of tax policy. Most commercial media are dependent on advertising revenues. Croatian Agrokor, T-HT and VIP are among the five largest advertisers in Croatia. Agrokor is the owner of the largest print media distribution network, while the telecommunication company T-HT has large stakes in online media. Such intertwining of media and their financial sources enables direct influence on the attitude of the state to media operation: large media are simply untouchable. The most indicative example is the weekly *Feral Tribune*, established by journalists who during the

reign of Franjo Tudman were the most important producers of critical journalism. *Feral Tribune* survived political pressure and many lawsuits, only to be eventually destroyed by market censorship. Despite stable readership, in 2008 the newspaper perished because it was boycotted by advertisers. Independent, critical journalism is today mainly pursued by smaller online media funded on the project basis. Apart from them – as an intriguing subversion occurring on the margins of the media system – a newspaper of the minority Serbian community financed from public funds, strategically employed the former editors of *Feral Tribune* and transformed into a political weekly *par excellence*.

In Macedonia, the largest advertiser in 2012 was the Government. The analysis of clientelistic financing of media in Macedonia and Serbia revealed several main methods used to conduct financial transactions between the state and media, with advertising agencies playing the role of an intermediary. Since the state has no media policy or clearly defined public interest in the media sphere, the subsidizing of individual media and media content is based on political criteria.

A review of advertising agencies' revenues shows that many of them are fully dependent on "deals concluded with the state" and very little, or not at all dependent on the sales of their services on the market. A change of government or of the executive staff of a ministry, office, agency or a public company usually entails the engagement of a new advertising/marketing agency. Political parties have their own "confidential" agencies which move around with them.

6.4 PUBLIC SERVICE BROADCASTING

Public service broadcasters remain the part of the media system that is most exposed to risks when it comes to particular political interests and prevention of independent operation in the service of society as a whole. The PSB management and funding system are arbitrarily determined and changed by political players, via legislation or direct measures, which are practically never aimed at ensuring the independence or stable operation of PSBs. Changes to the appointment procedures for supervisory and management boards and definition of their authorities are mainly motivated by the wish to install in the key positions persons who are loyal to the ruling political party of the moment. An example is the latest, 2012 amendment to the Croatian Radio and Television Act, which came after the change of government – it entrusted the appointment of a PSB director to the Parliament. In general, too, the managing boards of PSBs, especially when such an organisation is financially weak, are rarely independent from ruling politics. In Macedonia, every government up to the present day had its own people in the leading position within the PSB. The new Albanian government that came to power in 2013 immediately announced reform of the public service, since its most senior management body whose members are nominated

by the Parliament has been incomplete for two years because of political disputes over the appointment procedure.

Although laws in all of these countries stipulate that positions in the management and supervisory bodies of public services should be occupied by competent representatives of various segments of the public and civil societies, in practice these bodies are mainly composed of people with clear political profiles loyal to individual political parties. In BiH, the appointment procedure takes into account ethnic membership in addition to political affiliations, while candidates' skills and experiences are irrelevant.

And what is the real power and reputation of these bodies that are supposed to supervise PSBs' operation on behalf of the public? In Albania, a PSB regulatory body is fully passive; in Macedonia, the role of the Council is rather ceremonial, and a similar could be said of Serbia's public service, where the Director General was for a long time more influential than the Governing Board. In Croatia, the Supervisory Board, owing to conflict of interests, demanded a dismissal of the newly appointed director general, but the Parliament rejected the request.

The operation of PSBs' management and supervisory boards is mainly completely intransparent, with the broader public or in-house staff usually having no insight into their work or decisions. Such a grey zone operation threatens the independence and integrity of public services. In Albania, this problem has been pointed out several times in the past, but the 2013 amendments to the media law ignored it and once again failed to establish a system of checks and balances.

The organisational structure of public services is complex to the point of unmanageability. This is especially true for BiH, where three PSBs are in place, one in the Federation of Bosnia and Herzegovina, one in Republika Srpska and one established on the state level. This structure reflects the complex constitutional arrangements in the country. The provision in the 2005 law, adopted under the influence of the international community and stipulating the establishment of the Corporation of public RTV services in BiH as a separate organisational unit, has never been implemented. Much like in other common areas of operation of the state of BiH, the political leadership of Republika Srpska obstructs and prevents the strengthening of common, state-level institutions.

Serbia has two public services – the public service of Serbia and the public service of Vojvodina. The state treats them differently and often controversially. In fact, Serbia has not yet defined the concept of PSB, either in legislation or through a public debate. A law on PSB in Serbia is currently being drafted under a watchful eye of the international community, and especially the European Commission; various interests and concepts are at play, and the issue in the foreground of the process is that of the funding method.

In addition to functioning as “lightning conductors” for political relations in the country, public services are also economically significant entities. In many cases they are the largest employers in the media sector, with big budgets, production capacities and ramified infrastructure. This is another reason, in addition to programming content, why they are often the targets of clientelistic networks.

In Serbia, the 2011 report of the anti-corruption commission lists many indications of corrupt activities in *RTS* commercial operations. Co-produced and independently produced programs are also ensnared in corrupt networks.

Information on finances and business activities of PSBs is difficult to access. In Serbia, the late Director General of the PSB rejected to disclose this (public) information, preferring to pay a fine for the breach of law. In Macedonia, the law stipulates that financial plans and annual reports should be published on the PSB’s webpage, but none of this data is available there.

A special analysis conducted by CRA in 2013 in BiH contained data on commercial revenues of public services in BiH, but the report remained hidden from the public for some time. This situation, in which an important role was played by competing commercial television companies, clearly demonstrated that data on the volume and flow of advertising money is under control of hidden interests, while the interest of the public to have insight into the operation of a public service is ignored by everyone. In BiH, advertising revenues accounted for a large part of PSBs’ revenues, at *Federal TV* even as much as 40 percent. In Macedonia and Albania, by contrast, the share of advertising revenues in the total income of public services is very low.

The largest public service broadcasters in the region, the PSBs of Serbia and Croatia, operate with a loss; this fact is especially worrying in the case of the Croatian *HRT*, for years the richest and the most stable public service in the region whose more than 80 percent of income comes from licence fee set at more than 10 euro per month, with the collection rate exceeding 95 percent of issued bills. One of the main reasons for such poor business results, in addition to dwindling advertising revenues, was the 2010 reduction of advertising time on *HRT* during prime time by more than one half. It was a political decision, much like decisions on the licence fee rates and the method of licence fee collection.

The laws that regulate public service broadcasters seem to be designed to keep PSBs hostages of the governments.

In Macedonia, for example, this was for years the main lever of control and perpetuation of dependence relationships and culture. Owing to a dysfunctional licence fee collection system, the Macedonian public service was so instable that it was at the mercy of the government, depending on the state budget for its bare survival. Similarly, in Albania, the minimal

licence fee revenues (0.756 euro per month per household) paid by only a fraction of households, ended in the state budget instead of on the account of the public service. However, in both countries the licence fee collection method has been enhanced during the past few years, obviously thanks to a political decision that a more efficient system is needed.

In Serbia, the development has taken a different direction. Populist political promises that licence fee would be abolished prompted many to stop paying it, so the already meagre licence fee revenues further decreased and brought both public broadcasters to their knees. The public service of Vojvodina was about to wind up its operation when it received funds from the state budget, and this did not occur for the first time, since state aid was previously also given to *Radio Television Serbia*. There is even a chance that the new law on public service broadcasters in Serbia will suspend the licence fee as a PSB funding method, although it symbolizes the commitment of a public service to serve the interests and needs of citizens. Direct funding from the state budget, which is allegedly only a temporary solution, is supported not only by the government but by public service broadcasters as well, since the illusion of safe haven provided by state funding is very strong. Very paradigmatic, and also alarming, is the absence of determination in the leading figures in Serbia to establish an independent system of PSB funding. The Serbian RTS is one of the largest media organisations in the region and also the only public service broadcaster that over the past years outstripped its commercial competitors in terms of viewership.

Our research sought to establish the indicators of public service broadcasters' integrity by examining the methods of their management and funding. The analysis showed that what is involved is a long lasting and deliberate obstruction of public broadcasters' transparent, independent and stable operation, through the actions of governments as well as supervisory boards and managements. It is clear that stable funding from licence fees, the appointment of independent, credible and competent supervisors and skilled and upright executives could turn these media into transparent institutions committed to public service, and that they could become the best employers for best journalists and other programming and technical personnel who could produce truly public service content. No other media has such a potential to do that. But who will bring them to do that?

6.5

JOURNALISTS

The question of whether journalists are victims or part of the structures and relations that prevent media from fulfilling their democratic role yielded an answer that justifies a conclusion that journalists, in addition to the public and society as a whole, have been the biggest losers in the two-decades long process.

In former Yugoslavia, journalism was a respectable and influential profession that was accorded rather high social status, and journalists belonged in the middle-income class.

However, to be a journalist in BiH, Croatia, Macedonia and Serbia today means to be socially degraded to a servant of businessmen, professionally reduced to the “microphone holder” (a term often used by interviewed journalists), and economically reduced to a precarious worker without rights, whose salary is often lower than the national average and sometimes delayed by several months. Here we have in mind the average journalist’s salary that may be between 250 and 350 euro (except in Croatia, where the wages are higher), that is to say, equal to the price per day of accommodation in Brussels where journalists’ representatives are invited to participate in debates about the significance of their work for the advancement of democracy or in negotiations on their countries’ accession to the EU.

Professional and economic degradation, however, did not trigger an organized resistance on the part of journalists. Even today, in circumstances which they describe as “worse than ever,” they remain passive, polarized and fragmented. Their political and ethnic affiliations often have more impact on their attitude to the problems of journalism than their awareness of the urgency of joint action to build and defend professional standards and identity.

Journalists’ associations do exist and they did make attempts to raise awareness about the situation of journalists, but their power and capacity are weak. These associations are themselves often polarized and their leaders often strongly politically biased. In Albania, journalists became self-organized on the initiative of donors and international organisations, but their activities usually grounded to a stop once the external financial support was exhausted. Journalists’ associations in Serbia have recently engaged in media policy formulation, the drafting of media strategy and media reform; they even put aside previous political disputes and formed a media coalition. However, their engagement in media policy and regulation, although leaving the impression of participation and influence on decision makers, has not yet delivered results. As a result, everyday questions and manifestations of the disastrous state of the profession continue to remain in a shadow or completely neglected. Trade unions have gained some strength here and there, although they are still weak, mainly lacking distinguished, strong leaders and remaining vulnerable to various obstacles. Owners of commercial media outlets hinder or prohibit engagement in trade union organisations. Trade union activists are exposed to pressure; in Macedonia, the president of the national trade union was terminated her work contract.

The research showed that editors’ role is often a factor of degradation and instrumentalisation of a journalistic job and journalism as such for the satisfaction of the private interests of owners and/or political interests of clientelistic groups. In Macedonia, they have been described as performing a “broker” role in the clientelistic chain, since it is editors who take care that the interests of the media outlet’s patron – a politician, tycoon or advertiser – are realized and reflected in concrete journalistic products and media content, even if this necessitates editor’s direct censorship of journalistic articles. However, the most widespread

practice is the appointment of loyal and obedient people to the key newsroom positions, and the marginalisation and sanctioning of journalists who express critical opinion and a desire for autonomy. Editors of the media in countries covered by this study are mainly not the first or the best among the equals (journalists), but the proxies of media owners who qualified for editorial jobs through their servility and lack of ethical reservations.

Journalists working for local media are in a particularly bad situation that would merit a special research study. Local media are in fact most subject to political and business will, while local journalists have few other job options. There are hundreds of unemployed journalists in the countries we researched; anyone can become a journalist without having the needed skills and qualifications, and all that is exploited by media owners to reduce labour costs and exert pressure.

In such circumstances of predatory capitalism, ethical issues in journalism are considered a “luxury” by many interviewed journalists, or something that creates a lot of difficulties for them if they persist on ethical standards.

Journalists are threatened, accused and attacked. In BiH, the journalistic organisation BiH Journalists set up a Free Media Help Line, which registers around 40 cases of pressure, threats and attacks annually. In Republika Srpska, journalists are prevented from work or intimidated by government representatives, while critical journalists are prevented from accessing information or reporting on events organized by governmental bodies. In Serbia, a progress has been made recently in investigations of some past assassinations of journalists, but at the same time there are journalists who had to be given 24-hours police protection in the face of threats.

Investigative journalists are especially in danger. And yet, rare optimism regarding journalists’ options to perform their job with integrity and commitment to the public, has been found precisely among investigative journalists. For example, Artan Hoxa (Albania) explained that journalists who perform their job with passion and courage not only refuse to succumb in difficult circumstances but even step up their efforts and enhance their professional level.

Investigative journalists only rarely work for mainstream media companies (as in the case of the *Insider/Insajder* broadcast on B92 television). Most of them work for alternative organisations, such as centres for investigative journalism, the Balkan Investigative Reporting Network or the like. These organisations are supported by donations, and their investigative stories are often disseminated through the online media established and managed by journalists themselves. Put differently, in the region covered by this research, investigative journalists and investigative journalism are a kind of outcast expelled from the mainstream media that are controlled by local political and business elites. At the same time, they are a kind of journalistic knights-errant working under the patronage of

the international community. Their story is an allegory of what has befallen the media systems in these countries on their eternal march towards democracy.

6.6 JOURNALISTIC AND MEDIA PRACTICES

The mainstream journalism has practically completely succumbed to instrumentalisation for commercial purposes and political parallelism. The case studies presented in this book reveal drastic examples of political bias, for example, politically orchestrated brutal campaigns featured in political tabloids in Serbia that were aimed against specific political actors during political struggles. The reporting on ethnically driven events in Macedonia was a textbook example of bias and manipulation employed by the two public service channels. The subordination of journalism to commercial goals in Croatia is illustrated by the fact that there is not one broadsheet daily in Croatia any more. Reporting on social protests in BiH clearly demonstrated that every socially complex topic has become something beyond media's capacity to deal with, and that a view taken by the ruling structures always prevails in reports. The announced but unrealized disobedience of private television stations in Albania, which were forced by the election commission into broadcasting footage prepared by political parties, testifies to the betrayal of viewership and the victory of political interests over the public interest.

6.7 EXAMPLES OF GOOD PRACTICES

Are there any encouraging signs pointing to the integrity of media policy, media structures and practices in the countries under study? Are there any indications that media have been making efforts to ensure that interests of the public are met? In seeking to find such examples, we hoped to identify circumstances, conditions and actors that enabled good practices which could possibly be extended to other parts of media systems or other countries in the region.

In all five countries, the governments now more engage in consultations with civil society representatives, professional and interest associations before adopting legislation. This is obviously a result of the demands placed by foreign actors, especially as part of the European Union integration processes. The progress has been especially evident in Albania where legislation adoption was previously the domain of political actors. In Macedonia, Bosnia and Herzegovina, Serbia and Croatia civil society increasingly engages in public debates and events bringing in this way the issues of media policy closer to the broader public. Journalists' associations and trade unions, media institutes (Macedonia) and coalitions formed by previously split professional associations, have systematically engaged in the struggle against governments' measures that could be harmful for media freedom and integrity. Various actors organized themselves to protect the already acquired rights and

to prevent the backward steps in legislation (regarding access to public information, BiH). In Croatia, the government has made a step forward by introducing two instruments that strengthen the influence of civil society in the very process of media content production. Since 2013, three percent of the lottery income has been earmarked for non-profit media published by civil society organisations. In the same year, a pilot project was carried out in which investigative projects were financed. The experiment also covered the application procedure and selection of projects, and the general public was invited to vote online to select the topics to be investigated (“public commissioning”).

The first country to introduce a strategic approach to legislative amendments through the adoption of “media strategy” that was a result of a joint effort involving the government, interest groups, civil society, local and foreign experts, was Serbia (in 2011). The effects are not yet palpable, although any further step in media reform would be even more uncertain without this document and lessons learned by participants.

Self-regulatory mechanisms have also been strengthened, again through international efforts. A press council in BiH has shown signs of vitality and initiative and could serve as a model, although it is questionable whether these mechanisms/bodies can achieve stability, durability and wider operation in the environment where the media industry, which is supposed to maintain the self-regulatory system, operates on such a low budget.

The transparency of media ownership has been improving gradually. In Albania, the National Centre for Registration has been established and the Commercial register digitalized; in Croatia, the regulatory body improved the transparency and accessibility of its database of AV media owners.

Positive ownership models can be found among the publishers of online media, mainly non-profit centres owned by journalists. These media, which are more magazines than news media, provide information, analyses and research independent from political and commercial power centres.

Journalistic investigation of the abuse of state advertising in Albania created a public pressure that led the new government to include in its program commitment to introduce a more transparent and fair system of the distribution of state advertising. The instrument of direct or indirect state financial support to the media in Croatia proved to be a good leverage leading to the introduction of statutes in media companies that regulate internal relations between the management and the editorial desk. Those Croatian media that wish to implement a reduced tax rate or receive money from the fund for media pluralisation must have internal relations regulated through a company statute.

Albania and Macedonia have lately managed to increase the licence fee collection rate, and as a result, both public service broadcasters improved their performance, in terms of programming and technology. Croatia is an exemplary model of how to set up an efficient licence fee

collection system and how to determine a licence fee rate based on economic indicators – the law stipulates that the monthly licence fee rate is 1.5 percent of the average salary.

Centres for investigative journalism and rare investigative teams within other media outlets offer significant public service contents. The most widespread form of investigative journalism is centres established by journalists themselves, e.g. in Sarajevo and Belgrade. However, they completely depend on donations, meaning that their journalists are in a specific position that can be sustained only as long as donations last, which again constitutes a unique hazard for journalists and their audiences. Another model involves a small investigative team within a large media company (e.g. *Insajder* at B92). It mainly rests on personal enthusiasm, professionalism and ethos of individual journalists (making the team), and partly on the outlet's commitment not to obstruct their work. Whatever their form, these oases of investigative journalism send an important message across the media world – that good journalism largely depends on individual journalists. What we have in mind here is quality journalism concerned with important social issues that is accessible and easily understood by the broader public, and as such an invaluable contribution to society as a whole.

7

CONCLUSION

In conclusion, the most pertinent question would be: How should we proceed? Changes will not happen unless there is a clear need for them. An answer to the question of whether independent, critical media are still possible today was provided by Predrag Lucić whom we quoted at the beginning of this overview, the former editor in chief of *Feral Tribune*, an independent weekly that operated from 1993 to 2008 in Croatia. In an interview for the Media Observatory website he said:

*If a new media outlet emerges, a one like Feral Tribune, it will not happen because the system enables it. It will have to go against the system, like in the '90s. ... If the people, the journalists, feel a need, they will find a recipe. Feral existed for 15 years. Well, when we launched it, we did not make estimates or predications as to how long it could last; at that moment we only felt the need to get it going. ... The events unfolded as they did. ... Your only wish is to write about them, to make a newspaper that will freely write about them. It appears so simple, and in principle it is very simple. ...*²⁵

Media integrity – the goal we pursued in our analysis – can be achieved only if there exists a consensus (and it should be a guiding principle of every media policy) that media are obliged to serve the public interest and satisfy the communication rights of citizens. The legal framework that circumscribes media operation today is a result of predominant

economic relations, not the other way round. It is not possible to change a legal framework unless the economic system that provides its wider operating environment is changed first. The principle we adopted in our analysis proves that the corruption problem and changes in the media system should be contemplated and tackled through a holistic rather than linear approach. If journalists are to fulfil their fundamental mission – act as citizens’ representatives and guardians of freedom of speech – they must be ensured basic conditions to be able to perform their task freely. If media are to be free, they must become more closely involved with the public sphere than with the political and economic sphere. The culture of responsibility and accountability to the public should prevail on the individual and systemic level. It can flourish only if it rests on a “natural alliance” between citizens and journalists. To strengthen their integrity, media should enhance their professional performance, the ability to reflect on their social mission, develop professional self-criticism and willingness to engage in a dialog with the public. Media policy that wants to pursue these basic goals should rest on an open dialogue with all players in the media sphere. Concrete recommendations for new media policies are given in individual country sections in this book. A red thread running through all recommendations can be recapitulated as follows: transparency (in legislative procedures, finances, management and supervision), work in the service of public interest, a stronger role of public service broadcasters and their commitment to ensuring the communication rights of citizens, and responsibility and respect for professional standards. Neither top-bottom nor bottom-up changes are feasible. Changes should be achieved through long-term negotiations involving political and economic elites, media owners, media workers and the public.

Finally, what could be said about the concept of transition? Today, it is the global media system that is undergoing a transition. It calls for a deliberation on why we are where we are, why our media are as they are, and what should be done to bring the media to fulfil effectively their watchdog function. At the time of the previous research study, in 2004, the goals in the region were subsumed under the term “European standards.” A decade later, the countries covered by this study cope with the same difficulties; the actors, too, are more or less the same, only the problems have acquired new, additional dimensions. However, a significant change did occur. Citizens became more active. The journalists who in the past passively observed the consequences of transition and devastation of the media market began to deliberate on new forms of operation and cooperation. The belief that problems addressed here are specific to the region and that they are a result of deficient liberalisation and lack of confidence in market laws, has also changed. The experiences (negative and positive) described in this book point to possible starting points in shaping new media policies.

ENDNOTES

- 1 Interview with Predrag Lucić is available at the web site of the SEE Media Observatory at: <http://mediaobservatory.net/radar/journalism-taken-journalists>. Accessed 6 March 2014.
- 2 The research, which first exposed the problem of media ownership in post-socialist countries, covered Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Kosovo/a, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Serbia, Slovakia and Slovenia. The research was coordinated by the Peace Institute within the framework of the South East European Network for Professionalisation of Media, with the support of Open Society Institute, the Fresta Program of the Danish government and the Guardian Foundation. It was conducted at the time when 8 of the researched countries were in the process of joining the EU. The concluding conference at which the findings were presented was co-organized by the Council of Europe. See http://www2.mirovni-institut.si/media_ownership/. Accessed 6 March 2014.
- 3 Anne Penketh, "Libération journalists fight investors' vision for future of French newspaper", *theguardian.com*, 9 February 2014. Available at: <http://www.theguardian.com/media/2014/feb/09/liberation-journalists-shareholders-france>. Accessed 6 March 2014.
- 4 The term "western" is here used as a descriptive tool to denote those media systems that in post-socialist countries were for decades seen as exemplary. While in the 1990s, the western media were "role models" for eastern countries, today it is possible to say that the eastern media have turned into a "monster" that sows terror across the west. The East has exposed all the symptoms of the previously sacrosanct media policy of the West.
- 5 Seumas Milne, "Ownership is the key to the corruption of the media" in *The Guardian*, 12 June 2012.
- 6 In Great Britain, Media Reform Coalition exposed all the key issues of media reform. Being a broad platform of civil society organisations and individuals, it provided a systemic context for the discussion of alleged violations of professional standards in journalism. See <http://www.mediareform.org.uk/>.
- 7 George Monbiot, "This media is corrupt – we need a Hippocratic oath for journalists" in *The Guardian*, 11 July 2011. Available at: <http://www.guardian.co.uk/commentisfree/2011/jul/11/media-corrupt-hippocratic-oath-journalists>. Accessed 4 March 2014.
- 8 Ibid.
- 9 Our point of departure is that the media cannot serve the public interest because of their involvement in the economic sphere.
- 10 *A successful meta-concept, however, is more than simply a good boundary object. It also tends to entail a "soft" teleology* (Ansell 2011, 49).
- 11 A characteristic of the donor funding system is its temporariness and orientation towards specific projects that are not necessarily the priority of local environments; eventually, donors move to other countries that they think are in need of help.
- 12 Media in Albania were not privatized but the establishment of new media followed the same logic as in other analyzed countries.
- 13 Vincent Mosco argues that it is not important whether the myth is correct or not, but whether it is alive or dead. And the journalistic mythology is still very alive – despite cynicism which is often an expression of resigned idealism (Mosco 2005, 143).
- 14 *"Dependence corruption describes the process of governance. It doesn't point to a particular tainted result"* (Lessig 2011, 328).
- 15 Emphasis by the author.
- 16 For easier understanding, in this part media are referred to as institutions. We talk about media as economic subjects. The distinction between media as economic subjects (enterprises) and media as cultural products (non-enterprises?) seems to be completely mistaken. Which media operate as non-companies? Is it at all possible for a media outlet (regardless of its institutional organisation and financing model, eg. a public service) to function independent from the market, as non-company? The only real question is who owns the means of production.
- 17 For the needs of this project we reviewed available literature dealing with corruption in the media.

- Some approach the subject by focusing on the media reports on corruption, and others assess the degree of corruption relying on various social groups' perception of the level of corruption. See Agatrwal and Barthel (2013), Ali Nobil (2011), Li (2013), Palau and Davesa (2013), Di Tella and Franceschelli (2011), Samarth (2005) and Hanitzsch and Berganza (2012).
- 18 See Lawrence Lessig's lectures and articles on institutional corruption, economy of influence and conflicting dependence. Available at <http://blip.tv/lessig/institutional-corruption-short-version-2807497> and at <http://www.law.harvard.edu/alumni/hlsbrief/media/lessig-video.html> and <http://www.bostonreview.net/BR35.5/lessig.php>. Accessed 2 March 2013.
 - 19 In that part we used the experience in development of a risk-based analytical framework for assessing media pluralism, i. e. Media Pluralism Monitor, a monitoring tool developed on the initiative of the European Commission in 2009. See *Independent Study on Indicators for Media Pluralism*, 2009, available at <http://ec.europa.eu/digital-agenda/en/independent-study-indicators-media-pluralism>. Accessed 10 March 2013.
 - 20 See the inventory of the risks identified for each media integrity risk areas in the appendix.
 - 21 Directive 2010/13/EU of the European Parliament and of the Council of 10 March 2010 on the coordination of certain provisions laid down by law, regulation or administrative action in Member States concerning the provision of audiovisual media services (Audiovisual Media Services Directive), OJ L 95, 15 April 2010, p. 1–24, available at: <http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2010:095:0001:0024:EN:PDF>. Accessed 6 March 2014.
 - 22 Source available at <http://mediapedia.mk/>. Accessed 15 April 2014.
 - 23 It is symptomatic that the biggest corruption scandal in Croatia was connected with the company whose name includes the term "media." Its task was to re-direct the advertising money from state run companies to obedient media outlets and to the accounts of the then ruling HDZ party.
 - 24 See Besar Likmeta, "Big Advertisers subvert Albanian Media Freedom," *Balkan Insight*, 20 December 2013, available at <http://www.balkaninsight.com/en/article/big-advertisers-subvert-albanian-media-freedom>. Accessed 6 March 2014.
 - 25 Predrag Lucić, in an interview for SEE Media Observatory, available at: <http://mediaobservatory.net/radar/journalism-taken-journalists>. Accessed 9 March 2014.

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APPENDIX TO THE REGIONAL OVERVIEW

INVENTORY OF RISKS FOR MEDIA INTEGRITY IDENTIFIED WITHIN THE RESEARCH METHODOLOGY

1 MEDIA INTEGRITY RISK AREA: POLICY DEVELOPMENT AND IMPLEMENTATION

RISKS

- Development and reform strategy for media sector has not been adopted, or it lacks support for operationalisation, because of conflicting particular interests. In such circumstances partial media policy interventions prevail following particular interests, dominant in certain period.
- Media policy mechanisms and measures are developed without proper analysis, strategies and public consultations, because the procedure of adoption is not based on knowledge and public interest, but on particular political or commercial interests of particular groups.
- Media policy mechanisms (including regulatory mechanisms) and measures are introduced on the basis of models imposed to satisfy requests of outside actors, without proper analysis and public consultations, and respect for situation and public interest in concrete country.
- Media policy mechanisms, including regulations aimed at transparency, anti-concentration and media independence have not been developed or contain inconsistencies or are not applied efficiently, indicating prevailing interests of dominant political and private business groups to avoid efficient policy mechanisms in that area.
- Media regulation is often changed, it lacks consistency and operational solutions. Its level of implementation is low. Changes of media regulation correspond to changes in the government. Adoption of media regulation is not matter of public debate and political consensus, but is rather a subject of high level of political polarisation and conflicts. Such circumstances arise from process of development and adoption of media regulation being captured and media itself instrumentalized by particular (conflicting) political and private interests.
- Media policy making institutions (and bodies, officials and formal representatives of the public in such bodies) lack capacities for development of media policy (capacities to collect data, make or commission analyses, to develop “knowledge and vision-based” strategies, regulations and measures; lack of capacities include small number of officials, lack of competences etc.) or their capacities are neglected by ruling political groups. Knowledgeable people with integrity among officials employed in the governmental bodies responsible for the media or in the media regulatory institutions as well as among members of the regulatory bodies are exposed to pressure and campaigns from the side of particular political and private interests.
- Media policy making institutions, bodies and officials as well as procedures are exposed to control and influence of particular political or private interests of particular groups (including particular political parties), against common public interest. Dominant actors in media policy development are instrumental for particular political and private interests, often in terms of “quid pro quo” (“this for that”, “a favour for a favour”).
- Independent, non-governmental and non-commercial actors as well as citizens are excluded from the process of media policy development and adoption. Such actors are not self-organised and lack institutional capacities and initiative for participation in the procedures and public consultations.

Politicians – in the government and the parliament – responsible for media policy development and implementation lack competences in the media field or have direct or indirect conflicting interests in that field.

Introduction of new policy mechanisms and legal provisions is not followed by development of new institutions capable to support their implementation, or by building capacities of existing institutions for such tasks.

Regulatory bodies in the media field have no power (de iure and/or de facto) or are not given possibility to develop own capacities and competences to be able to act in public interest.

Regulatory bodies are on governing and decision making level controlled or influenced by particular governmental or private interests. The appointment procedure and actual composition of the governing bodies of the media regulators allow influence of particular political or private commercial interests, and not interests of the public.

Operations and decisions of regulators are not transparent, access to information about their decisions and documents, including finances, is not provided in a way to enable public to follow their work and role.

Decisions by regulatory bodies with regard to allocation of licences or frequencies (spectrum) or to introduction of measures in accordance with own supervising and sanctioning power are made to serve or are influenced by particular political or private interests.

Media policy development related to privatisation has been predominantly influenced by particular private and political interests, contributing to control over important media resources (in terms of financial and symbolic value) being used for benefits of such interests and/devastated by such interests.

Independent state bodies, such as Ombudsman, Information Commissioner, Anti-corruption body, and/or independent body supervising state budget and public spending, lack legal ground, competences, capacities and recognition to engage and intervene in the area of media policy and media sector as such.

Self-regulatory bodies and mechanisms are not developed or they lack recognition and influence due to polarisation in journalists' and media community.

Self-regulatory bodies and mechanisms lack resources due to lack of interest and support from politically instrumentalized and polarized journalists and media community.

2 MEDIA INTEGRITY RISK AREA: MEDIA STRUCTURES AND INSTITUTIONS

2.1 MEDIA OWNERSHIP

RISKS

Media ownership is not transparent. Even when formal owners are known, data on real owners and/or on source of investment are hidden.

Media ownership is not gained for and driven by strategic business interests in the media market, but by political interests to control and use media for promotion of own and disqualification of opposing political agenda, or by particular business groups which use the media in clientelistic relations with political groups (seeking to achieve various "rents" and concessions).

Dominant media owners on national and local markets use media for promotion of own and disqualification of opposing political agenda, and/or for clientelistic relations with political groups.

Media ownership patterns enable excessive instrumentalisation of the media for particular political interests and conflicts or particular private business interests which disregard public interest and democratic role of the media.

Media ownership is concentrated – in terms of horizontal, vertical or diagonal cross ownership – in hands of (small number) of political or business groups to serve their particular political and private interests, disregarding democratic role of the media and public interest in the media.

State owned media (completely or partially) on national and local level are governed and financed to serve particular political and business interest of the ruling political groups. It is reflected in appointment of key personnel and editorial policy. Such media are sometimes taken their resources (infrastructure, buildings, capital, professional capacities) or their resources are neglected or transferred to private structures, leading the state media to financial and professional collapse.

Privatisation of state owned media is made or is still taking place in a non-transparent way and/or in a way to provide for particular political and private interests to gain resources, control and influence based on political connections and clientelism.

Privatisation of state media is delayed or blocked for the reason of preserving control and influence of particular political groups and interests through financial instruments and appointments of key personnel.

The news agency having the dominant position in the market is owned by the state, its governing structure, operations and editorial policy are influenced by interests of particular political groups in the government, and its key personnel is appointed based on political affiliation.

Foreign media owners, including (Western) transnational media corporations, take part and contribute to media integrity risks, integrating in own structures, operations, decisions and practices in our countries non-transparency, political instrumentalisation and clientelism, and disrespect for legal and ethical rules.

Banks gained excessive control of the media, mainly through debt capital of media owners, making the situation instrumental for political and business interests of particular groups who are controlling the banks.

Organised crime and criminal groups are hidden owners of the media outlets, intervening in public and political communication with controversial content based on own particular interests.

Secret services are hiding behind formal/fake media ownership, intervening in public and political communication with controversial content based on hidden interest of particular political and business groups.

Owners of the media established or sustained with donor support – which at the beginning of “media democratisation” attained donations to strengthen democratic role of the media and improve access of citizens to independent news and analyses – have turned to instrumentalize the media for particular political or private interests or sold them to new owners which serve such interests.

Ownership of non-profit, non-governmental, alternative and community media, providing news and analyses, and public space for discussion without dependence on and influence of local/national political and business interests, are based on weak and unstable organisational and financial structure, and dependent on project-based support from international donors and their agenda.

Ownership of ethnic minority media is instrumentalized for particular business and political interests of dominant political group within ethnic minority, diminishing democratic and participatory potential and role of such media.

New media outlets are launched based on non-transparent ownership and source of investment, its operations indicate their instrumentalisation for particular business and political interests.

Withdrawal or collapse of media outlets is not result of failure at competitive media market, but of clientelistic structures and relations disabling regular business operations and competition.

RISKS

Data on media finances are not transparent. Media companies hide sources of their income.

Media are operating despite insufficient legal sources of income.

Media production costs, including data on number, structure, employment status and wages of workforce are hidden.

Key data affecting media finances in competitive media market and transparency of media business are not available or not reliable. It includes data on circulation, subscriptions, sold copies, readership for print media; data on ratings and audience for radio and TV, data on unique visitors for online media, data on advertising market total amount and shares etc. No mechanism for verification of such data through reliable methodology and independent supervision is provided as an instrument of self-regulation and transparency by the media industry. Agencies providing such data are instrumental for particular interests.

Advertisements in the media are distributed directly or through advertising agencies and/or media buying agencies based on political affiliations or clientelistic relations.

State advertising, including advertising of public companies and public authorities on national, regional and local level, as well as advertising of tenders, are distributed in non-transparent way, based on particular political and business interests of the ruling political groups.

State advertising is disproportionately distributed to the media connected/supportive to political group in the government. Critical media don't receive advertisements from the state institutions/companies regardless audience share.

State advertising, sponsorship, promotion campaigns and other financial flows from the state budget on national or local level to the media make substantial part of whole advertising market.

State tax policy measures for the media are used by ruling political groups as an instrument to punish or reward particular media, or media sub-sectors, based on political and business interests of ruling political groups.

State aid to the media (e.g. subsidies) is neither adequately regulated nor transparent, but politically influenced.

Bank loans, debt repayments and other bank arrangements are given to the media based on political affiliations or clientelistic relations.

Media income based on subscription and/or sold cold copies i.e. direct consumer relations with citizens are making small part of income.

Donor media support which made substantial contribution to capacity development and operations of the media committed to promotion of democracy, human rights and equality at the beginning of "media democratisation" was discontinued and not replaced by income from citizens/users or other sources committed to the same values. Consequently such media are exposed to sources of income and influence, connected to particular private business and political interests with no respect for such values.

Investigative journalism aiming at disclosing clientelistic and corruptive practices and connections, misbehaviour of centers of power, receive no financial support within established media outlets or from any independent source in the country, but occasionally from international donors.

RISKS

Composition of governing bodies of Public Service Broadcasting, procedures and mechanisms of appointment and dismissal of their members as well as the key management and editorial personnel provide prevailing influence of the government or/and of particular political grouping on editorial and business policy of PSB.

Key management and editorial personnel change with the change of the government.

Public service broadcasting lacks sufficient, adequate and consistent financial and other resources.

Allocation of financial resources to PSB is not based on transparent and objective criteria and procedures.

Government decides on the amount of licence fee without public discussion. Direct government financing makes substantial part of total PSB budget.

Government decides about wages of journalists and other employees at PSB.

PSB contracts and arrangements in selling advertising, co-production and purchase of independent production are not based on transparent and objective criteria and procedures. Such arrangements are based on particular business and political interests, and on clientelism.

Financial statements and use of resources of PSB are not adequately and independently controlled and mechanisms of financial accountability are not in place or are not efficient.

Public lack transparent and accountable information about the financial resources and operations of PSB.

3

MEDIA INTEGRITY RISK AREA: JOURNALISTS

RISKS

Journalists lack capacities (in terms of individual competences, including education and skills, and in terms of institutional and horizontal forms of professional socialisation) to confront structures and relations which obstruct democratic role of the media.

Journalists which confront and disclose relations, cases and actors of clientelism, corruption and crime in politics and business, including the media, are exposed to various forms of pressure, threats, attacks and violence.

Journalists adopt the role of clients to political and business patrons in exchange for various commodities and privileges. Such practices take forms of bias reporting and propaganda on political and commercial issues.

Editors are appointed regardless their professional competencies and integrity, but rather on the basis of political affiliation, loyalty to and connections with particular political and business interests of the media owners. Editors don't disclose and confront but serve such political and business interests.

Editors are replaced if disclose and confront particular political and business interests which are instrumentalizing the media.

Polarisation among journalists reflects political polarisation and journalists act as informal spokespersons of confronting political blocks.

Professional solidarity among journalists is low. Number of journalists organised in associations and unions within individual media and on local, regional, national and international level is small.

Labour and professional rights of journalists are inadequately protected through legal or self-regulatory instruments (e.g. collective agreements).

Security of jobs in journalism is low, journalists work in precarious conditions and arrangements without regular contracts, their labour rights and wages are decreasing, altogether affecting dependence relations with and concessions to media employers and their political or business patrons.

Investigative journalists lack support or face various forms of pressure and censorship within own media, escaping to self-employment, occasional financial support of international donors and forms of publications of own work outside mainstream media.

4 MEDIA INTEGRITY RISK AREA: JOURNALISTIC AND MEDIA PRACTICES

RISKS

Adherence to media ethics and other normative instruments is low.

Political bias in reporting is common practice of public service and private media, being exposed to influence and control of particular political and business interests and groups.

Media content is highly politicized reflecting their instrumentalisation for contesting political and partisan interests; it also reflects dominant forms of social organisation and distribution of social power and resources which are based on clientelism and mediated through political parties.

Media role in providing public space for rational political debate and negotiations on common social issues with participation of wide range of political views of various actors in society is replaced by overall commercialisation, as well as reporting patterns, news packaging and content formats based on personalisation, dramatisation and trivialisation of politics and social issues, by pro et contra formats emphasizing political conflicts and polarisations and ignoring complexities.

Media agenda is dominated by issues and events related to contesting particular political and business interests.

Media play important role in blocking, distorting and shadowing historical memory – memory of significant social experiences from recent history, crucial for capacities of citizens to confront new forms of hegemonic ideologies.

Representation of ethnic, religious, sexual and other minorities as well as gender representations in the media contribute to and sustain forms of social organisation, distribution of roles and resources in society based on social exclusion, inequality and dominance of particular political and economic interests.

ALBANIA

Ilda Londo

INTRODUCTION

Policies on media development have ranged from over-regulation to complete liberalisation. Media legislation has changed frequently, mainly in response to the developments and emergence of media actors on the ground, rather than as a result of a deliberate and carefully thought-out vision and strategy. The implementation of the legislation was hampered by political struggles, weak rule of law and interplays of various interests, but sometimes the reason was the incompetence of the regulatory bodies themselves.

The Albanian media market is small, but the media landscape is thriving, with high number of media outlets surviving. The media market suffers from severe lack of transparency. It also seems that diversification of sources of revenues is not satisfactory. Media are increasingly dependent on corporate advertising, on the funds arising from other businesses of their owners, and to some extent, on state advertising. In this context, the price of survival is a loss of independence and direct or indirect influence on media content. The lack of transparency in media ratings, advertising practices, and business practices in general seems to facilitate even more the influences on media content exerted by other actors. In this context, the chances of achieving quality and public-oriented journalism are slim. The absence of a strong public broadcaster does not help either.

This research report will seek to analyze the main aspects of the media system and the way they affect media integrity. The areas addressed include media policies, media ownership, media financing, public service broadcasting and journalistic practices.

1 MEDIA POLICY DEVELOPMENT AND IMPLEMENTATION

1.1 GENERAL CONTEXT

“When the regime changed from a dictatorship to a pluralist democracy in the early 1990s, Albania had a highly controlled media landscape, consisting of print media outlets that were owned by the party bodies, professional organisations and trade unions, or state institutions.”¹ The change was abrupt and a small number of media outlets survived. Instead of privatizing the existing media or finding ways to give them new life in the new political system, most of them disappeared. New media started to appear, first as an expression of a newly found freedom and a reaction to the sweeping political and social changes, and later as a way of exerting influence and often political and economic power.

The new policy-making actors found themselves unprepared to guide the development of this booming media scene and legislate accordingly. In 2000, the jurisprudence

in Albania was still at its early stage of development, with only two universities teaching this branch and only a few specialized publications dealing with jurisprudence.² Similarly, the generation that undertook the establishment of opposition and independent media did not have the experience, or the interest, to lobby for the regulation of media environment. Moreover, consulting groups that were directly affected by media legislation was not a practice at the time.

As a result, the political parties, notably the government, turned to foreign expertise. Driven by the desire to emulate “advanced” European practices, at first little was done to adapt the new media laws to the Albanian context. The resulting media legislation, inadequate for the Albanian situation, was one of the reasons why the media community found itself in a situation that was antagonistic to the government. The decade of the 1990s was characterized by an open confrontation between the media and the government or political actors, reflected, among other things, in the lack of any consultations with the media before adopting the laws. The legislation on press passed by the government in the 1990s was rejected by the media community and eventually abolished. The law on broadcasting, passed in 1998, similarly met with resistance. The Freedom of Information Act was passed in 1999 and amendments were made to the existing media regulation.

During the following decade, the balance of powers changed and the media continued to develop professionally, but their independence was endangered. In this period, the struggle between media and the government subsided, but the problems persisted in the form of economic pressure, lawsuits against journalists, state advertising, and the rise of media owners acting as politicians’ conduits for access to the media and consequently the public. Viewed from the perspective of media policy, this was a more sophisticated period that brought eight amendments to the broadcasting law and launched a debate on self-regulation of journalists. Currently, the topic of media economy dominates discussions on media policy, affecting areas such as distribution, advertising, sponsorship, dumping practices, ownership, and media finances. It is in this spirit that the law on broadcasting has been amended several times, also with the aim of strengthening the regulator’s role.

The European Union integration is both a driving force and a justification for new media regulation. The latest adoption of audiovisual media regulation was carried out as part of the action plan signed between Albania, the EU, and the Council of Europe.³ Under the same umbrella, defamation provisions were amended and the FOIA is under review.

However, while policymakers have always paid lip service to the ideals of freedom of expression and a free market as a way of boosting competition and professionalism, as well as the importance of public mission of the media, a clearly formulated vision or strategy has never been drafted, let alone implemented. To this day, there is no written or formulated media policy or strategy which would guide the drafting of legislation and

other regulations affecting media. This shortage is reflected in the existing legislation. One member of the workgroup drafting the latest law on audiovisual media explained it as follows: “What are the media policies of the state? This was our question in trying to draft the law. Parallel to the draft law, we also worked on the Strategy [for Digital Switchover], but many questions remained open and we did not have a clear solution, as we lacked a particular vision of the state regarding media development.”⁴ The new law on audiovisual media has also imposed on the regulator the obligation to draft a Strategy for its own functioning,⁵ but it is too soon to assess the effects of this new practice.

1.2 MAIN ISSUES AND ACTORS IN MEDIA POLICY

Various issues were in the fore of the media policy debate and legislative moves over the last 20 years. Roughly speaking, the 1990s were characterized by the need to affirm media freedom vis-a-vis the government and political actors. The legislative efforts revolved around the regulation of the press and access to information. Attempts to draft legislation that would make it mandatory for journalists to register and organize themselves within a professional association failed due to the lack of consensus of the media community. After these failed attempts at over-regulation, the print media has remained unregulated to this day.

As regards broadcast media, the main concern was the regulation of mushrooming commercial outlets. Part of this effort, and a recurrent issue, is guaranteeing a proper functioning of the institutions that were established under the 1998 law on broadcasting: the regulator for broadcasting media, the Steering Council of the public broadcaster, and in general the transformation from state-owned to public broadcaster. The strengthening of these institutions and their independence still constitutes the heart of the media policy debate and a constant political battle in the country. For example, in the law on audiovisual media that was passed in March 2013, the then opposition and the ruling majority agreed on all articles of the law, apart from the procedure for the election of the Audiovisual Media Authority and the Steering Council of the public broadcaster. In recent years, digital switchover has also become a delicate topic that needs to be addressed and regulated. Delays in drafting and implementation of the legislation on digital broadcasting produced a situation in which digital operators have been present on the market ever since 2004, but they are still unlicensed, while the switchover date is drawing near.

In addition, a growing concern in the media policy debate has been low media independence, especially regarding political influence. Given the significant degree of informal economy in the country, concerns about the transparency of media funding and finances, and the way this situation is exploited for political support, are repeatedly expressed through the complaints of both the opposition and the ruling majority. However, despite these crucial

complaints, the efforts to exert greater control over media funding and finances, and to increase transparency through adequate mechanisms, have never materialized in legislation or policies. For example, proposals to prohibit media owners from exploiting public tenders to advance other businesses they own have been part of the public debate and were partly incorporated in the broadcasting law, but they have proved difficult to implement in practice.

Media policy and legislation are a result of the efforts of several actors, among them government officials and political parties, the media industry, civil society, as well as foreign proponents. A new law or an amendment in Albania can be presented to the Parliament either as a government initiative, or as a proposal of a group of members of parliament.⁶ Apart from a brief period in the 1990s when there was a Ministry of Information, there has been no specific body within the government responsible for media policy. Currently, the Ministry of Innovation and ICT can present specific proposals or policies regarding the technical aspects of the development of electronic networks that support broadcasting, within the overall framework of digital switchover.⁷ Since its establishment in 2000, the mandate of the broadcasting media regulator has included the issuing of sub-regulation and a proposition of new laws or amendments.⁸

Other players that have influenced media policy are representatives of the media industry. The media landscape is dominated by few media companies that have developed their profile and have made significant investments through the years. They are also the most vocal actors of the media community on particular issues of media legislation that affect their interests. The latest example is the opposition of two of the existing multiplex operators to the regulator's decision to start licensing multiplexes. The matter is currently in court, blocking the process of digital switchover, explains the media legislation expert and former cabinet director of the regulator, Enio Haxhimihali. "Business groups always lobby with political actors for their own interests. In the specific case, the business actors want to prolong lawlessness. We finally have a law in place now. With this law, certain companies lose privileges. They are pressuring to prolong this situation and benefit from this unregulated situation."⁹

In addition, recent years have witnessed a greater involvement of other actors, such as civil society, proposing or lobbying with the government or MPs to pass media legislation. From 2005 to 2012, the Albanian Media Institute and Open Society Justice Initiative worked on decriminalizing libel and defamation and amending civil provisions. An ongoing initiative put forward by civil society actors – to amend provisions on access to information – is also pending. However, the efforts so far have focused on general matters pertaining to freedom of expression and freedom of information, rather than media-specific legislation. On the other hand, the organisations of media workers, such as trade unions of journalists, journalists associations, associations of media owners and publishers, are

weak, acting more on an individual *ad hoc* basis, rather than as powerful protagonists proposing and formulating media policy.

Another actor in the area of media policy that deserves mentioning is the international community, more specifically the EU, the OSCE, the Council of Europe, and other organisations. With international assistance, the early regulation efforts tackled the press, and afterwards, with the emergence of commercial electronic media in Albania, the regulation extended to broadcasting, leading to the establishment of the regulator for the broadcasting media and the public service broadcaster. The international actors were thus a constant companion in media policy efforts in Albania, their main role consisting in providing consultancy for Albanian policy-makers. Especially in recent years, media reforms have invariably been related to EU integration goals and the advancement of the country's general interest in this direction. "Approval of the Law on Audiovisual Media, amendments to defamation provisions, and general implementation of the Action Plan of 2007 were made with the aim of bringing Albanian legislation in line with the EU standards."¹⁰ However, this influence should not be overestimated. "Conditionality as a strategy of media assistance has had a mixed record so far, with the most visible effect in respect to the legal reform of the media. However, conditionality mechanisms have so far failed to ensure absence of political and financial pressures on the key media institutions."¹¹

1.3 MAIN TRENDS IN THE ADOPTION OF MEDIA POLICIES

Other factors have also influenced the media legislation process and its implementation, such as the development of the media landscape, the media market, the political struggle in the country, the rule of law enforcement, and the general democratisation level in the country.

LAWS AS A LEGITIMISATION OF EXISTING PRACTICES

A clearly-formulated strategy or vision, based on evidence from media practices and media market, has rarely preceded the adoption of media regulation. Due to the context and historical development, media policy in Albania has almost always been a reaction to developments on the ground. The media professionals and industry have been quicker to react to the evolving situation and media developments, while the legislators have followed suit. So, the first media law, the Law on Press, was adopted in 1993, while the first opposition newspaper had already emerged in 1991, followed by many others.

While it can be argued that the liberal trend in press regulation is justified, it is also true that the broadcast sector needs at least basic regulation, particularly in the segment of spectrum allocation. This was not the case in Albania. The first commercial TV station emerged in 1995, but the regulation on broadcast media was passed in 1998 and the

regulatory authority was established only in 2000. In this five-year gap, the number of unlicensed and unregulated broadcast media in the country neared 100.¹² Hence the regulator, without any previous experience or tradition in this field, faced the task of regulating an already very dynamic landscape of broadcast media.¹³

The most visible example of regulation following developments on the ground is perhaps the case of digital switchover. The first digital multiplex started operating in 2004, when neither the regulator, nor other lawmakers had yet discussed or issued regulation on digital broadcasting. Faced with increasing pressure of announced plans to start a digital television, the regulatory authority worked to draft a strategy for digital switchover and consequently amend the law on broadcasting.

In fact, the efforts to legislate digital switchover have been long, but policies have yet to be implemented. Meanwhile, the number of multiplexes rose to three, and these have now been operating for several years. A law on digital broadcasting was passed in 2007 but never implemented, partly because soon after an overall reform of media legislation started. The latest piece of legislation is the Law on Audiovisual Media, which also tackles digital broadcasting. The implementation of the law is currently on hold, since digital multiplex operators have sued the regulator over the licence issuing procedure, which means that “until the court proceedings are over, the regulator will have to suspend the process it has started of issuing the national digital licences for network operators.” Put differently, the digital broadcasters operated for almost ten years in the absence of effective efforts to regulate this environment, and media regulators have now found themselves confronted with *fait accompli* that cannot be ignored and has to be factored into future media policy and regulation.

MEDIA POLICY AS A POLITICAL NEGOTIATION

Apart from the dynamics of the media industry itself, another factor that has had a profound impact on media policy has been the political climate and political actors. For example, ever since the establishment of the regulatory authority and the Steering Council of the public broadcaster, the appointment of their members has been part of the political battle in the country and used as a demonstration of political power. From 2004 to 2008, the opposition party refused to appoint its representatives to the regulatory authority as part of its overall protest against allegedly rigged elections and unfair electoral process, impairing in this way the balance needed to make decisions.¹⁴

Similarly, when changes were proposed to the criteria for electing these bodies in 2006, an intense debate followed and the changes were introduced and new members appointed only with the ruling majority votes.¹⁵ Even though these changes were justified by the ruling majority as necessary to ensure greater professionalism of the regulator and increase its independence, the number of members in the councils and the criteria for electing

them changed again six months later, as one of the conditions set by the opposition in exchange for achieving much-needed consensus on the Electoral Code for the imminent elections.¹⁶ Put differently, despite the lip service to the need to improve professionalism of the regulator, this goal was readily sacrificed for the sake of reaching agreement with the opposition on a more immediate goal.

IMPORTING MEDIA POLICIES

The tendency to copy-paste media laws from other countries in the name of European integration, or in an attempt to emulate Western models, has been a constant feature of media legislation. This was partly prompted by the lack of legal expertise in the country on media legislation, especially in the early 1990s.¹⁷ This copy-paste tendency, coupled with the initial lack of consultation with media stakeholders, has inevitably backfired, making the laws inapplicable. For example, the Law on Press, introduced in 1993, was modeled after a German law, without any adjustment to the context and with no consultation with the media community.¹⁸ The media community opposed the law that was not appropriate to the country's situation and the law was annulled entirely in 1997.

This urge to emulate Western media and legislation has sometimes resulted in policy objectives that clashed with the reality. For example, even though the 2007 Law on Digital Broadcasting was never implemented, it contained the limit of a 30 percent share of the advertising market per multiplex.¹⁹ The same provision is retained in the current audiovisual media law, which stipulates a 30 percent share of advertising market as an anti-concentration measure.²⁰ In a country where for the last 23 years it has never been clear or officially certified what the size of the advertising market is and how the advertising pie is divided, it is a mystery how this article can be implemented in the near future.

However, when coupled with extensive consultation with the local stakeholders, the efforts to implement “Western” models of regulation yielded success. In 2007, Albania signed an Action Plan for media legal reform with the EU and CoE. The media laws to be revised included the law on broadcasting, the provisions on defamation, and the regulation on access to information. The Law on Audiovisual Media was passed in the spring of 2013, while the defamation provisions were amended in 2012. Thanks to the persistence of international actors and local organisations, defamation was decriminalized and the Civil Code provisions were improved. In the words of one of the main lobbyists for these amendments: “They [amendments] are also an interesting case study of a long-term effort to generate political momentum for politically unpalatable reforms: defamation law changes are notoriously difficult to achieve in young (and sometimes older) democracies since they are often perceived by the political class as a matter of personal and political survival.”²¹

PUBLIC INTEREST IN MEDIA POLICY

Since media policy in general has been a response to media industry development, the policies have adapted to the situation, rather than shaped the development of the media landscape with a clear vision and intention. Therefore, it cannot be said that public interest has been the main drive behind media legislation and policies. Again, the discussion of legislation on digital switchover is a good example of influences that have governed media legislation in the country. Given that commercial players have been involved in digital broadcasting for several years now, they too affected the regulatory efforts through actions “such as lobbying for specific legislation and for audiences with parliamentary commissions.”²² In the same way, the failure to involve all actors, such as the public broadcaster, media industry, the media community and civil society, in consultations is another sign of the driving interests behind media policy: “when one of the first drafts of the Law on Audiovisual Media was discussed by the Parliamentary Media Commission, *RTSH* [public broadcaster] representatives were not even invited to participate.”²³ Furthermore, the existing digital multiplex operators have often argued that the public broadcaster should receive only one national licence, rather than the two as recommended by the existing Strategy on Digital Switchover and international expertise, in line with the mission of a public broadcaster.²⁴ This suggestion, although never realized in the legislation, has also frequently found support among MPs and other public figures, in view of the generally weak perception of *RTSH* as a public broadcaster and lobbying from private actors.

Similarly, the approach to licence fee collection has been inadequate ever since the first law on broadcasting was passed in 1998. There have been problems with the collection and transferring of licence fee to the public broadcaster and the fee has been considered ridiculously low by the public broadcaster management.²⁵ However, in 2006, with the change of management of the public broadcaster and of the company that collects the fee, the transfer was improved.²⁶ In addition, in 2010 the fee was doubled, with the aim to cover digital broadcasting switchover costs.²⁷ Similarly, the unclear legal definition of the public broadcaster’s property led to problems in the broadcaster’s relations with other parties, with this issue clarified only in 2013 when the new law was passed. Obviously, although these were clearly public interest issues, the government and the legislators were slow to act, partly due to the fear of losing political leverage, but also due to the constant labeling of public broadcaster as a political servant, rather than a public institution.

The lack of a strong advocacy for the public interest in formulating media policies is also related to the weak civil society and poor organisation of media community in the country. Civil society organisations in Albania were totally absent until 1990, which points to a lack of a strong tradition in this area. In addition, extreme politicisation of life in the country has taken its toll on this sector. “Current associations have still to assert their

political autonomy against an increasing trend of politicisation, as many NGOs often serve as political auxiliaries rather than autonomous public entities.”²⁸ However, the situation has changed over the years and some civil society organisations have been instrumental in the introduction of some amendments or in the consultations on new media laws.

Similarly, the media community suffers from poor organisation, even when its own interests are at stake. Labour relations in the media are as problematic as in the rest of the country, but the trade union was established only in 2005 and is still weak.²⁹ Along the same lines, self-regulatory mechanisms have never been established in the media outlets, indicating a low interest in creating bodies that could contribute to the professionalisation of journalism.³⁰ Given this environment, it is only natural that the political and business interests, which are directly related to media policies and have great stakes in this area have been so influential in the shaping of media policies.

MEDIA POLICY AND SUPPORTING INSTITUTIONS

The drafting of perfect, public-interest oriented media policies would go in vain unless supported by relevant institutions to oversee their implementation. In this respect, the main institution is the broadcast media regulator, the National Council of Radio and Television (NCRT), renamed Audiovisual Media Authority (AMA) in April 2013. In addition, the Steering Council of *RTSH* also covers the public broadcaster, its performance and development. The press is not regulated in detail and there are no specific bodies dedicated to media policies in this field. The People’s Advocate, while not concerned with the media directly, is responsible for overseeing the implementation of the Law on Access to Information, but has not had an active role in this field.

The work of AMA has been under direct or indirect influence of the political actors in the country. First of all, the appointment procedure for AMA members is affected by the political situation. In periods when political consensus could not be reached, culminating in the boycott of the parliament by the opposition, political parties refused to nominate members, or members could not be elected because of the lack of quorum. This had a direct impact on the work of the regulator, rendering it incapable of achieving political balance and even of reaching a quorum needed to make important decisions. For example, the term in office of one of the AMA members expired in September 2012, but the Parliament failed to appoint new members until 2013, due to the change of law and other priorities. As a result, one of the claims of the digital multiplexes in the current lawsuit challenging the draft regulation on licensing is that the regulation is illegal because it was passed without a necessary quorum.³¹

Furthermore, members of the broadcast regulator and of the Steering Council are frequently affiliated with, or had previously worked for political institutions and parties. “The

fact that the chairwoman in the current Council had previously served as an advisor to the Prime Minister, while one of the members was advisor to the Speaker of Parliament, and yet another member previously served as spokesperson in one of the ministries, has cast doubts on the practical respect for criteria in appointing members of the Council.”³² In addition, the current ruling majority has accused the current council of politically motivated changes in the internal technical staff.³³

In some cases, this alleged political influence has also been reflected in controversial decisions, leading to suspicions about the use of double standards. While in the early stages of NCRT’s operation the accusations of the application of double standards were related more to the licence granting process, recently the focus has shifted to decisions of a different nature. For example, while NCRT fined a TV station for broadcasting an advertisement ridiculing the government, it refused to act in 2010 when an advertisement derided the then opposition leader.³⁴

Apart from the political climate affecting the functioning of the broadcast regulator, there is also the view that “pressure comes mainly from the business community and it is not political, but economic one. The powerful media operators have settled their issues directly with both political wings. As a result, recently there has been no political pressure in the regulator’s decisions, but mainly economic one. This may also be due to the fact that it is a transition period and the matters at hand have been of a technical rather than political nature.”³⁵

In addition, the way that other related institutions function in the country also greatly affects the regulator’s performance. “When there is a lack of political support, the role of the regulator becomes weaker. For example, in the ongoing lawsuit brought by multiplexes against the regulator, there has been not even one reaction from other institutions. The regulator cannot fight on its own. Other institutions should be in the same line as the regulator in this case.”³⁶ Implementation of the law remains a key problem and affects the regulator. “We can draw up beautiful laws, but we fail to enforce them. As to the digital switchover, five frequencies have been occupied illegally, but we do not have a sufficiently consolidated state and a consolidated regulator to address this. This weakens the image and role of law and the regulator. As a result, the public is disappointed and other operators are encouraged to do the same, and imitate, seeking greater benefits.”³⁷

Financial stability is another genuine concern. Since 2006, NCRT has not been receiving funding from the state budget, which makes it dependent on licence fees and the collection of fines imposed on electronic media. In 2012, NCRT imposed 74 fines in the amount of 21,380 million leks (approx. 163,712 euro) but only 2.56 million leks (approx. 19,453 euro) was collected.³⁸ Similarly, in 2010, 22 percent of fined broadcasters voluntarily paid their fines, while the tax police carried out only six of 18 orders NCRT issued for the payment of fines or confiscation of equipment.³⁹ In theory, the NCRT can ask for the

state funding of new projects, but it is upon the discretion of the government to decide, while taking into account the economic situation in the country. For example, in 2013 the NCRT asked for a government funding of a digital monitoring studio in view of the imminent digital switchover, but was refused it.⁴⁰ In 2012, only 63 percent of planned revenues were collected, due to the delays in payment of fees and fines.⁴¹ All of these factors create a sense of insecurity and instability for the regulator.

On the other hand, for various reasons, the regulator's performance is far from perfect in other respects too. Regarding the staff profile, "more expertise is needed, especially with the imminent process of digital switchover. More staff members would be needed and more training, as also pointed out by EU progress reports."⁴² Furthermore, the regulator does not have a pro-active approach to achieving transparency of its operations. "It is not that the regulator tries to hide its activity or its decisions, but more can be done to increase transparency. For example, in theory, meetings are not open to the public, though nobody has tried to participate. Decisions are published only as titles, not in full text. Annual reports in the last years have been available online only for a short time, then removed. So, there is room for improvement in this respect."⁴³

1.4 POSITIVE ASPECTS OF MEDIA POLICY

One of the most positive aspects of media policy has been the improvement of the policy adoption process. While in the beginning it was only a political domain, it has slowly turned into a consultation process involving all actors, thanks to international pressure among other things. The degree of reflection on the feedback of stakeholders in the final form of the law is debatable, but at least everyone is given a chance to participate in the discussion. Another positive trend is that civil society has become more active in the introduction of media policy, although in relation to issues that are not strictly related to the media, such as defamation and access to information. However, these processes have sought to combine best international practice in these fields, including negotiations with the government and the opposition, the implementing institutions, and the media.

1.5 CONCLUSIONS

The drafting of media policies and legislation has taken place without any particular vision or strategy, more guided by the emerging needs on the ground than by a specific vision of media development. However, in general, there have been no major differences among political parties as to the main principles that should be considered regarding media legislation. The fact that international assistance and actors have been constantly present, operating on more or less the same principles, has also helped. Nevertheless, particular businesses or actors have influenced media policies more than a consensual strategy guided by public

interest. In addition, professional organisations are significantly weaker and have lower access to policy making than the more powerful business and political players, which points to the need for a more cautious and balanced approach in addressing media policy in the future. On the other hand, while media policy is not considered particularly problematic at the moment, the implementation of the law remains a challenge, including the law enforcement capacity of the regulator and other related agencies.

In view of this situation, the media legislation process should be completely transparent, with the involvement of all relevant stakeholders. In addition, the transparency and accountability of the regulator, public broadcaster, and other relevant bodies that affect media policy should increase, in line with their public mission. Enforcement capacities of the regulator should be strengthened as well as aided by cooperation with other related bodies of law enforcement. Finally, through the involvement of an array of actors in public consultations, a Strategy for Media Development should be developed, to serve as a guide for future approaches to media legislation and policy.

2. MEDIA OWNERSHIP

Albanian media landscape is rich in numbers, but the transparency of its dynamics and ownership is low. In this context, shedding light on who owns what in the Albanian media world is an important factor in identifying the reasons and obstacles to its development.

Systematic, public, and reliable data on the ratings and economic situation of media outlets are missing. However, the trends in transactions in media shares through the years suggest that there is a tendency towards the stabilisation of media groups.

While this undoubtedly brings with it the risk of media concentration, it is the lack of transparency in media functioning that presents the greatest danger of all, one that seriously affects media content.

2.1 TRANSPARENCY OF MEDIA OWNERSHIP

Neither the regulator nor media outlets have taken a pro-active approach to ensuring transparency of media ownership. Moreover, media laws do not contain any provisions concerning ownership or concentration of the print and online media. However, since all media outlets (much like any other business in the country) are required to register with the National Registration Center and specify the names of their shareholders, ownership data are available online for most of the media outlets, including the print media. Ownership data for online media are much more difficult to obtain, since they are not obliged to register either as a business or as a media outlet.

Broadcast media, on the other hand, have to register with the National Registration Center and with the regulator, Audiovisual Media Authority. The regulatory authority does not have an online register containing ownership data for media outlets, but they can be made available upon an official request for information. Generally, though, through the name of the company or other data, all the formal media owners, apart from online media owners, can be found online at the National Center of Registration. Nonetheless, there are doubts in some cases if the owners presented in paper are in fact the genuine owners. "People are not sure whether the owner of a newspaper or a television station is a politician or a businessman who is known to be associated with the politician or political wing in question."⁴⁴

The problems with transparency are not so much related to identifying shareholders as to their source of funding. "From issues of ownership, the need for transparency has been transformed into issues of financing."⁴⁵ In the process of granting licences to broadcast media, the regulator requests proof that the outlet possesses a certain amount of capital, but it does not have to verify the origin of this capital. In addition, in the case of operating media outlets, the annual balances they submit to the tax offices are considered confidential, as is the case with any other business. Broadcast media outlets are required to submit annual balances to the regulator, but only a small percentage do so. In 2012, only 25 percent of operators submitted their annual balances to the regulators.⁴⁶ Furthermore, the regulator does not have to disclose balances of broadcast media, but rather present general data on financial aspects of the media market, not nominally for each media outlet.

2.2

MEDIA LANDSCAPE

Albania has a rich and dynamic media landscape, with about 250 broadcast media outlets and 25 daily newspapers. The exact number of print media is unknown, and so is the number of online media. Their market shares are also unknown, as are data on their readership, circulation and sales, and audience. While there are some ongoing efforts to measure the success of media in the market, there are no public data and studies in this field. In this context, any attempt to determine market shares and significance of media outlets would be pure speculation.

PRINT MEDIA

Albanian print media are numerous, with 25 daily newspapers and many more publications of other frequencies. The print media are under no obligation to publish their circulations or sales and a system or authority for the verification of these figures is absent. In 2013, the press carried the findings of an empirical study conducted in Tirana only, at press selling points. According to these findings, Panorama sold 3,900 to 4,200 copies per

day, followed by *Gazeta Dita* with up to 3,300 copies and *Shekulli* with up to 1,200 copies per day.⁴⁷ The same study estimated that sales in the rest of the country equalled those in Tirana or exceeded it by 20-30 percent at the most.⁴⁸ However, official and certified data on circulation and sales of newspapers are absent.

TELEVISION LANDSCAPE

Albania at the moment has two national commercial televisions, 71 local televisions, 83 local cable televisions, and two commercial multiplexes.⁴⁹ Of all the existing national analog television stations, the public broadcaster *Radio Televizioni Shqiptar (RTSH)* has the greatest reach: its signal covers 80.5 percent of the territory, followed by *Top Channel* with 79 percent and *TV Klan* with 78 percent.⁵⁰ However, there are also digital multiplexes, but they are unaccounted for in the territorial reach figures. It could be said that the other main TV stations, based in Tirana, whose signal covers a significant part of the territory include: *Ora News*, *News 24*, *Vizion Plus*, *A1 Report*, and *Albanian Screen TV*. Apart from *Vizion Plus TV* and *Albanian Screen TV*, the other stations are all-news ones.

RADIO NETWORKS

There are 63 local radio stations and two national radio stations. Public radio signal covers 80.5 percent of the territory, while those of *Top Albania Radio* and *+2 Radio*, both commercial radios with a national licence, cover 93.7 and 68 percent respectively.⁵¹ There are some ongoing initiatives to measure audience shares in the country, but they are limited in geographical scope and the results are not public. However, radio stations seem to be more of an entertainment medium, with mainly music, interrupted by news flashes or talk show programs.⁵²

ONLINE NEWS MEDIA

It is difficult to separate online news media from portals run by traditional media, as the main televisions and newspapers in the country have adapted to the demand for online content. In fact, websites of traditional media carrying news usually rank higher than online news media. For example, the most popular websites⁵³ in Albania often include the website of *Top Channel TV*, a Kosovo-based newspaper, *Balkanweb.com*, an online news agency, and the website of the daily newspaper *Shekulli*. The other media that closely follow are also newspapers websites, such as *Gazeta Tema*, *Panorama*, and *Shqiptarja.com*. News agencies *NOA* and *Albeu* are also among the top media sites. While the content of online news media is more or less the same as in the newspapers, what makes the difference is the speed of the news, the potential for interactivity, as well as the fact that the online version is free.

NEWS AGENCIES

The number of news agencies in the country remains limited, and so does their quality. The main new agency is the public one, *Albanian Telegraphic Agency*. Until the early 1990s, it had been the only news agency, but ever since the rise of new print and broadcast media, its popularity has steadily declined. However, given the general disrespect for copyright in the country, there are allegations that newspapers or other agencies copy part of the news from the public agencies.

There have been attempts to establish private news agencies over the past years, but they generally failed and the agencies shut down, unable to cope with financial pressure and secure their space in the market. The situation seems to have improved in the last years, with increased penetration of internet and a booming online presence of news agencies or other related media. At the moment, there are several websites that serve as news agencies. However, the authenticity of news and news variety they offer is dubious, as one generally sees the same stories on all websites. According to Alexa rankings, the most popular news agencies seem to be *Balkanweb*, *NOA (News of Albania, noa.al)*, *Lajmifundit.al*, the public *ATA*, and *Shqipëria.com*.

DISTRIBUTION/TRANSMISSION NETWORKS

The distribution of newspapers in the country has been a constant problem dating back to the early 1990s. The newspapers reach only the capital and other important cities or areas that are closer to the capital, while the rural areas, accounting for almost half of the population, never receive the newspapers.⁵⁴

There are several press distribution agencies, but three are the main ones. One of them belongs to the state-owned postal company, while the other two, considered to be more efficient, belong to two significant print media owners, Koço Kokëdhima and Irfan Hysenbelliu. The latter's network has the largest nationwide distribution. As a result, "other distribution agencies must cooperate with this distributor, since they share the costs,"⁵⁵ which points to the lack of fair competition in this regard and to the unsolved problem of distribution in general. "This is one of the weakest systems of the Albanian media, there are monopoly tendencies and the system has hardly improved over the years."⁵⁶

2.3 MEDIA OWNERSHIP PATTERNS

Apart from the public broadcaster and public news agency, all other media outlets in the country are privately owned. Some political parties have their newspapers or other publications, while ownership of broadcast media by political parties, banks or economic institutions is not allowed. The history of media landscape development in the last 20 years has been determined by private entrepreneurs and funds. Foreign donors have

also contributed to the establishment of media outlets in the early phase of democratisation, initially mainly supporting independent media and later local and minority media. However, facing sustainability problems, only a few of those media have survived. More recently, some donors have supported the establishment of websites that feature citizens' reports on corruption or other issues, and news stories from reporters who find it difficult to publish them in traditional media.⁵⁷ Despite the novelty and the greater freedom that seems to come with journalists publishing online, the economic challenge remains: once the donation or project is over, the journalists usually have to contribute voluntarily and so far it has rarely worked.

The ownership patterns in mainstream Albanian media are inextricably linked to private ownership. It is difficult to identify the most popular and important media according to the audience shares or circulation figures, simply because there are not public and verified studies on audience shares and on print media circulations or sales. Nonetheless, since it is important to identify the main media in the country and the profiles of their owners, the following table describes the most important media and their ownership structure. Given the lack of accurate and systematic audience and circulation data in the media landscape, the selection is based on common perceptions about each media's influence and significance against the general background. In order to map the way ownership pattern has changed through the years, a comparison of ownership of ten years ago is also included.

Table 1 MAIN MEDIA AND THEIR OWNERSHIP

	MEDIA	OWNER(S)	OWNERSHIP SHARES	TYPE OF OWNERSHIP	OWNERSHIP IN 2003/2004
MAIN TV STATIONS 2013/2014	TOP CHANNEL TV	TOP CHANNEL	AUREL BAÇI, 20%. ALBERT SINO, 40%. FIVE MEMBERS OF HOXHA FAMILY, 8% EACH	LOCAL	Within the same family and circle
	TV KLAN	TV KLAN	ALEKSANDËR FRANGAJ 40%. ALBA GINA 40%. ERVIN GJIKOLA 20%	LOCAL	Partially the same, previous foreign and local owners changed
	VIZION PLUS TV	MEDIA VIZION	ARTAN, ADRIAN, & GENCI DULAKU, 33.33% EACH	LOCAL	The same
	TV NEWS 24 (NEWS STATION)	FOCUS GROUP	BASHKIM HYSENBELLI & ASLLAN GREZDA, 50% EACH (real ownership suspected as tied to Irfan Hysebelliu & Artan Santo)	LOCAL	Changed, bought from the Italian group Edisud
	ABC NEWS (NEWS STATION)	ABC NEWS	REDI SATA 80%. ELIGIO ROMANAZZI 7.5% & GIOVANNI D'ALESSANDRO 12.5% (real ownership suspected tied to Frangaj)	MIXED	Founded after 2004
	ORA NEWS TV (NEWS STATION)	ORA	THREE MEMBERS OF NDROQI FAMILY (8, 52, AND 40% EACH)	LOCAL	Founded after 2004
	A1 REPORT (NEWS STATION)	MEDIA CONTENT	FFM GROUP (ALBA MALLTEZI 75%, EVA DOCI 20%, SUPERBA 5%)	MIXED	Founded after 2004
	ALBANIAN SCREEN	TV ALSAT	ANIKA TAÇI 40%. VASIL DEDE & DENISA DOBI 30% EACH (real ownership tied to Rezart Taçi)	LOCAL	Changed from mixed ownership of local and Macedonian Albanians
MAIN RADIO STATIONS	TOP ALBANIA RADIO	TOP ALBANIA	ZHULJETA LAMAJ 20%. ZYHRA HAMITI & MIRELA MERAJ 40% EACH (real ownership tied to Hoxha family & friends)	LOCAL	Partially, one of the nominal owners has changed
	+2 RADIO	RADIO +2	HERJETA DELIAJ & MENSUR RUSHITI 40% EACH. JANAQ JORGJI 20% (real ownership tied to Koço Kokëdhima)	LOCAL	Partially, one of the nominal owners is the same
MAIN NEWSPAPERS	PANORAMA	PANORAMA GROUP	IRFAN HYSENBELIU	LOCAL	The same
	SHEKULLI	UNIPRESS	KOÇO KOKËDHIMA 100%	LOCAL	The same
	GAZETA SHQIPTARE	FOCUS PRESS	FOCUS GROUP 100% (real ownership tied to Irfan Hysebelliu)	LOCAL	Changed from Italian-owned Edisud to local media group.
	SHQIP	DIGITALB	100%	LOCAL	Founded after 2004.
	MAPO	MEDIA MAPO	UET UNIVERSITY, 100%	LOCAL	Founded after 2004.
	SHQIPTARJA.COM	SHQIPTARJA.COM	ANILA BASHA 20%. FFM GROUP 80%	MAINLY LOCAL	Founded after 2004

	MEDIA	OWNER(S)	OWNERSHIP SHARES	TYPE OF OWNERSHIP	OWNERSHIP IN 2003/2004
MAIN ONLINE MEDIA	BALKANWEB	FOCUS GROUP	BASHKIM HYSENBELLI & ASLLAN GREZDA, 50% EACH (real ownership suspected as tied to Irfan Hysebelliu & Artan Santo)	LOCAL	Changed from Italian-owned Edisud to local media group.
	SHEKULLI ONLINE	UNIPRESS	KOÇO KOKËDHIMA 100%	LOCAL	The same
MULTIPLEXES	TOP CHANNEL TV	TOP CHANNEL	AUREL BAÇI, 20%. ALBERT SINO, 40%. FIVE MEMBERS OF HOXHA FAMILY 8% EACH	LOCAL	Within the same family & circle
	GAZETA TEMA	TEMA	MERO BAZE, 100%	LOCAL	The same
	PANORAMA	PANORAMA GROUP	IRFAN HYSENBELLIU	LOCAL	The same
	SHQIPTARJA.COM	SHQIPTARJA.COM	ANILA BASHA 20%. FFM GROUP 80%	MAINLY LOCAL	Founded after 2004
	DIGITALB	DIGITALB	HOXHA FAMILY AND TOP MEDIA DIRECTORS, 80%. UNION DISTRIBUCION SERVIS 20%	LOCAL	Founded in 2004
MULTIPLEXES	SUPERSPORT	DIGITALB	HOXHA FAMILY AND TOP MEDIA DIRECTORS, 80%. UNION DISTRIBUCION SERVIS 20%	LOCAL	Founded after 2004
	TRING	TRING TV	HOLTA & MELINA DULAKU 33% EACH. RIDVANA DULAKU, 34%	LOCAL	Founded after 2004

Source: National Center of Registration and Londo, "Albania," in *Media Ownership and its Impact on Media Independence and Pluralism*, 2004.

2.3.1

MAIN TRAITS OF MEDIA OWNERSHIP

FLIRTING WITH POLITICS

While the allegations of media owners' affiliations to particular parties or politicians have been a constant feature of public debate, only a few media owners have publicly engaged in politics or admitted such affiliations. One of the most prominent examples is perhaps that of Nikollë Lesi. Together with Aleksandër Frangaj, the owner of Klan group, he started *Koha Jone*, one of the best-selling newspapers in the 1990s, and later also established another newspaper and a TV station. Afterwards he entered politics, establishing his own party and holding government posts, only to buy back the original newspaper from his former partner and owner of *TV Klan* in October 2013. Similarly, Mero Baze, the owner of *Gazeta Tema*, one of the most read online newspapers, has, as a journalist, openly supported the main right-wing party, even running for parliament for this party.

The above cases are examples of journalists founding their own media outlets and eventually entering politics. There have also been a few cases when politicians have entered the media market by directly buying the shares of media companies. For example, at one point in 2004, the main shareholders in a local TV station were the Minister of

Agriculture, the Mayor of Durres, and their family and friends.⁵⁸ However, direct ownership of shares by politicians is rather rare.

What is becoming more common instead is media owners entering politics. The Parliament elected in June 2013 includes two MPs that are also media owners and businessmen. One of them is Astrit Veliaj, who owns *UFO TV*, a local TV station, in addition to other businesses. The other one is Koço Kokëdhima, one of the most prominent media owners and businessmen in the country. The history of his media ownership has been marked by constant allegations of his links, particularly with Edi Rama, former Minister of Culture, former Mayor of Tirana and current Prime Minister and head of the Socialist Party in power. The daily *Shekulli*, owned by Kokëdhima, has been one of the most popular newspapers in the country in the late 1990s, and generally considered to provide favourable coverage for Rama, especially during his early years as Mayor of Tirana. At the same time, Kokëdhima has been often accused by the then opposition parties and other persons that the favours provided by his media were returned through tenders awarded to the construction firms he owned.⁵⁹ At the moment, he is an MP for Rama's party and still retains his shares in the print publications, as there are no limitations or particular criteria related to political activity regarding print media.

BUSINESS AND MEDIA

While some media owners have openly expressed or advocated their political interests and beliefs, the majority have assumed a more neutral position, at least publicly. The main idea put forward by these owners is that their only interest is in cultivating their business and contributing to the development of free and independent media. The bulk of this group of media owners has no previous journalism background or interest and has bought or founded media after succeeding in other businesses. The main media groups, such as Top Media, Media Vizion, Panorama Group, but also the majority of individual media owners fall into this category. Although they have no clear links with political parties, the business practices of some media owners have at times come under scrutiny, alleging that their media have been used to gain favours from politicians to aid other businesses they own (see the section Media Finances).

This group of media owners has not actively engaged in public political life as protagonists, but the editorial line of their media outlets has certainly leaned towards one party or the other. In addition, it should be underlined that the most prevailing type of media ownership is the one involving persons who have significant previous businesses and investment experience. It is almost impossible to find a media owner that lives off the media business alone. Accordingly, their media may find it easier to achieve objectivity in reporting on political events and actors than when it comes to reporting on other companies and

businesses of the owner. In view of underdeveloped professional self-regulation and the lack of mechanisms that separate content from advertising and other influences, this trend comes as no surprise (see the chapters on media finances and journalism).

JOURNALISTS AS OWNERS

This has probably been the most volatile type of media owner in the country. After the regime changed from a dictatorship to a pluralist democracy, the framework of highly controlled state-owned and party media quickly disintegrated, with a few exceptions. There was no privatisation process that could create continuity, enabling journalists to continue working for their media outlets. In the early stages of transition, it was journalists themselves that launched newspapers, but due to economic difficulties their media were soon taken over by businessmen who could afford to fund them. Only a few among the main media outlets are owned by journalists. The most stable owner-journalist has perhaps been Mero Baze, the owner of *Gazeta Tema*. Aleksander Frangaj, the owner of Klan group, also started with a local newspaper and has maintained his engagement in the media, even though neutrality of his media has been greatly challenged (see the chapter on finance). In addition, in 2011, after the transfer of ownership of a media group from Italian Edisud to local owners, the directors of this media group, Alba Malltezi and Anila Basha, founded their own media outlets, currently owning the daily *Shqiptarja.com* and *A1 Report TV*.

FOREIGN MEDIA OWNERS

Even though Albanian legislation does not discriminate against foreign media owners, treating them equally as Albanian ones, foreign ownership has not been widely present in the Albanian media landscape. The exception for a long time has been the consolidated presence of Edisud Group, which owned *Gazeta Shqiptare*, *News 24 TV*, *Radio Rash*, and *Balkanweb* news agency.⁶⁰ They first appeared in Albania in 1993 and left only in 2011, selling their media outlets. Other foreign owners, mainly Italians, are present through individuals rather than big companies. An important foreign owner was German WAZ-Mediengruppe, which bought the majority stake from Media Vizion, owning an important TV station, part of digital multiplex, and other broadcasting services. However, in 2012 the company decided to leave Albania and sold back its shares to the previous owners.

In general, the Albanian media market has proved small and of little interest to foreign investors. Recently a new player on the market has been Francesco Bechetti, the owner of *Agon Channel*, which started broadcasting in 2013. Since the major transnational media companies have not made it to Albania so far, their standards, codes of ethics or other practices have not affected the development of Albanian media landscape. In this respect, it could be said that the influence of foreign ownership has been minimal.

Since public and verified studies on the audience shares and on print media circulation or sales are absent, it is difficult to determine who the top media owners are using these criteria. Nevertheless, since this is an important factor influencing the situation of the media in Albania, the following section describes the most important owners in terms of the number of media outlets they own, their profile, and their relation to other businesses. Given the above mentioned lack of accurate and systematic audience and circulation data, our assessment is based on the common perception of each media's influence and significance against the general background.

KOÇO KOKËDHIMA. HIS MEDIA OUTLETS AND BUSINESSES⁶¹

Koço Kokëdhima has been an important and long-standing media owner and businessman in the Albanian landscape. He founded the daily newspaper *Shekulli*, perceived as one of the most popular daily newspapers for a long time, and gradually expanded his media outlets while also closing down a few existing ones along the way. By July 2012, he owned 99 percent of Shekulli Media Group, which published daily newspaper *Shekulli* and daily *Sporti Shqiptar*. Kokëdhima also used to own Botime Periodike Spekter, which published the monthly magazine *Spekter* and online newspaper *Biznes*. His shares were transferred to Vladimir Kokëdhima in 2008. However, since 2012, Botime Periodike Spekter has been suspended due to debts and its media outlets have also closed down. ALNA is another company that Kokëdhima owned and that for a brief time served as a news agency, but it has not been active for a long time and is currently suspended.

After suspension of Shekulli Media Group, another company was created, UNIPRESS, which now publishes the same daily newspapers that Shekulli Media Group used to own: *Shekulli* and *Sporti Shqiptar*. It also owns Botimet Max, a publishing house. Koço Kokëdhima owns 100 percent of shares in this company. Apart from this, Kokëdhima is also known as the owner of national +2 *Radio*. He has always owned shares indirectly, first through his relatives and now through people that serve as administrators of the company or as members of the Supervisory Board.

Koço Kokëdhima also used to own *TV A1*, a local television station. Although he did not appear as an official auctioneer of *TV A1*, the links and advertisements on their web pages and in broadcasts were mainly for other companies Kokëdhima owned.⁶² "In addition, the same inner circle of general administrators seems to rotate between *TV A1* and Spekter jsc."⁶³

Media operations are not the only activities on which Kokëdhima's business focuses. Other companies he owns deal with construction, advertising or graphic work, Internet services, oil refining, etc.⁶⁴ His name is also related to a series of companies that are currently suspended or bankrupt. In 2013, he became an MP for the Socialist Party, currently

in power, after a long period of speculations about his affiliation with the current leader of this party (see the section on media ownership patterns).

IRFAN HYSENBELLIU, HIS MEDIA OUTLETS AND BUSINESSES

Another prominent player in the print media market is Panorama Group, the publisher of the dailies *Panorama* and *Panorama Sport*, as well as *Psikologjia* magazine. These daily newspapers have been among the most successful and have been considered the ones with the highest circulation. Although the ownership structure of the group has changed several times, it is strictly linked to Irfan Hysenbelliu, the founding shareholder. At the moment, he owns 100 percent of the shares of Panorama Group. He also owns the most widely used print media distribution network.

In 2011, together with another businessman, Artan Santo, he became involved in banking. They established Focus Group, which bought the media outlets previously owned by Italian Edisud Group. The media outlets they bought in 2011 include daily newspaper *Gazeta Shqiptare* and the online news agency *Balkanweb*. Edisud Group also owned *Edisud Radio TV*, including *Radio Rash* and *News 24 TV*, which in 2011 were also acquired by Focus Group.

Hysenbelliu had ventured into many businesses before turning to media outlets, including trade, construction, two of the major beer companies in the country, telecommunications, etc.⁶⁵

TOP MEDIA

One of the most important groups is Top Media, comprising *Top Albania Radio*, the first private radio station to receive a national licence, *Top Channel TV*, a national TV station and *Top Gold Radio*. The group also owns Top Records, vGA Studio, an advertising agency, and Saras publishing house. Another important company connected with Top Media is DigitAlb the first digital terrestrial and satellite multiplex and reportedly the most successful one. Partial owner of this company is Union Group, which is also owner of shares in the Union Bank and Western Union. Digitalb also owns the daily newspaper *Shqip*, part of the same group.

Top Media group was founded by Dritan Hoxha. Although formally the shareholders of the related companies have been either family members or close friends of Hoxha, he was known as the real owner of these media outlets. After his death in 2008 his wife and friends continued the work, establishing other media outlets and companies.

Before venturing into the media field, Hoxha made his way through the coffee trade, establishing almost a monopoly over it in the country at the time.⁶⁶ Apart from the coffee trade, the family also owns other businesses involving trade in food and beverages.⁶⁷

MEDIA VIZION

Another important media group is Media Vizion, owned by the three Dulaku brothers. They own *Vizion Plus TV*, one of the main TV stations in the country. Until 2012, they had shared ownership of the station with a German media group (see 2.1.5.). For a few years, Genc Dulaku shared the company Albania Vizion with Ylli Rakipi, who was the original publisher of the daily newspaper *Albania* that was shut down some years ago. On another important note, this family also owns Tring digital multiplex, although the wives of the three brothers appear as shareholders.

This family also has many other business interests, possessing a range of companies that focus on construction, construction materials, graphic design, internet services, telecoms, food trade, sport equipment trade, real estate, gas trade, etc.⁶⁸

ALEKSANDËR FRANGAJ & KLAN GROUP

The group as a whole has seen some changes in ownership compared to when it started, but the person that has resisted all changes and is currently the most prominent figure is Aleksandër Frangaj. He was an equal-share partner in Koha company, the owner of the best selling newspaper until the late 1990s.⁶⁹ Frangaj sold his part in Koha to his partner Nikollë Lesi in order to join the Klan group.

This group owns national commercial *TV Klan*. At the moment, *TV Klan* company owns this station, with the shareholders being Aleksandër Frangaj (40 percent), Alba Gina (40 percent), and Ervin Gjikota (20 percent); the latter two had not previously appeared on the media scene. It should also be mentioned that some time ago Aleksandër Frangaj returned to his first media outlet, the daily *Koha Jone*, where he owned 90 percent of the shares. The remaining 10 percent was owned by the well known journalist Blendi Fevziu.⁷⁰ However, as of October 2013, the newspaper went back to his former partner Nikollë Lesi.

TV Klan company and Frangaj also own Media 66 company, engaged in TV productions. *Radio Klan* is another media outlet linked to the same group, although the shares are owned by an unknown person, in order to respect legal ownership limits. For the same reason, Frangaj does not appear as a shareholder in local *ABC News TV*, although he is widely linked to this station and he has not made secret of the relations between the two stations which sometimes share journalists' reports. Much like in other media groups, there is a visible rotation of key persons serving as general administrators, board members, or shareholders.

Frangaj also owns shares in Portat e Fatit company, a TV lottery company, along with previous partners that co-founded *TV Klan* and other persons. More importantly, he, along with his brother and associates, has owned or owns other companies, such as Zoom Entertainment, Zoom Events, Promo, and ProImage. These companies, engaged in events

organisation, advertising and TV production, have recently been revealed to have been awarded the bulk of state advertising in the last years, taking advantage of the support the media of this group have given to the previous government (see the section Media Finances).

Table 2 MAIN MEDIA OWNERS/GROUPS

MEDIA OWNER	MEDIA OWNERSHIP (DIRECT AND INDIRECT SHARES)	OTHER BUSINESSES
KOÇO KOKËDHIMA & FAMILY	<p>SHEKULLI (daily) SPORTI SHQIPTAR (daily) +2 RADIO (national) ABISSNET (Internet services) QYLNËT (Internet and ITC services) BOTIMET MAX (publications) PLATEA (newspaper selling points) PRESS DISTRIBUTION NETWORK</p> <p>Previous media owned: SPEKTER (monthly magazine, closed) GAZETA E TIRANËS (daily newspaper, closed) BIZNES (economic newspaper, closed) TV A1 (local TV station, sold)</p>	<p>ASFALTIM RRUGA (road building) BOJA TIRANA (paint materials) INERTE CO (construction materials) INTERCHANGE ANTEL (telecom and Internet appliances) MERCURY CONSTRUCTION (building public works) SIRIUS (construction)</p>
IRFAN HYSENBELLIU & FAMILY	<p>PANORAMA (daily) PANORAMA SPORT (daily) PSIKOLOGJIA (monthly magazine) PRESS DISTRIBUTION NETWORK FOCUS PRESS GAZETA SHQIPTARE (daily newspaper) BALKANWEB (online news agency) RADIO RASH (local radio) NEWS 24 TV (local TV)</p> <p>Previous media: INDEPENDENT (daily newspaper)</p>	<p>ALBECORP (food and beverages trading,) BIRRA TIRANA & BIRRA KORÇA. (beer trading and production,) EGNATIA GROUP (industrial activities,) PEGASOS (trading,) W. ELEKTRIK (trading electric materials,) ALBANIA AUSTRIA BIZNES CO. (trading,) etc.</p>
TOP MEDIA	<p>TOP CHANNEL TV (national TV) TOP ALBANIA RADIO (national radio) TOP GOLD RADIO (local radio) TOP RECORDS (recording) VGA STUDIO (advertising studio) SARAS (publications) DIGITALB (multiplex, shared with Union group) SHQIP (daily newspaper, shared with Union Group)</p>	<p>Food & trade: LORI CAFFË VALTELINA VINI & FOOD RESTAURANT CHAIN</p>
DULAKU FAMILY	<p>Media Vizion: VIZION PLUS (satellite and terrestrial TV, shared with WAZ for a few years) TRING (digital multiplex)</p> <p>Previous media: ALBANIA (daily newspaper, shared with Ylli Rakipi)</p>	<p>Construction & Real Estate: ABC CONSTRUCTION. ALBA-BETON. EURO ADITIV. ILIRIA. ETC. D&L. ALISSA. ARAMERAS. CONCORD INVESTMENT. CONDOR. DI VINCENZO ESTERO. GLOB</p> <p>Food and trade: CONAD. FOOD TRADE. ALBASPORT. INTER-GAS. BIC</p> <p>Telecoms: ALB SAT AND SAT COM</p>

FRANGAJ & COMPANY	TV KLAN (national) MEDIA 66 (TV productions) RADIO KLAN (local) ABC NEWS (local) Previous media: KOHA JONE (daily) KLAN (magazine, shared with other owners) SAT + (multiplex)	Organisation of events and advertising: ZOOM ENTERTAINMENT ZOOM EVENTS PROMO PROIMAGE PORTAT E FATIT (TV lottery)
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Source: National Registration Center, historical extracts of companies (January 2014).

As the table above shows, the main media owners in the country are also involved in numerous other businesses, mainly trade, construction, telecommunications and Internet services. While this is the prevailing type of media owner in the media landscape, there are several variations within this model, as well as some other patterns of media ownership. Links to political actors, cross-ownership, various machinations with ownership shares, and lack of relation to journalism profession are only a few of the factors that define main media owners in the country.

2.3.3 MAIN PATTERNS IN MEDIA OWNERSHIP STRUCTURES CROSS-OWNERSHIP AND CONSOLIDATION

Although it is not possible to identify accurately the most popular media, their profit and their audience shares, there is a visible trend of consolidation of ownership, although not to the point of creating a major problem. Consolidation has occurred more in terms of the same group establishing print, electronic, and sometimes online media. This is true for almost all main media groups and owners. For example, Top Media owns all or partial shares in companies that operate radio stations, TV stations, multiplex, newspaper, publishing house etc. The same pattern has applied to Koço Kokëdhima, Irfan Hysenbelliu, Aleksandër Frangaj, and other media groups and owners. This is also aided by the lack of any detailed regulation on ownership concentration prevention regarding print media. Cross-ownership regulation is laid out in the Law on Audiovisual Media and deals only with radio and TV, while there is no such regulation for the print media realm and hence no limits on their ownership.

In addition, there are also concerns that the existing legal provisions on broadcast media are not always respected and media owners find ways to circumvent these provisions. For example, the owner of local TV and radio stations *Ora News* wanted to buy yet another local TV station, while the law clearly forbids that. At the moment, this owner owns 100 percent shares of *Channel One TV*, while one of his main journalists and members of his family owns 100 percent shares of the company that owns *Ora News* radio and TV stations.⁷¹

The consolidation of ownership has been a result of the same group establishing different media outlets, while mergers and acquisitions have been more rare. The motives for a few of these transactions have been questionable, though. For example, in 2011, Irfan Hysenbelliu, already owning daily newspapers and monthly magazines, and Artan Santo, involved in banking, established Focus Group which bought the media outlets owned by the Italian Edisud Group. This move was viewed with suspicion at the time since they bought a media group that was quite critical of the government. One of the first moves after this acquisition was the termination of the contract with Anila Basha, the director of the group's daily newspaper, who had previously expressed open support for the leader of the opposition.⁷² In addition, a few months later "the whole editorial posture of the media group changed completely, from favouring the opposition and criticizing the government to the opposite."⁷³ Such moves indicate the political preferences of media owners, and even though they might not be public, they still have a decisive influence on the editorial staff and policies of each media.

TRANSFERRING COMPANIES AND SHARES

A commonly found pattern in the ownership schemes of media companies is the rotation of the same group of family, relatives, or trusted persons through the positions of general administrator, board members, or shareholders. For example, it is a publicly accepted fact that Kokëdhima is the owner of the national +2 *Radio*. Officially, though, he is not an owner, but has always held a stake in the company, first through his relatives and now through people that served as administrators of the company or as members of the Supervisory Board.⁷⁴ This pattern is also an indication of the allegedly fictive function of supervisory boards, since the same members are rotated through administration, supervision, and management, independently of the company's profile.

Similarly, ownership of *Top Channel tv* is divided among the owner and her four children.⁷⁵ After buying Edisud Group's media outlets, Focus Group transferred the shares to a new company, Focus Press, 100 percent owned by Hysenbelliu's brother, who is also known as the general manager of the media outlets the family owns.⁷⁶ In fact, creating a range of different companies, or shutting down one company and re-establishing it with a different name for the same purpose is another tactic used by some media owners. For example, Koço Kokëdhima has transferred the ownership of his daily newspapers from Shekulli Media Group to Unipress, transferring also the names of shareholders.⁷⁷ Aleksandër Frangaj has also changed the names of two of the companies that produce TV spots and organize publicity campaigns, while also rotating shareholders.⁷⁸ Rather than arising from concerns for media pluralism, this has more to do with tax laws and the company registration procedures in the country.

CURRENT MEDIA INVESTMENT AND MEDIA COLLAPSES

The Albanian media landscape has become relatively stable regarding the main media groups that dominate it, such as Top Media, Klan, Vizion, and the media owned by Irfan Hysenbelliu and Koço Kokëdhima respectively. All of these groups have invested heavily especially in their broadcast media, in technical equipment and digitalisation, but not necessarily in areas contributing to the development of journalism as a profession.⁷⁹

However, there are also the occasional falls and booming investments. At the moment, perhaps the most flamboyant example of investment is that in *Agon Channel*, owned by Francesco Becchetti, who is an Italian businessman that has invested in Italy and then in Albania in energy and waste management projects. Offering reportedly very high salaries compared to other televisions, *Agon Channel* has lured some of the most popular presenters, hosts and journalists, while the mystery of its sources of funding remains, as with the rest of Albanian media. Since the law requires a certain amount as a guarantee deposit, but the owner is not obliged to declare or verify its origin, none of the media owners have been under pressure to increase transparency of their funding sources.

On the other hand, a controversial collapse, but by no means foreign to the Albanian media scene, has been that of *Alsat TV*. This TV station was bought by Rezart Taçi and changed its name to *Albanian Screen*. Taçi also owned various other businesses. He became notorious for the privatisation of the Albanian oil company, which at the time sparked controversy, as the opposition claimed that the transparency of the process was low and the company was sold below its worth. Currently, Taçi no longer appears as a shareholder of *Albanian Screen TV*, with its shares now held by his sister and two other persons, at least officially.⁸⁰ Initially, he invested heavily in programming and TV staff, but his business has been faltering in the last years, with financial hardships also reflected in massive television staff lay-offs. As a result, in the last year more than 50 journalists sued him for unlawful termination of contracts or unpaid salaries for months in a row. “*Albanian Screen TV*’s case is not unusual in Albania, where dozens of media outlets are owned by tycoons or MPs who use them to advance their businesses and political careers.”⁸¹

2.4

POSITIVE EXAMPLES

Finding good examples of owner’s protection of media integrity is not an easy task. However, it can be said that it is in part thanks to investments from businessmen owners that we have a quite rich landscape of media outlets and generally a very technologically advanced one, especially regarding broadcast media in the capital.

Formal transparency of media ownership has also improved substantially after the establishment of the National Centre of Registration and the digitalisation of the Commercial Register at the Court of Tirana, which was used earlier to register businesses. The history

of ownership of any company is accessible online for free from this center. For data that cannot be found online, an application has to be filed at the center and a fee of 100 leks (approximately 0.7 euro) per extract is paid. This has created a potential for greater transparency of the nominal owners of shares in media companies. However, there are also speculations about disguised ownership. In addition, while anyone can access official data on ownership online, the transparency of funds that were used to start media businesses and to keep them going is inexistent.

2.5

CONCLUSIONS

Formal transparency of ownership of media outlets has improved, but concerns on hidden shares and owners remain, affecting in this way media integrity. Ownership of online media is also little known. The main media groups are relatively consolidated. Recently, there have been some signs of ownership concentration aided, among other things, by limited cross-ownership regulations. Foreign ownership of the media remains limited, even though legislation does not discriminate against it. There are cases when legal regulation has been circumvented to overstep ownership limits, while transfer of shares within the same group and family is another commonly employed tactic.

The ownership pattern that dominates the media landscape is that of media tycoons who have invested in other businesses. Some of them have become active in politics, while other media groups have tried to remain relatively neutral, even though editorial policies of their media clearly favour one political wing over the other. The interaction among the media, politics and other businesses of media owners is a constant source of concern for media content and media independence.

3.

MEDIA FINANCES

Funding of media operations has been often in the spotlight, by politicians, media itself, or other actors. The truth is that close to nothing has been done all these years to improve transparency of media funding. In addition, supporting bodies and mechanisms that could have a role in this regard, such as the broadcast media regulator and tax offices, have not engaged with this matter.

In cases when matters related to transparency of media finances have become a matter of public debate, the initiative has often been politically motivated, rather than based on public interest.

After 23 years of media market liberalisation, Albania still has not managed to create systematic, reliable, and publicly available data on media ratings and shares, advertising

market, state subsidies for media outlets or distribution of state advertising. However, it seems that the advertising market is dominated by big corporations, which directly affect media content. The distribution of state advertising across various media has become an increasing concern as it is feared that its ramifications may affect editorial policies of media outlets. Finally, let us add that the picture of the Albanian media landscape would be incomplete without taking into account the significant role of other, parallel businesses of media owners which often serve as sources of funding and consequently affect, for better or for worse, the performance of media companies.

3.1 TRANSPARENCY OF MEDIA MARKET AND MEDIA FINANCES

Although the media market has been liberalized for 23 years now, only a limited progress has been made in terms of public, systematic, and reliable data on media market and media finances. Accordingly, the ranking of Albanian media outlets can only be a judgment based on popular perceptions rather than on accurate data or audience measurements.

The first attempts to monitor television audiences were made between 2001 and 2003, with the support of IREX and USAID. These surveys did not cover the whole country or all television stations and were limited in time. Moreover, the results provoked strong reaction from the media that ranked low. This early initiative thus failed to unite all media outlets towards a joint committee that would probe the market continuously based on a common methodology and produce results that would be accepted by all.

This episode also describes the current trends and reactions to media market research in the country. "All mainstream media continue to carry out market research on consumer behavior and audience preferences, but adopting a system that is accepted by all remains a problem."⁸² Unable and unwilling to come together and measure their popularity using common tools, the media outlets do their own research, usually by phone polling, and present these data to advertisers. However, this practice creates a highly subjective overview of the market situation and audience measurement. In fact, the managers of print and broadcast media have often challenged the circulation and audience figures, on the grounds that these could not be verified by independent sources. There were also allegations that the reports on circulation were deliberately high, in order to look better in the eyes of advertisers.

Some research companies have recently put forward initiatives to measure the audiences of broadcast media in particular, but also readership habits. However, their scope is still limited, since not all media owners or managers are interested in determining their actual market share, nor do they know how to use the information provided by market research.⁸³ Part of the explanation for this lack of interest lies in the way that Albanian media function, which is described in the following sections.

3.2

STATE FINANCING IN THE MEDIA

Albanian legislation does not specify any provisions whatsoever on state support and funding of the media, not even in terms of protecting media pluralism or supporting minorities or specific communities. However, it has been unfair and non-transparent distribution of state advertising that has given rise to concerns about the integrity of the Albanian media in the last years.

UNCLEAR RULES

Regulation on the distribution of state advertising has always been problematic for several reasons. In principle, such regulation needs to establish that state advertising is awarded in a fair and transparent manner to the most popular media. However, in view of the above-mentioned problems with audience measurements and trends, it is impossible to establish beyond any doubt and prejudice which media most deserve to be awarded state advertising.

As a result, this has become a breeding ground for all kinds of speculations on how to distribute state advertising and how to “rank” the media when ranking is missing in reality. Until 2006, most of the ads and announcements that fell into the state advertising category had been considered public spending and as such subject to the public procurement laws. In 2006, the government decided to stop advertising altogether, while announcements would be published in the *Bulletin of Official Announcements* instead.⁸⁴ Yet, the distinction between state advertising and announcements was not clear.

In addition, in the following years other decisions on the same issue were made, which did not help to clarify the criteria applied in decisions on state funding for public announcements. On the contrary, the criteria were made even hazier and after a while the government also resumed advertising in the media. A 2007 decision by the Council of Ministers related to state advertising mentions the number of viewers or readers as one of the criteria to be used in making a decision.⁸⁵ This criterion is clearly difficult to observe when data on media ranking are lacking, but it at least attempts to impose some selection filters. The two latter Council of Ministers’ decisions seem to have very broad and vague definitions of the criteria, including “the media outlet” (without any specification), the offer made, and the broadcasting duration,⁸⁶ as well as the experience in organizing similar events.⁸⁷ These two decisions leave out the criterion of the outlet’s audience reach, even though this is usually one of the basic requirements.

TRANSPARENCY OF THE PROCESS OF DISTRIBUTION

Another problem with the implementation of these decisions is related to the transparency of calls for advertising and decisions on this matter. Government Decision No. 1195 of 2008 states that the invitation for offers will be published on the official website of

the institution, while the spokesperson of the institution should e-mail the invitation to present an offer to broadcast media. On the other hand, Decision No. 1173 of 2009 on the organisation of artistic and social events does not have any clause on transparency of invitations. In addition, apart from the official criteria, several media outlets claimed that the invitations were sent only to selected media but were not published on the website, or had been published only one day before the deadline.

DISTRIBUTION OF STATE ADVERTISING

Apart from the problems with implementing the law, other data that reveal non-transparent and biased allocation of state advertising to media favourable to the government have been made public. In 2012, the former opposition exposed several cases that pointed to dubious practices of distributing state advertising to media outlets.⁸⁸ Some of the media outlets that received funding in the last years reacted by saying that the money was spent for public awareness campaigns and public announcements concerning issues important for the public. The same media also pointed out that the Socialist Party's conduct during its term in office was not different.

A recent independent investigation proved that most of the claims about unfair distribution of state advertising were true.⁸⁹ Data collected from the treasury department database at the Ministry of Finance show that the state spent at least 780,000 euro between June 2012 and the end of 2013 on TV advertising. The bulk of this sum seems to have gone to TV stations and agencies owned by or tied to Aleksandër Frangaj, the owner of *TV Klan* and other companies (see section on media owners.)

Table 3 STATE ADVERTISING AWARDED TO ONE MEDIA GROUP (2010-2013)

STATE INSTITUTION	COMPANY	AMOUNT (EURO)
MINISTRY OF DEFENSE	ZOOM EVENTS	284,000
MINISTRY OF DEFENSE	PROMO	300,000
NATIONAL DRUG CENTER	PROMO	27,000
MINISTRY OF INTERNAL AFFAIRS	PROMO	71,000
MINISTRY OF AGRICULTURE & MINISTRY OF JUSTICE	MEDIA 6	26,000
MINISTRY OF AGRICULTURE & MUNICIPALITIES RUN BY DP	ABC NEWS	19,800
MINISTRY OF JUSTICE	MEDIA 66	10,000
POLICE DIRECTORATE	PROMO	1,400,000

Source: Likmeta, B., "Big advertisers subvert Albanian media freedom," *Balkan Insight*, 20 December 2013.

It is estimated that the five companies linked to Frangaj received a total of 730,000 euro for advertisements for state institutions over two years. By comparison, *Top Channel TV*, Albania's other national private television, received a modest 9,940 euro over the same period.⁹⁰ However, the investigation hints that the public money channeled toward the network of companies linked with Frangaj is even larger than the sums mentioned. This is because the investigation was based on treasury data, which does not include money spent by state-owned companies. This fact again points to the low degree of transparency in this field which has to account for numerous sources of financing. For example, according to a monitoring report by the Energy Regulatory Agency, ERE, the utility distributor CEZ Shperndarje spent 45,000 euro in TV ads in one month alone, i.e. May 2013. The lion's share went to *ABC News*, followed by *News 24*, *Ora News* and *UTV Education*.⁹¹

The publication of such data clearly reveals both the unfair awarding of advertisements for state institutions to the media close to the government and the lack of transparency in distributing these funds. The lack of reliable public data on audience and circulation makes it even easier to abuse existing rules or to interpret them more liberally. At the moment, clear and fair rules on distribution of state advertising and publication of official announcements are still missing in the country. The current government has made it clear in its program that it is against such use of state advertising and will fight it. However, given the lack of clear rules and media ranking, and poor transparency, the trends should be monitored closely.

3.3 COMMERCIAL ADVERTISING MARKET

Parallel to the lack of transparency on the media shares and ranking, there is also a lack of transparency regarding advertising market. There are a few market research companies that monitor and estimate the size of the market when doing media monitoring. However, their data are not public and even when made public, they remain just estimates. In some cases the data coming from different sources are conflicting, which adds to the overall confusion. While the media industry has rejected any joint efforts to measure audiences, it has also not joined efforts to measure and make public the advertising data.

MARKET SIZE AND TOP ADVERTISERS

In this climate of speculations and lack of information, a few estimates made public are the only sources of information, or rather guesswork. An internal report obtained by *Balkan Insight*, prepared by a marketing agency, puts the value of the TV advertising market for the first 11 months of 2011 at 4.2 billion leks (29.8 million euro).⁹² The following table includes the estimates of distribution of advertisements across media for seven years.⁹³

Table 4 ADVERTISING MARKET DISTRIBUTION (2004-2011)

MEDIA	2004	2005	2006	2007	2008	2009	2010	2011
TELEVISION	86.3%	81.1%	78.2%	63.6%	63.8%	68.7%	65.4%	66.8%
RADIO	1.2	1.4	1.2	1.4	1.4	1.3	1.4	1.4
PRESS	6.4	8.1	5.8	20.1	17.8	8.5	10.7	8.5
OUTDOOR	6.1	9.4	14.3	15.6	17.4	21.8	20.8	22.4
CINEMA	NA	NA	NA	NA	NA	NA	NA	NA
INTERNET	NA	NA	NA	0.5	0.8	1.1	0.9	0.9
AD MARKET (MILLION EUROS)	14.5	19.8	24.38	27.18	42.23	49.3	57.4	54.34

Source: Abacus Research, November 2012.

As the table shows, the spending on television advertising still prevails, although it has decreased compared to 2004, in favour of outdoor advertising. The figures also reveal the relatively weaker, but nonetheless stable percentages of radio and press advertising spending.

While detailed information on advertising expenditures is missing, the market research firms and the media agree as to who the main advertisers are: telecom operators, banks, big companies (food and beverages, such as Coca-Cola, and similar companies).⁹⁴ In 2011, the telecommunications sector accounted for 69 per cent of the TV advertising market, followed by coffee trading companies, which accounted for 14 per cent.⁹⁵ This trend has been more or less stable.

Compared to 2006, telecom companies have been confirmed as the main advertisers in TV. Given that TV spending is the biggest percentage of total spending, the categories do not change significantly when looking at the total picture of advertising across different media. In 2010, telecom operators accounted for 31 per cent of total advertising, followed by companies trading in food products, beverages, and personal care, with 22 per cent, and banks with 16 per cent.⁹⁶

Any attempt at determining a ratio of state to private advertising would be a speculation in view of the lack of systematic and public data. However, the prevailing perception is that commercial advertising constitutes a more significant percentage than state advertising. As the estimates for 2010 indicate, state institutions accounted for only 5 per cent of advertising expenditures.

ALLOCATION OF ADVERTISING AND ITS INSTRUMENTALISATION

In addition to the lack of public data on the amount of advertising expenditures and their distribution across the media, there is also no information on the criteria advertisers use to allocate advertisements to the media. "It is difficult to speak of the advertising

market and its sustainability for media outlets when in fact there is no media market, or it is completely chaotic.”⁹⁷ Since ranking of the media is missing and their market shares are unknown, the question of how companies decide in which media to place their advertisements remains unanswered. In fact, there are opinions that the corporations that can afford it give money to every media, just as long as they remain silent or flatter the company. “Some of these companies are only advertising to keep the media’s mouth shut... using their ad budget as leverage in the editorial room.”⁹⁸ For example, in the first half of 2011, Vodafone advertised in 36 print outlets, while the other three operators spent more than half a million euro in print advertising alone.⁹⁹

Considering that advertising market is dominated by telecoms and big corporations, their direct or indirect influence is visible in media practices and content. “Sources of financing for the media are not sufficiently diversified and big commercial sponsors, such as mobile companies, continue to be very significant for the survival of the media. Consequently, they are able to affect the media’s editorial policy, and that is why we do not see any criticism of these companies in the media. If there is any criticism, the media are aiming to obtain some financing.”¹⁰⁰ So, when the competition regulatory body fined the country’s two biggest mobile operators, Vodafone and AMC, for uncompetitive behaviour in 2007, the story was reported only by a few media outlets.¹⁰¹ Similarly, when the same regulator started an investigation against Vodafone, it took many months for this story to be published in a few media, even though it is a story of public interest. “Instead, it was the Competition Authority that found itself battling tabloid media criticism of the probe.”¹⁰²

Apart from the failure, or inability of media to report on their advertisers in an unfavourable light, the big advertisers also often decide directly on the content the media has to publish on them. The press often publishes what are clearly press releases, presenting them as news articles or TV stories. A recent investigation story on this subject also revealed that advertising companies specifically asked the media outlets to publish the information as news rather than as a press release, or demanded that the media should spin the angle of the story, as they owed it to the company. “As a company responsible for safeguarding the image of CEZ Shperndarje, considering that we have a service contract with your newspaper in this regard, and without censoring your independence, we ask you to protect the image of the company in this debate,”¹⁰³ the e-mail read. Due to both corruption and financial dependence on these sources, the media have not yet managed to create sufficient financial and professional independence and they readily comply with the situation.

3.4 NON-TRANSPARENT BUSINESS PRACTICES

Like any other business, all media outlets should submit their annual financial reports to the tax office, but these reports are confidential. Broadcast media should also submit

their reports to the regulator, but only a few do so. Only 49 of 250 operators had submitted to the regulator annual balances for 2011.¹⁰⁴ In addition, even when they do, there are allegations of double reports, where the regulator receives the fake one. A former chairwoman of the regulator raised the concern that the TV stations' financial reports submitted to the regulator and to the tax office were not accurate.¹⁰⁵ "This trend is confirmed by one of the major media companies, whose officials admitted in an interview that even though they had suffered losses in the last seven years, they had managed to declare a small profit."¹⁰⁶ In addition, the regulator did not make additional efforts to verify data with the tax office or other authorities.

SELECTIVE ATTEMPTS AT TRANSPARENCY

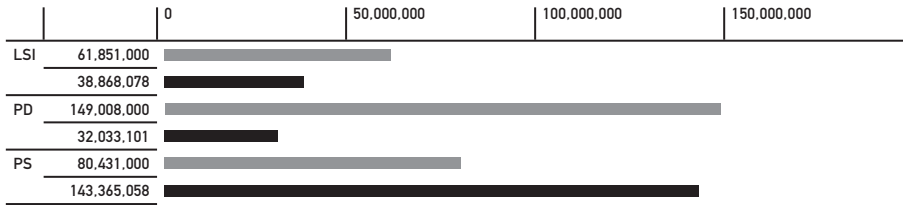
In general, attempts to verify information and transparency of media outlets have been targeted selectively at the media that have not been favourable to the government. The tactic of sending tax police to a specific media outlet after unfavourable coverage of the government or prime minister has been used for more than ten years in Albania, sometimes resulting in fines and sometimes not. Perhaps the most clamorous case was that of the fine imposed on Digitalb in 2007, in the amount of 12 million euro on grounds of tax evasion. "This fine followed repeated scrutiny of Top Channel television by the tax police during 2007, when the station took a rather critical stance toward the Government."¹⁰⁷ The fine has not yet been collected, as the company is still in the appeals process. However, this is one of the examples that show that attempts to increase transparency of media outlets have generally been politically motivated. The rest of the time neither the media, nor state authorities have treaded on this supposedly delicate ground.

MEDIA FUNDING DURING ELECTORAL CAMPAIGNS

The state seems to be part of the problem when it comes to media transparency (see section 3.2). However, the problem is not limited to the state only, but extends to political parties as well. While commercial advertisers dominate the market, in the election years, state and political parties' spending increases in view of electoral campaign advertising. These cases too raise transparency issues related to political parties' sources of finance and their reporting, as transparency watchdogs have been pointing out for years. The advertising expenditures reported by the political parties to the Central Elections Commission rarely match the estimates of organisations monitoring political parties' spending during electoral campaigns.

Chart 1 CAMPAIGN AD SPENDING IN 2013 ELECTION CAMPAIGN

ALTERNATIVE (■), OFFICIAL (■)



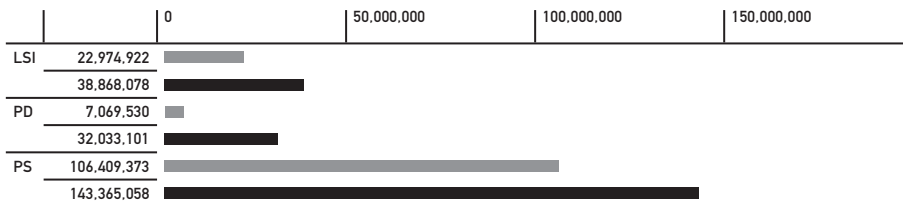
Source: Party Official Reports & Idramedia monitoring.¹⁰⁸

The figures on advertising expenses during the campaign of 2013 reported by political parties and those coming from a monitoring agency are clearly very different, as the chart above shows. While the methodology used might affect the final results, along with the discounts and the calculation of free time for political advertising as allowed by the Electoral Code, the difference to account for in the two reports is sizable, which points again to the lack of accurate data and problems with the transparency of media and political parties. In addition, the parties submit different formats when reporting to CEC, which makes it difficult to compare spending across parties.

Another problem with advertising expenditures for electoral campaigns is the debt that the political parties accumulate towards the media outlets. In some cases the debt accounts for more than half of the total spending.

Chart 2 UNPAID DUES IN 2013 ELECTION CAMPAIGN

UNPAID (■), TOTAL (■)



Source: Official reports of political parties to CEC.

This raises questions about the real sums the media outlets receive during electoral campaigns and the repercussions of delayed or missed payments. Another suspicious point is the donations made by the media themselves. A few media outlets had declared free advertising time for some of the parties as a donation to the parties' campaigns. While this is legally possible, it raises concrete doubts about the reasons for such donations, especially when knowing that electoral campaigns are considered a good source of advertising revenue.

SUSTAINABILITY OPTIONS FOR MEDIA OUTLETS

In the overall context of considerable informality in the country, with so many question marks over commercial and state advertising against the background of expanding media landscape, doubts remain about how media outlets manage to survive. The lack of transparency of media operations does not allow for an accurate answer in this regard. However, the long-standing perception, often voiced by representatives of the media community, is that other businesses of the media owners are used to support media outlets. "While these businesses were the basis for the considerable investment in the media scene, parallel ownership also makes these outlets vulnerable to economic and political interests."¹⁰⁹ Albanian media owners are, with extremely few exceptions, people with a significant business background who eventually founded media outlets or whole media groups (see section on media owners). The Albanian regulation on broadcast media does not prohibit sponsorship of the media outlets. However, in the financial reports these are just marked as sponsorship or donation, without further details and never prompting the regulator to further investigate the matter.

Hence, given minimal transparency, it is difficult to have a clear and accurate picture of the way media operate financially. On the other hand, having in mind other businesses of the media owners and assessing media content in this light, it is easy to see that the media serve as almost free advertising space, rather than as reporters on the matters of public interest. The stories on products or events related to other media owner's businesses are featured in newspapers and on televisions, presented not as advertisements but as news.

In addition, since political support is important for achieving economic success in the country, the relationship between media owners and politics is the other side of the equation. One of the international reports on Albania noted: "Business owners also freely used media outlets to gain favour and promote their interests with both major parties. Many media owners courted government leaders to gain favours or avoid taxes."¹¹⁰ In fact, for a long time this has been the most speculated and controversial form of media clientelism in the country. "In reality, in the countries of the Western Balkans the media are sandwiched between politics and business, sometimes because of the pressures they are faced with, but at other times because they voluntarily place themselves in this position. Thus,

the media appear to be an extension of politics on the one hand, and an annex of various businesses on the other.”¹¹

3.5 POSITIVE PRACTICES IN FINANCES

It is difficult to find bright aspects to media funding practices in Albania. Perhaps the commitment of particular media owners to invest in their media outlets, even if only through technology, needs to be mentioned. In addition, after the publication of data on the distribution of government advertising, there is greater public awareness of the way these funds are distributed. The current government had included fair and non-discriminatory distribution of state advertising to the media as part of its program vis-à-vis media. It remains to be seen whether there will be sufficient power and will to implement it, but having a good intention is a positive start.

3.6 CONCLUSIONS AND RECOMMENDATIONS

Transparency of media finances and media business practices is very low. More than two decades after market liberalisation, the Albanians still do not have access to public and verified data showing the circulation, sales, and audiences of the media outlets. Moreover, the information on the size of advertising market is also not publicly available.

In this context, the ways in which advertisements are distributed are also not clear. Distribution of government advertising has become a risk for media integrity in recent years through a combination of unclear rules, low transparency, and media clientelism, with the media echoing the government’s interests being significantly favoured. On the other hand, commercial advertisers seem to be the main source of revenue for media outlets, a source they cannot afford to lose. As a result, direct or indirect influence on media content is clearly visible, also aided by the lack of self-regulation and developed professional rules, as well as financial pressure on the media outlets.

Finally, the sustainability of media outlets in a highly saturated media market has been questionable for years. Yet, the media continue to survive and even new ones emerge, indicating that funds from owners’ other businesses are a useful resource in this context. These practices are hardly transparent though. The regulators have not shown willingness to intervene in this area, while interventions from the government have been mainly politically motivated.

4.

PUBLIC SERVICE BROADCASTING

Radio Televizioni Shqiptar (RTSH), the public service broadcaster, is composed of *Radio Tirana* and *Televizioni Shqiptar (Albanian Television – TVSH)*. At present, *RTSH* broadcasts five programs, general and thematic ones, 2 national radio programs, 1 radio program in foreign languages, 1 radio program for Albanians living abroad, 4 regional TV and radio programs, and 1 TV satellite program. The analogue signal of *RTSH's Channel 1* covers 87 percent of the territory, and that of *Channel 2* 47 percent, as opposed to 69.8 percent and 62.1 percent covered by the other two commercial TV stations.¹¹²

The transformation of *RTSH* from the state to public broadcaster has been a difficult battle to fight. As time goes by, challenges to *RTSH* persist, mainly in the form of political pressure on the regulatory bodies and programming, weak editorial independence, and financial sustainability and management. With the change of government in 2013, a new initiative to start reforming the public broadcaster was launched. However, the challenges are numerous. The election of the Steering Council of *RTSH* has been delayed and is hostage to consensus among political parties in Parliament, which is absent at the moment. *RTSH* has been working without the Steering Council for two years now, because of the failure to elect new members. The public perception of *RTSH* has deteriorated, especially in relation to heavily biased news programs. On the other hand, the transparency of editorial, financial, and management decisions of the governing bodies is low, leading to an often uninformed, but mainly negative public debate on a matter of public interest.

4.1 GOVERNING, MANAGEMENT AND EDITORIAL STRUCTURES OF PSB

The Law on Audiovisual Media stipulates three governing bodies for *RTSH*: the Steering Council, the General Director and the Administration Board. Of these, the Steering Council is the highest body. The appointment of the council members has been a major problem in the political and public debate, often hindering the smooth functioning of *RTSH's* operations. The election of the new members is currently underway, two years after the term in office of some of its members expired. “The political disagreement that has persisted through the years has led to difficulties in implementing the law and enabling a normal functioning of the institution.”¹¹³

A major problem related to the council has been that of suspected political affiliations of its members. The approval of the new law on audiovisual media in March 2013 failed to address and solve this problem. In fact, after six years of debating the law, the two political wings still disagreed on the formula for the election of the Steering Council members. “Continuous amendments to the formula and criteria for the election of members, along with the formula in the new law testify to a trend where political balance has been of

higher priority and safer than professional credentials.”¹¹⁴ Although the law requires a long experience related to media and other fields, with a wide representation of groups, including various NGOs and interest groups, the allegations that in essence most of the members are politically influenced and affiliated remain. “*De jure* all interest groups are represented; *de facto* all political colours are represented.”¹¹⁵

In addition, the role of the Steering Council of *RTSH* is questioned, along with its ability to supervise, influence, and guide *RTSH* activity. The activity of this body has hardly been transparent and none of its decisions has been published. The annual report they submit to the Parliament would go unnoticed by the public if the media did not cover the event at the parliamentary commission. However, it seems that through the years the council has failed to take an active role in monitoring and guiding *RTSH* performance, as it is supposed to do. “Out of the eight years I’ve been serving as director of the Albanian public television, only in the first two years there was a serious discussion on *RTSH* accountability in the council. Even though my department submits reports on its work every six months, we do not have any feedback or extra requirements from the council.”¹¹⁶ There have been no indications of genuine concern and influence of the council on *RTSH* management and programming. The council’s role seems to be reduced to that of the mediator of the *RTSH* annual report to the parliament and it has not become more active or involved in assisting *RTSH* to fulfil its public mission.

Another problem that affects the *RTSH* performance is the relation of its three governing structures and the lack of the transparency of the decisions of these bodies. According to the law, the Administration Board is only a consultative body concerned with financial and management affairs; in reality, it has also served as a decision-making body, along with the General Director.¹¹⁷ In addition, the decisions made by each body are not transparent to the public and to the other structures of *RTSH* itself. “This practice leads to vulnerability of the institution and is a grey area that can be interpreted and used in many ways.”¹¹⁸ This has been a concern raised by *RTSH* staff and observers for a long time.¹¹⁹ The new law approved in 2013 did not correct the mechanism of checks and balances between the three bodies in *RTSH*, and the competencies and tasks remain almost the same as stipulated by the previous law, indicating that the problem will likely continue to exist.

Probably the most negative aspect of *RTSH* performance has been a failure to establish some degree of editorial independence in its news and current affairs programs. This has been a result of pressure from political actors but also part of the established culture within the institution. “Even when there have been no phone calls directing the media coverage, there have been cases when the news department adapted the news coverage to the supposed preferences of politicians.”¹²⁰ *TVSH* news bulletins have been under continuous attack by the opposition, parts of civil society, and sometimes the commercial

media, mainly on grounds of open support for the Government and the lack of editorial independence. In 2012, the news editions of *TVSH* devoted 36 percent of the time to Prime Minister and 25 percent to the government, while the ratio of the ruling party coverage to opposition coverage was 12 percent to 6 percent.¹²¹ The *RTSH* coverage of elections in June 2013 reflected a similar pattern: “*RTSH* did not meet its legal obligation of impartiality in the news editions, providing the DP and the government with coverage in a more positive tone (45 per cent for the DP compared to less than 1 per cent for the SP).”¹²²

The failure to report impartially and in the public interest has been the constant subject of public criticism of *RTSH*. However, although this topic is extremely important, the tendency to focus solely on this matter, while neglecting other important aspects of the public broadcaster is also limiting.

One of the claims of *TVSH* to counter negative criticism is that it has increased its production significantly, taking it from 17 percent of programme output in 2006 to 98 percent in 2013.¹²³ “In programming, priority goes to social-oriented programs. We only produce one weekly political current affairs program, apart from news editions, and the other programs reflect a wide range of topics and interests.”¹²⁴ In addition, *RTSH* branches broadcast part of their programs in Greek and Macedonian for the ethnic minorities in the south and southeast of the country, while recently a program in Romani has also started.

In spite of all claims, it is difficult to speak accurately of the success or failure of *RTSH* in the eyes of the public, due to the lack of audience measurements. “We have done a lot, but we should always do more in terms of programs produced. However, I believe no one among us, the media, knows where we stand, as long as we do not have audience measurements. When that time comes, we can all start from scratch.”¹²⁵

4.2 PSB FINANCING

Legislation lists a wide range of funding possibilities for *RTSH*: licence fee, contracts with third parties, sale of programs, public shows and performances, advertisements, sponsorship and donations, and state budget.¹²⁶ However, despite the wide array of sources available, it seems that funding is rarely adequate and it could significantly improve, both in terms of regulation and in terms of management of funds.

Table 5 RTSH BUDGET 2006-2013 (IN EURO)

REVENUE	2006	2007	2008	2009	2010	2011	2012	2013
STATE BUDGET	2,438,925	2,720,067	4,031,617	3,953,149	3,107,445	2,712,434	3,048,233	2,509,267
LICENCE FEE	558,416	307,900	442,181	2,192,258	2,610,928	3,122,592	5,922,232	4,024,565
RENT TO OTHERS	999,959	1,039,299	1,019,384	905,887	831,325	717,648	1,309,391	266,374
RADIO BROADCASTING FOR OTHERS	1,595,081	1,321,557	1,157,884	1,209,979	1,224,461	1,217,506	727,439	1,200,563
ADVERTISING	302,109	527,265	807,411	680,114	1,269,864	841,774	1,225,161	419,161
CHINESE COOPERATION	487,785	460,070	407,232	428,571	471,663	477,956	536,008	499,001
OTHER	682899	781.853	1,185,396	456,707	525,818	435,154	482,407	1,019,389
TOTAL	7,065,176	7,158,014	9,051,107	9,776,235	10,042,812	9,525,067	13,250,874	9,938,323

Source: *RTSH* Annual Reports 2006-2013.

COLLECTING THE FUNDS

Licence fee is supposed to be the main source of funding for the public broadcaster, but in Albania its collection has been a major problem from the very start. Apart from the difficulties with collecting licence fees, the problem is also the non-transparent transfer of funds to *RTSH*. The licence fee is paid through the electricity bills at a fixed amount for each household. Until 2006, the *RTSH* budget had not detailed the total sum collected from the licence fee.¹²⁷ The amount collected from the licence fee was passed directly to the state treasury rather than to *RTSH*, and in a way returned to it through the state budget allotted yearly to the broadcaster. However, there was no exact way of knowing what was the *RTSH*'s revenue accrued from licence fee.

After a series of negotiations with the Ministry of Finances, in 2006 it was agreed that the money would go directly to the *RTSH* annual budget. However, since the electricity company claims that a sizable part of households do not pay electricity bills, the loss of revenue also affects *RTSH*. For example, if we divide the total amount *RTSH* has received through licence fees in 2012 by the licence fee rate, it turns out that about 644,500 households paid the fee. According to the latest census of 2011, Albania has almost 722,262 households.¹²⁸ Furthermore, since 2011, the fee is paid not only by households, but also by state and private enterprises and other offices that have a TV set. Hence, the number of paying units should be significantly higher, translating into improved funding for *RTSH*. There is no doubt that the collection of the licence fee has improved. Compared to 2006, it has increased more than 10 times.¹²⁹ The collection scheme is still far from perfect, in line with the informality that exists in this sector.

Another problem was the licence fee rate: until 2010, it had been 500 leks (approx. 4 euro) for each household for the whole year. After the management of *RTSH* complained about the low fee and having in mind the preparations for digital switchover, the Ministry of Finances decided to double the amount from 2011 to 1,200 leks (approx. 8.5 euro) per year per household, payable in monthly rates. In 2012 the collected licence fees made up 58 percent of the *RTSH* total budget, compared to 45 percent in 2011.¹³⁰ However, despite improved funding, the problems persist and the financial future of *RTSH* is far from secure. This is related to both the rate of licence fee payments and to the way these payments are disbursed to the public broadcaster. “The general public perception is that *RTSH* starts the year with so many millions at its disposal. In fact, the tax comes in several instalments during the year, rather than as a lump sum in the beginning. So, nothing is concrete and there are no guarantees until the tax is collected.”¹³¹

THE ROLE OF THE STATE IN THE PUBLIC BROADCASTER FUNDING

State funding is another myth surrounding public perception that needs to be clarified. Often irritated by the lack of political balance in news and current affairs programs, public discussions regarding *RTSH* insist that state funding should not be made available to *RTSH* because it does not deserve it. These discussions indicate that the public is not widely aware of the fact that for many years the government has been providing funds only for the orchestra of the *RTSH*, its annual song contest and the services for Albanians abroad. All other daily activities are covered from other sources of funding, mainly licence fee, rent of antennas and other facilities, and advertisements.¹³²

However, state funding will become fundamental soon, in the wake of digital switchover. While the commercial multiplexes have been active for almost ten years now, *RTSH* only recently started to broadcast digitally (five channels). However, it still needs to build its transmission networks and start its own multiplex. The Strategy for Digital Switchover approved in 2012 entitles *RTSH* to two multiplexes for its own channels and for local TV stations that might wish to use its platforms. The needed budget for these platforms was estimated to be approximately 26 million euro.¹³³ The Strategy lays out the funding options for multiplexes, mainly consisting of state funding, or state guaranteeing the loans needed to build the platforms. In the spring of 2013, the Ministry of Innovation and ICT invited tenders for the construction of the transmission network for the public broadcaster *RTSH*. Despite disputes triggered by the opposition which claimed that it was not appropriate to undertake projects of such a scale immediately before the election period, the tender was carried out. In a decision dated 17 June 2013, the Ministry announced two winners.¹³⁴ One of the winning companies opposed the selection procedure for the tender and at the end of August, the former Minister of Innovation and ICT annulled the tender procedures altogether.

Recently, the public broadcaster has made investments in digital equipment and has started broadcasting four thematic channels apart from the main channel. However, no further steps have been made regarding the construction of the transmission network, pending on the outcome of the tender. This is a significant investment and *RTSH* will have to depend on the government or on loans guaranteed by the government to complete the network. At this point it is unclear what the funding model for digital switchover of public broadcaster will be. The work group that the government has established also includes *RTSH* representatives, but the government has made it clear that full funding will be difficult and will need further discussions and negotiations in the coming months.

MONITORING AND TRANSPARENCY AS MAJOR FLAWS

Low transparency of financial decisions and processes in *RTSH* is a major setback for the public broadcaster. *RTSH* is accountable to the Parliament and reports annually to the Parliamentary Media Commission. However, although the management has never treated the annual financial reports as secret information, it has never made an effort to publish them online or in any other form. Hence, this lack of clarity further inflames the existing prejudice and dissatisfaction and damages the image of *RTSH* in an unnecessary way.¹³⁵ In addition, the public broadcaster also seems to suffer from a continuous lack of transparency of decision-making and financial procedures within the institution itself. “Financial decisions are not published for us or for the public, although this is a flaw that can be corrected very easily just by publishing them online.”¹³⁶

Even though there are no active attempts to achieve transparency vis-à-vis the public, *RTSH*'s financial procedures are supervised by the Supreme State Audit. The auditing is not done in regular intervals, but rather on *ad hoc* basis. The last audit took place at the end of 2013, almost eight years after the previous audit carried out in 2005. The audit only checks if financial activity is in accordance with the legislation, rather than analyzing if the funds have been used properly and efficiently. “The audit treats the public broadcaster just as any other state or public institutions. It does not take into account that the main aim of our activity is production, and hence we have a remarkably different nature of work and should be audited accordingly. In addition, the conclusions only recommend what to do in order to obey financial laws, not what to do in order to manage our funds to better fulfill our remit.”¹³⁷

In fact, it seems that internal organisation and functioning of the *RTSH* structures is far from perfect. Coordination among units is weak, which might lead to inefficient use of funds and human resources. “There is very little cooperation between the television, the radio, the radio program for Albanians living abroad, and our branches in the districts. When there are important events, it often happens that each unit sends a team for the

same event, which makes no sense and certainly does not maximize our human resources but leads to unnecessary expenses.”¹³⁸ By the same token, the work of the central headquarters and that of district offices sometimes seems to overlap and there are no efforts to divide the work and resources in this respect.¹³⁹

A continuous public debate on the reform and future of public broadcaster is lacking. However, commercial media, especially newspapers, often publish opinions and interviews with various personalities on this topic. The overwhelming part of these pieces cast a negative view on the conduct of *RTSH*, contributing to the further weakening of its public image. “The media in this country are free to publish what they want. However, I find it unfair competition that private media all speak badly of *RTSH*, while they in the first place are not interested in having a strong *RTSH*.”¹⁴⁰ The rare auditing reports from the State Audit also serve to fuel the verbal assaults against *RTSH* in the media. “Media often publish extracts from audit reports. The selected extracts focus on trivial details and do not deal with the fundamental problems that *RTSH* faces. These reports are misused and the public can take the media reports for granted, leading to damage for *RTSH* reputation.”¹⁴¹

4.4

POSITIVE EXAMPLES

While the financing scheme remains problematic, the improvement of the licence fee collection rate is remarkable and has greatly increased the budget of the public broadcaster. Furthermore, the program scheduling and production has become more stable in the last years, seeking to create a profile that might be compatible with the public remit of *RTSH*. Even though there are still shortcomings and the management recognizes them, the overall concept of public broadcasting and programs that might be adequate for this purpose is firmer now.

4.5

CONCLUSIONS

The public broadcaster *RTSH* faces several challenges at the moment, both internal and external. The election of its governing bodies is still part of the political battle and the impact of the Steering Council on *RTSH* work has been questionable. The funding scheme needs to be improved to overcome informality in the country, as do the procedures observed in transferring the collected licence fees to *RTSH*. The transparency of *RTSH* itself remains a problem, sometimes leading to unnecessarily negative public perception of the institution. Problems with achieving an efficient management of *RTSH* persist in some areas. It also seems that an internal culture of independence has not been established, while editorial independence regarding news and current affairs is a key concern.

5.

JOURNALISTS

The development of Albanian media in the last decades can be roughly divided into two phases: the first phase was marked by the so-called politically engaged media, and the second by the emergence and expansion of clientelistic media. The first period, from the early to the late 1990s, was characterized by constant and severe struggle between the media and the government.¹⁴² In the second period, with the change of ownership patterns in the media, the pressure on the media became more sophisticated. Today the Albanian media rarely face open threats or assaults, but rather experience problems of an economic nature, such as financial pressure, distribution issues, the transparency of funding and ownership, labour relations, and corruption in the media.¹⁴³

Media have often found themselves sandwiched between politics and business, facing constant challenges, but also making important achievements. Some of the challenges are the poor organisation of journalists, lack of solidarity, slow development of investigative journalism, weak public support for media freedom, and labour relations. Faced with these challenges and the financial crisis, Albanian media more often than not resort to self-censorship, while there are also attempts to keep professionalism alive.

5.1

PROFESSIONAL CAPACITIES

After 1990, there was a boom of new media outlets in Albania. Alongside this boom, a young generation of journalists emerged in the 1990s, rich in passion and ambitions, but poor in professional skills.¹⁴⁴ In fact, Albania's tradition and history of providing education in journalism has had a rather late start. The first school was the one established within the Department of Political-Judicial sciences, fashioned after the Soviet model. This school lasted for ten years, until the early 1970s, and was succeeded by various courses taught by the same teachers.¹⁴⁵ Therefore, proper education for journalists was scarce during the Communist period, and it was introduced only in 1992 as part of the Department of History and Philology at the public University of Tirana.¹⁴⁶ From its establishment until 2010, more than 1,100 students are estimated to have graduated in journalism from this department.¹⁴⁷ Currently the public university has also journalism departments in two other cities, Elbasan and Shkoder. A few private universities also began to offer journalism and communication studies, but gradually they converted their curricula into communication and public relations studies. This trend seems to respond to the market demand, broadening the course to cover other areas and thus increase in theory the potential for doing other jobs, apart from journalism.

"A considerable portion of the young journalists entering the field in Albania are graduates of these programs."¹⁴⁸ However, a full overview on the education and training of

working journalists all over the country has been missing. The last data in this respect originate from 2002 and these indicate that most journalists were in the 18-24 age group. This new generation of journalists rarely had a formal training in journalism, while a considerable percentage were students.¹⁴⁹ This kind of survey was never repeated at a national scale, but a later survey using a significantly smaller sample showed that 47 percent of journalists had a degree in journalism, marking a considerable increase.¹⁵⁰ The 2009 data, although not strictly representative, also indicated that a majority of journalists were now in the age group 24-35, which indicates an increased stability and consolidation within the profession compared to data collected in 2002.¹⁵¹

Apart from formal education in journalism, few other actors have been involved in improving media professionalism. The main actor initially was the Soros Media Center and then the Albanian Media Institute. The two later merged, offering training courses that emphasize practical aspects of journalists' work.¹⁵² These training opportunities are offered for free and are generally accessible to interested journalists. Education at the public university is also generally free, apart from the administrative fees, while admission is tied to entrance exams, the same as at all public universities. While there have been continuous training opportunities, there is also training fatigue sometimes, as well as a limited ability to use the skills gained in everyday work. "While young journalists passionately participate in training courses that teach journalism standards of today, this passion is lost when they go to the newsroom, where there are other rules and standards, not so much related to journalism, but to the interests of the owners and to the politics of the day."¹⁵³ As long as there are double standards in training and in the application of principles to work, the impact of training will remain limited.

5.2 PROFESSIONAL SELF-ORGANISATION OF JOURNALISTS

Journalists have always found it difficult to organize themselves, both in terms of protecting and advancing their rights, and uniting in the name of professional goals and identity. The two oldest organisations are the League of Albanian Journalists and the Association of Professional Journalists, established in the early 1990s. In addition, there are other associations, of a general nature or organized on the basis of geography or the topic that journalists cover, such as health, justice, politics, etc. However, rather than becoming organized on their own initiative, these associations usually start under the umbrella of donors or international organisations, with the aim of promoting professionalism. Most of these associations have slowly faded, with no active membership and with a very sporadic and weak professional activity. This trend confirms the difficulty with importing models of professional organisation into a context where this culture has been very weak in the past. Faced with a lack of enthusiasm and lack of funding, these associations have

not managed to make a lasting impact or serve as examples of professional organizing. In fact, most journalists interviewed were sceptical of the role and efficacy of associations. Most journalists interviewed indicated that the credibility of associations has been damaged and that there is no coordination or professional solidarity among journalists.¹⁵⁴

The vague interest and willingness to organize and advance the profession is evident also in the slow progress of self-regulation in the Albanian media. The Code of Ethics was first drafted in 1996 by the Albanian Media Institute in cooperation with the main journalists associations at the time, but it was never formally adopted by media outlets. The revised Code of Ethics in 2006 had the same fate, in spite of intensified efforts to set up a self-regulatory body. Apart from these attempts to organize self-regulation on a national or broad scale, the media outlets have also failed to adopt of their own accord formal guidelines on their conduct. The only exception has been the daily newspaper *Shekulli*, which, when founded in 1998, had its Code of Ethics. In addition, the newspaper also had the Ethics Bureau, which, rather than working on readers' complaints, did retrospective weekly reviews of journalists' work from the ethical point of view. However, this novelty did not originate in the newspaper, but came from the owner of the newspaper.¹⁵⁵ The same owner decided to dispense with it a few years later, due to financial crisis and lack of interest, but also indicating the volatility of such new initiatives in the Albanian media environment.

In general, the media community has raised concerns on ethical issues and seems interested in improving their practices, while recognizing the challenges. However, there are different opinions on the challenges to self-organisation of journalists. The most common one is the economic factor, indicating that ethics is the last priority in a media outlet and sometimes a luxury. Based on his experience with in-house training on ethics in media outlets, the author of the Code of Ethics says: "The work conditions and the level of salaries is one of the main factors that affect implementation of the code of ethics. Of course, there is no guarantee that a much higher salary will give us a significantly more ethical journalist, but it is a factor that cannot be neglected."¹⁵⁶ In addition, financial crisis has led to a continuous downsizing of staff, especially in print media. "The size of newspapers is very small and some of them will soon employ only four or five journalists. Journalists do not have time to do journalism properly and it is very difficult to speak of ethics in a context that does not promote professional development."¹⁵⁷ The market pressure and competition also do not help. "We as media are lacking the common rules for the game. If one media violates ethical rules, it ruins everything, as it creates a chain reaction. I made a decision not to broadcast a story, but my rival did broadcast it and gained audience. So, next time I will think twice about this decision,"¹⁵⁸ said one of the editors interviewed.

Another challenge seems to be the weak position of journalists vis-à-vis the managers and owners of media outlets. Many journalists interviewed suggested that if journalists

took the initiative to introduce ethical mechanisms or raised their voices about salaries or other problems, they would face the pressure from owners and could even be fired.¹⁵⁹ Some interviewees also mentioned the tendency among journalists “to settle” rather than fight for their profession as an increasingly preferred solution. “Journalists prefer to play it safe and try to solve the problems within the media where they work.”¹⁶⁰ An experienced journalist, while admitting the pressure of owners on journalists, also confirms that some journalists prefer it this way: “Now there is less journalism. Everything is superficial, there is pressure from owners on journalists. However, journalists also take advantage of this pressure in a dishonest way, in order to escape doing their job.”¹⁶¹

The lack of motivation on the part of journalists is also fed by the relatively passive stance of other actors to appreciate media reports and their role in society. The practice of giving out awards for professional achievements of journalists is only a recent phenomenon and quite a sporadic one, reflecting also the lack of funds earmarked for this purpose. The Union of Albanian Journalists has distributed awards for economic journalists in the last three years, while there are specific organisations focusing on children, LGBT, or human rights in general that have also offered from time to time awards for journalists.

5.3 JOB SECURITY AND WAGES

According to the reports of the trade union of journalists, most of the journalists work without contracts or have contracts but these can be terminated in an arbitrary way. A 2012 survey by the trade union revealed that only 42 percent of surveyed journalists had a regular contract during the whole period of employment, 26 percent had a contract for part of this employment period, while 32 percent did not have any contract at all.¹⁶² The contracts are drafted unilaterally by the media management¹⁶³ and interviews with journalists also confirm that there are problems in the drafting and implementation of contracts. “The contract can be interrupted in a unilateral and arbitrary way. While the contract demands that I notify the owner three months ahead if I’m leaving the job, I can be fired the very next day and do not enjoy the same notification period. There are even cases when the owner can pressure other media outlets to not hire you. So, work contracts are a significant pressure on journalists.”¹⁶⁴

The survey mentioned above also showed that 65 percent of journalists reported that the years they worked with a contract did not match the years they actually worked in the media.¹⁶⁵ After union lobbying in recent years, the major commercial outlets have agreed to sign contracts. However, problems persist, especially in the form of delays in paying salaries. On September 2013, the union stated that “in the last six months the salaries of journalists were delayed in 75 percent of media outlets in the country for a period of two to six months.”¹⁶⁶ In the same period, journalists had started 48 lawsuits for unjustified firing or

failure to respect the Code of Labour, according to the union.¹⁶⁷ The failure to pay social insurance for journalists has also been a common phenomenon. The contributions either have not been paid at all or have been paid for part of the years.¹⁶⁸

Massive staff reductions and layoffs are another phenomenon that has intensified with the ongoing crisis. This crisis has not spared media outlets that are considered successful: about 300 employees have been laid off in these media in the summer of 2013, 130 of whom were journalists, the union reported.¹⁶⁹

However, if it were not for the statements of the trade union, these events would almost go unnoticed by the public. The failure of journalists to organize and protect their rights plus the lack of solidarity among colleagues in such circumstances make it difficult to pressure the state and other relevant actors towards improving protection of journalists. "This is one of the communities that has the least degree of solidarity, among other things because of pressure from owners, political divisions, the lack of reaction and impunity [of those who exert pressure]."¹⁷⁰ Other journalists said that owners can threaten them with replacement if they demand better salaries or working conditions, which makes it difficult to fight for their rights and those of other colleagues.¹⁷¹

In such circumstances, even in cases when media outlets have closed down and left journalists with months of unpaid salaries, the protests have been scarce. Most journalists also try to avoid litigation, because the processes may drag on for a long time, the court fees are high, and there is a general distrust of the judiciary.¹⁷² In this context, the only actor that tries to raise these concerns is the union. The Union of Albanian Journalists was established in 2005 after several failed attempts, indicating both the weak organisation tradition and the pressure journalists face from other actors. The union has 870 members now, out of estimated 5,000 media employees in the country, approximately 3,000 of whom are journalists.¹⁷³ However, the union faces financial difficulties because of the failure of members to regularly pay contributions.¹⁷⁴ In addition, the weak implementation of the Code of Labour in the country as a whole does not help with the union's goals and reputation.

Most journalists interviewed cited the situation with labour relations as one of the factors that affect gravely their quality of work and their freedom. "The situation with salaries remains the main problem of print media. This fails to motivate journalists and is confusing for their work."¹⁷⁵ "There are problems with job security, related to lack of contracts, salary, insurance. In this way, working in the media becomes increasingly uninspiring and it is difficult to motivate yourself,"¹⁷⁶ said another journalist. All journalists interviewed said that this situation was a major factor that leads to self-censorship. In fact, this is an increasingly pervasive phenomenon according to journalists and media experts. "Self-censorship not only exists, but it is absolute and it is cemented now."¹⁷⁷

5.4

EDITORS' APPOINTMENTS AND DECISIONS

The hiring of journalists and editors has never been a result of formal merit-based competition. In addition, there have been no formal arrangements to guarantee editorial independence for editors and journalists. The existing work contracts cover merely administrative matters and do not refer to anything similar to the conscience clause, failing to address matters related to content altogether.¹⁷⁸ According to all journalists interviewed, the editor of a media outlet has the last word on a story, while some of them added that in delicate and controversial stories the publisher or owner of the media has the final word.¹⁷⁹ Journalists also reported cases of stories that have been modified or not published at all.¹⁸⁰ "There are also interventions to interview specific persons. It happens that the journalist does a story that is recast by the editor to make it more gratifying for a specific political party."¹⁸¹ Journalists agreed that these cases have been more common in the coverage of politics and economics, while social issues and crime reporting are generally less pressured.¹⁸²

In general, there have been no public cases of disputes between the editors and journalists or editors and media owners, which indicates that there is a mutual understanding on how the news should be reported, as well as the degree of self-censorship. "The journalists sense the interest of the media outlet and understand what lines they should never cross, usually at the expense of news quality."¹⁸³ Other journalists said that when you understand the political leaning of the media you work for, you adapt to its editorial policy, as this makes your life easier.¹⁸⁴ Some journalists said that with the passing of time, self-censorship has been refined, becoming an integral part of journalists' work.¹⁸⁵

One of the few public discussions concerning the firing of an editor occurred in May 2010, when the shareholders' board of *Vizion Plus TV* decided to terminate without explanation the work contracts of Arban Hasani, the news director of this station, and Mero Baze, the host of the program *Faktori+*, which was later discontinued. Both Hasani and Baze, as well as several journalism associations, claimed that this decision was made under government pressure, given the critical stance of *Faktori+* and the critical editorial stance on the Government adopted by the television station.¹⁸⁶ The media company issued a statement that "the insinuations were without arguments and insubstantial,"¹⁸⁷ and that while legal aspects would be fully respected, "business interests determine the guidelines of the company, including editorial activity."¹⁸⁸ This was one of the few controversial cases when decisions on personnel and consequent disputes were made public, while generally the relation between editors and owners remains an internal matter of media outlets.

5.5

VIOLENCE AND ATTACKS ON JOURNALISTS

The cases of violence or attacks on journalists are quite rare. However, they might intensify in periods of elections or political tension. For example, when the opposition

organized an event that marked the anniversary of the opposition party protest in which four protesters were killed, the moving studios of the TV stations that wanted to cover this event were not allowed to access the street and broadcast live the documentary on the victims of January 21.¹⁸⁹ In April 2013, a cameraman of a national commercial TV station was detained by the police after a football match that led to confrontations between football club fans and police officers. While in detention in a Tirana police station, he alleged that the deputy director for public safety in the Albanian capital assaulted him before he was freed.¹⁹⁰ The police officer was suspended for a period afterwards. However, these are rare and isolated episodes and in general there is no physical violence exerted by state authorities against the journalists.

Violence might sometimes be committed by private persons. In June 2012, a journalist that had reported on the foreign owner of a cement factory was assaulted by the owner's bodyguards right in front of the police station, but the police did not intervene.¹⁹¹ Similarly, another reporter was assaulted by unknown persons in front of his newsroom in December 2012, and the perpetrators remained unknown. This culture of impunity is also another factor that contributes to intimidation of journalists and eventually to self-censorship. In general, the public reaction to media freedom violations is also quite weak, if not inexistent.¹⁹²

5.6 INVESTIGATIVE JOURNALISTS

Investigative journalism has had a slow development in the country, but some programs and journalists are now well established. The most famous one is Fiks Fare, a daily satirical investigative program broadcast by *Top Channel TV*. "Alarm" is another similar daily investigative program, run by *Ora News TV*, while Xhungel is a program broadcast by *News 24 TV*, produced by one of the most well-known investigative journalists in the country, Artan Hoxha. BIRN is also present in Tirana, but the articles produced are rarely published in Albanian media.

While there are investigative programs and journalists that appear to be fairly popular, they are still part of the media outlets for which they work, meaning that they represent their interests. Their service to the society is unquestionable, but the motivation for investigative journalism not always seems to be the highest public interest. "There are cases when media institutions might investigate having in mind a specific company's interest in a specific public tender, or they might advance charges formulated by political parties. There are also numerous cases when the interested actor is the media itself, which might target a company that has not accepted its advertising offer."¹⁹³

In view of the situation with salaries and labour relations in general, and given the lack of public acknowledgement for investigative work, the Albanian environment is not favourable for investigative journalism. "Tirana's body of reporters is now made of

disappointed journalists who are financially maltreated, and of editors that serve as puppets or censors for media owners ... Apart from the lack of freedom, investigative journalists demand long-time research, which few media can afford.”¹⁹⁴ With the continuous shortage of staff in media outlets, the future of investigative journalism is likely to be even more unstable. However, one of the famous investigative journalists appears to be more optimistic on the future of this genre: “The pressure of the power, the lack of funding and human resources, the interference of media owners’ interests have led to the surrender of many investigative journalists. However, the ones that had a genuine passion and had the courage not only refused to give up, but they have intensified their rhythm, making investigative journalism more professional. The best players in the field are still there, resisting the temptation of power, challenging risks and failure. As a result, now every citizen knows where to go every time they have a problem or face injustice from the power.”¹⁹⁵

In 2012, as part of a USAID-supported program, the Association of Journalists for Justice, a network of investigative journalists, was established. They publish their stories on an online portal.¹⁹⁶ The idea of transferring investigative stories that might not be welcome in traditional media to the online environment has gained popularity recently; there have been several such initiatives, mostly supported by the Soros Foundation or other programs. However, the funding from donors at a time when this kind of funding is decreasing raises questions on their sustainability.

5.7 CLIENTELISM AND CORRUPTION AMONG JOURNALISTS

In view of the informality of labour relations in the country, it is difficult to estimate the level of journalists’ salaries. According to the union, the average wage for journalists in the country is approximately 320 euro. However, the situation of journalists varies dramatically depending on the media and especially on the location. Local media are significantly poorer than national ones, based in the capital.¹⁹⁷ In addition, within the media community there are huge differences in wages, with young journalists generally underpaid, while media directors or talk show hosts receive very high salaries.¹⁹⁸

It is difficult to establish whether the level of salaries and the problems with labour relations in general have encouraged corruption and bribery among journalists. There has been only one public case when a local journalist of the official news agency was arrested after blackmailing one of the border police officers in order to not make public a tape he had.¹⁹⁹ While the journalists interviewed for this survey generally acknowledged that corruption is present in the media, they also said that it mostly involves media management, rather than reporters.²⁰⁰ Another source stated: “Some reporters have used the information discovered during investigation for extortion or to gain favours.”²⁰¹ However, in general the public perception is that the corruption in the media is low, especially compared to that in other fields.

In the 2013 Global Corruption Barometer, the media was considered corrupt by 34 percent of people, ranking the third least corrupt actor after religious bodies and businesses.²⁰²

5.8

JOURNALISTIC AND MEDIA PRACTICES

MEDIA AND THE COVERAGE OF ELECTIONS

On 3 June 2013, the Central Elections Commission (CEC) passed the decision “On the coverage of the election campaign in private Radio/Television, based on the materials made available from electoral subjects for the Assembly elections of 23 June 2013.” This CEC decision made it mandatory for commercial television operators to include in their news editions and special electoral campaigns footage prepared and supplied by the electoral subjects. The decision also imposed special rules for broadcasting such footage. According to this decision, the operator had the option of refusing to broadcast the material prepared by the electoral subject, but only on technical grounds.

This decision came after the media coverage of the previous, 2009 elections had been assessed as a low point, since the media broadcast footage prepared by the parties, rather than reporting on campaign activities. According to the 2009 OSCE/ODIHR report on elections, campaign coverage was largely reduced to broadcasting footage and commentary provided by the political parties themselves. Before the 2013 elections, some commercial media had already made preliminary decisions not to accept such party-prepared footage. The decision of the CEC was condemned by the union, which also staged a protest with some journalists and contacted the People’s Advocate, who recommended the CEC to withdraw its decision. However, this did not happen and the media were again forced to broadcast footage presenting the elections through the eyes of political parties, rather than through the eyes of reporters. Even though some of the media outlets had learnt from the past and attempted to resist, political distrust was high and the CEC decision valued political interest over public interest and media freedom, legally transforming media into an instrument for the campaign.

COVERAGE OF TOPICS IN ALBANIAN MEDIA

The Albanian media cover a wide range of social issues, but they are not covered sufficiently.²⁰³ Meanwhile, politics is the main topic of the day in the news coverage in the Albanian media. The media coverage reflects profound political polarisation of Albanian society. Media monitoring reports are rare and unsystematic. However, the few that exist reveal the dominance of politics at the expense of other topics that might be of greater public interest. The monitoring of the main television stations’ news programs in 2009 revealed that politics and coverage of the government comprise 54 percent of the news bulletins, with the economy, culture, and sports allotted 11 percent of the time each, and

social issues receiving only 9 percent.²⁰⁴ The percentage of news covering government and politics was highest on the public service broadcaster, with 66 percent, while the other three main stations allocated at least 48 percent to these topics. The press monitoring yielded the same results: newspapers lean mostly toward politics and to a much lesser degree cover crime and court proceedings, while social issues occupy only a minor space.²⁰⁵

THE PROTESTS OF 21 JANUARY 2011 AND ALBANIAN MEDIA

On 21 January 2011, the then opposition party organized a protest in front of the government headquarters. Four persons were killed in the protests, allegedly by the Republican Guard. Given the climate of tension and warnings against violence that preceded the protest, as well as some violent acts of protesters, the government tried to spin the situation by saying that the victims were killed by infiltrators who had guns masked as umbrellas, rather than by the guard officers. However, Artan Hoxha of *News 24 TV* showed footage shot by the cameras of this media outlet that seemed to prove that the protesters were killed by the bullets fired from the guns of the guard officers. Soon after he broadcast this information, some other media outlets also joined in and provided their footage. "Thanks to the courage and work of all cameramen that have seen and shot the scenes of gun shooting, we can reconstruct the events of 21 January on our own,"²⁰⁶ Artan Hoxha said.

5.9 THE BRIGHT SIDE OF ALBANIAN JOURNALISM

Perhaps the intensified activity of the union in recent years is a positive example that assists media integrity. After many years, some of the main media outlets have signed work contracts with employees, although they might be just formal ones. In addition, the union has been active in organizing protests, issuing statements, and even praising journalists' activity by giving awards. For the first time, the union has a structure and local branches, showing some signs of organisation. However, the turnout at protests is quite low and solidarity is weak. The union itself faces financial hardship due to the lack of funding and irregular payment of membership fees. In addition, the weak implementation of the labour code in the country also makes it more difficult for the union to achieve visible results and strengthen organisation of journalists.

It should also be said that the role of the media in particular moments has been significant. For example, their involvement in shedding light on the 21 January protests was a positive and courageous example of informing the public opinion on what really happened, as well as one of the few examples of investigative stories with a clear public impact. Of course, the fact that the media that exposed the events were considered closer to the opposition at the time is also significant and might affect the overall outcome. However, it cannot be denied that there are examples of media's attempts to serve the public interest,

even though this might coincide with political interests. In addition, the protest against the CEC-ordered coverage of elections, although weak and unsuccessful, was still a sign of rebellion and the awareness of the need for media to detach from politics.

5.10

CONCLUSIONS

Media professionalism faces several challenges related to the environment in which it operates, such as weak implementation of labour relations in the country, ongoing financial crisis in the media, pressure on journalists from external and internal sources, and a general lack of solidarity both within the journalists' circle and from the public. Furthermore, the journalists lack a tradition of organizing for their own good, while the trade union, despite its efforts, is still weak. In this context, quality journalism and especially investigative journalism are not especially strong, reflecting the specific conditions in which journalists work. However, a general apathy and discouragement of journalists from the profession, sometimes combined with corruptive practices, also affects the state of journalism in the country. Nonetheless, there are also positive examples of media coverage and progress done over the years is visible.

6.

GENERAL CONCLUSIONS

Albanian media legislation is in place and is generally considered satisfactory, but problems with its implementation persist. Media policy making is affected mainly by political actors and by commercial players, even though civil society has strengthened its lobbying efforts regarding the drafting and passing of legislation. The regulatory body has struggled to establish its authority in the face of political pressure, pressure of operators, and existing informality. While legislation efforts have improved, influenced also by EU conditionality in harmonizing legislation, the attempts to implement the law to the letter will take much longer.

Apart from legislative processes, the media environment and journalism are ultimately affected by an array of other factors. The media landscape mirrors the political divide in the country, with media content displaying affinities for one party over another. Political influence over media is exerted through direct involvement of the media owners in politics, hidden shares, or media owners' affiliations with particular politicians. This clientelistic relationship became most visible in 2013, when it was revealed that a series of advertisements for state institutions was awarded to a particular media group. Clientelism also manifests itself in other ways, for example, through blind obedience to large commercial advertisers and advertisements for media owners' other companies in news reports. The

businesses of media owners seem to have a major role in keeping alive the distorted media landscape, prolonging in this way dubious business practices that see media as a tool to promote other political and economic interests.

In this environment, it is difficult to speak of quality journalism. Financial crisis has hit certain media sectors hard, increasing the burden on remaining journalists, while strengthening a feeling of insecurity within the profession. The weak implementation of the labour relations in the country had not spared media and journalists. The failure of the latter to organize in unions and demand their rights does not help in this regard. Furthermore, the lack of professionalism, corrupt practices, and compromises are also factors to account for in assessing the overall state of journalism. A result of the interplay of many of these factors is self-censorship that seems to have become a common phenomenon.

Overall, despite the progress that has been made, it seems that the risks to media integrity are numerous and visible. They include the lack of transparency of media funding and of business practices, a weak public broadcaster, and the dominance of political and private interests over public interests in developing and implementing media policies.

RECOMMENDATIONS

MEDIA POLICY

- (1) Existing legislation should be improved. Defamation is not fully decriminalized, while FOIA has proved to be inadequate to information needs.
- (2) Media policies and legislation adoption should be enhanced. While the circle of actors that provide feedback on media legislation has increased, the reflection on their contribution remains limited. Expanding the base of actors that can contribute and ensuring through various discussion forums that their contribution, if relevant, becomes part of the legislation, would be helpful. Furthermore, the bodies responsible for drafting media policies should try to base their decisions on existing studies and research rather than solely on the feedback from actors that have vested interests.
- (3) The independence and authority of regulators should be strengthened by adopting formulas that limit political interference and pressure and by establishing a suitable funding scheme, while demanding their greater accountability to the public and increased transparency.
- (4) Civil society organisations should regularly monitor both the process of media policies drafting and their implementation in practice.

MEDIA OWNERSHIP

- (1) Transparency of official data provided by the regulator should be increased. The regulatory authority should establish an online register of the registered media outlets, listing ownership data and other relevant information.
- (2) The monitoring of dubious practices in ownership patterns should be increased. Apart from the regulatory body for broadcast media, this role can also be carried out by the competition authority, ensuring that controversial or hidden cases of ownership are investigated in a fair and transparent manner.
- (3) Cross-ownership rules should be reconsidered, given the tendencies towards concentration of the media market.

MEDIA FINANCES

- (1) A publication of financial reports of media companies should be considered by the tax authorities or other relevant bodies.
- (2) Every move that aims to improve financial transparency of the media should be encouraged, e.g. the publication of annual reports and balances by the media itself, publication of market studies, etc.

- (3) Joint industry initiatives should be promoted, aimed at increasing the transparency of the media performance, the advertising market, and other aspects of media finances.
- (4) Distribution and transparency of the rules for government advertising should be improved and related practices continuously monitored.

PUBLIC SERVICE BROADCASTING

- (1) Political interference in the election of the Steering Council and in the daily operations of PSB should be eliminated.
- (2) The financing scheme of PSB should be improved and greater accountability, in terms of finances, management, and fulfilment of the public service role should be required.
- (3) Practices that increase transparency of an institution vis-a-vis the public should be encouraged.
- (4) Amendments of strict legal and financial rules that might be restricting PSB in view of its specific nature should be considered.
- (5) Fair competition practices should be encouraged, to ensure that PSB and commercial media are at the same level (respect for intellectual property, respect for labour relations, etc).

JOURNALISTS AND JOURNALISM

- (1) The implementation of journalists' labour rights should be enhanced.
- (2) Professional journalism should be encouraged through competitions, distribution of awards, and other initiatives.
- (3) Regular debates and exchange among journalists should be promoted to keep alive the discussion on professional norms and potential self-regulation.

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BOSNIA AND HERZEGOVINA

Sanela Hodžić

INTRODUCTION

Comprehensive international support to the media sector in Bosnia and Herzegovina (BiH)¹ after the 1992-1995 war resulted primarily in the pacification of media content and the restraining of extreme nationalistic propaganda, as well as the establishment of institutional, legislative and regulative framework for the media sector.² However, in the last decade, since the involvement of the international community decreased, little has been done on the policy level to continue with the positive trends. Quite the opposite, the political elites have intensified their efforts to assert control over media. Without adequate policy responses to tackle major weaknesses in the media sector, the state of the media system in Bosnia and Herzegovina, even after an extensive international involvement, is now “a colossal tragedy” as Mark Thompson has recently put it.³

Being a small media market oversaturated with multitude of media outlets, BiH has severely suffered the consequences of the economic crisis and of the outflow of advertising money. The sources of revenues for the media have been shrinking and the political interference in the media sector has not abated but rather strengthened. The fragmentation of the media market along the administrative and ethnic lines perseveres, further limiting the sources of revenues, hindering the transformation of public service broadcasting and limiting the collective organising of media employees. The media environment has been especially hostile to independent, quality and investigative journalism.

This research report will provide an overview of different aspects of the media system, including media policies, media ownership, media financing, public service broadcasting and journalistic practices, with special emphasis on the political economy of the media and the challenges the media system in BiH currently faces.

1 UNDERDEVELOPED MEDIA POLICIES AND HINDERED IMPLEMENTATION

By the end of 2002, most of the structural changes supported by the international community had been completed, after which the further development of national media policies and their implementation was in the hands of local actors. In the last decade, however, local decision makers proved not to be up to the task and the positive trends have been largely reversed. During this time, hardly any policy measures were taken to improve the structural conditions of the media environment. Media policy in Bosnia and Herzegovina is now practically non-existent, as Helena Mandić of the Communication Regulatory Agency (CRA) pointed out.

Policy initiatives in recent years have been scarce and in general not informed by relevant studies, ignorant of the actual interest of the public and ostensibly guided by the political interests of those in power. A consensus on major policy issues concerning media sector has not been reached, and the needed impetus for policy development was always missing regardless of which political party was in power. The political interference was made possible through politically motivated disregard, distortion and changes to legal procedures that had been introduced to assure freedom and independence of the media.

1.1 THE DISTORTIONS OF EXISTING NORMS AS A POLITICAL ASSET

The implementation of the existing, rather commendable laws, such as the Law on Libel and Freedom of Information Act, has been to some extent perverted through weak implementation mechanisms. The weaknesses are visible in court practice where, for example, common criteria for establishing emotional distress in libel cases, or the interpretation of “incitement to hatred” in criminal law have not yet been established.⁴ Such uncertainty left a leeway for rulings based on particular interest of those in power. For example, some media representatives report that courts are less likely to rule against relevant political or business actors in libel cases.⁵

Moreover, legislative bodies themselves have disregarded the stipulated procedures on several occasions (with absolute impunity). The Communications Regulatory Agency (CRA) has especially suffered political pressures and disregard for the established procedures. The establishment of CRA, a regulatory institution for broadcasting and telecommunication sector,⁶ in 2001, was one of the major positive results of the international involvement.⁷ Unfortunately, CRA’s operation was hindered and the guarantees of freedom from political control and manipulation have not been working in practice,⁸ especially since 2003 when CRA became completely locally run.

It should also be noted that the CRA director general and the members of CRA Council operated under a technical mandate from 2009, when the Parliamentary Assembly of BiH failed to appoint CRA members⁹ (probably due to political manoeuvring), to the end of 2013. The changes introduced in 2012 enabled a greater control over the appointments - the Parliamentary Assembly of BiH establishes an *ad hoc* body that proposes candidates.¹⁰ Not surprisingly, the newly appointed members of the CRA Council are considered to lack professional experience, while being mainly affiliated with the Socialist Democratic Party. CRA’s credibility is thus seriously jeopardized.¹¹

Similarly, disregard for the procedures for the appointment of the governing boards in public service broadcasters justifies the assumption that particular political interests were at play. In such a context, doubts about both the professional competence and the independence of board members have been continuously expressed.¹² Presumably in order to enable easier political interference, legislative bodies have been exploiting the appointing

procedures to marginalize the role of CRA. Moreover, the recent amendments to the Law on *RTRS (Radio and Television of Republika Srpska)* completely excluded CRA from the process of appointment of governing board (for more, see below). Similarly, the attempts to dismiss members of the Board in *RTV FBiH* in 2012 and the director of *BHRT* in 2009,¹³ were also considered bogusly justified by poor business performance, while being most likely motivated by the attempts of leading political groups to reassert their political influence over the public broadcaster. The above-mentioned amendments to the Law on *RTRS* additionally make possible the direct state funding of *RTRS*, which is possibly again motivated by the desire to interfere in editorial policies with more ease.

The polarisation along entity lines has also been manifested within the media sector, especially as the efforts of the political elites from RS to weaken the state-level institutions, including the national public broadcaster *Radio and Television of Bosnia and Herzegovina*¹⁴ and CRA. The results of the all-pervading ethno-political polarisation are most evident in the situation of the public service system in Bosnia and Herzegovina which Mark Thompson described as “the most discouraging” case of PSB in the region.¹⁵ Primarily due to the lack of political will, no progress has been made over the past few years in the transformation of the public service system or digitalisation, and it remains questionable if the switchover to digital broadcasting will be possible by the mid-2015 deadline.¹⁶

In the background of these political interferences, there have been virtually no major initiatives to regulate the important aspects of the media sector, such as ownership, privatisation and public funding, or to create a supportive economic environment.

1.2 UNDER-REGULATED OWNERSHIP ENABLING POLITICAL INTERFERENCE

The issue of ownership is highly unregulated. While the privatisation of newspapers raised doubts about the lawfulness of the procedures and abuse of power, the privatisation of TV and radio broadcasters has not even begun.¹⁷ Cantonal and municipal authorities are still the founders and direct financiers of 27.3 percent of TV stations (12 out of 44) and 44.3 percent of radio broadcasters (62 out of 140). Some sources suggest that these media regularly receive public funds of around 7.87 million euro per year.¹⁸ The extent to which these local public media function in the public interest is doubtful, given that no guarantees of their editorial independence are provided and they are most likely the mouthpieces for local authorities.

Although so far there is no significant concentration of ownership in the country, there is an open threat of the monopolisation of media space since the regulation of ownership is missing. Media are required to register, as any other business is.¹⁹ Ownership structure is reported to CRA for the needs of the television and radio licensing procedure, as is any change in the ownership structure involving more than five percent of shares.²⁰ The

concentration of ownership has been completely unregulated since 2006, when the Rules on Media Concentration and Ownership of Electronic and Print Media (adopted in 2004) expired. Relevant institutions did not show significant interest in developing proper policies in this regard.²¹ In the meantime, the implementation of the Law on Competition (relevant for all business sectors) is questionable, given that the Council of Competition responds to specific complaints but does not act strategically in this sense.

1.3 NON-SUPPORTIVE FISCAL POLICY AND QUESTIONABLE PUBLIC FUNDING

Finally, the overall fiscal policy towards media is inadequate. A large number of outlets (44 TV stations, 140 radio stations, 3 public service broadcasters, 9 dailies and over 100 magazines)²² exist on an utterly impoverished media market with the overall advertising revenues on the entire media market amounting to an estimated 44.37 million euro in 2012, and estimated overall revenues in TV industry (including advertising, licence fees, and other sources) amounting to 50.51 million euro (CRA 2013, 11). Both the advertising revenues and the donor support have been shrinking over the years. There are no policy responses to the fact that the advertising revenues have been flowing out of the domestic market to the benefit of broadcasters in the neighbouring countries whose programs are re-broadcast in Bosnia and Herzegovina (more in the section on ownership). Support to quality and independent journalism is extremely scarce, and pluralism is hardly sufficiently supported in the circumstances where, for example, community media are not allowed to pursue advertising revenues. In general, media are largely underfunded and for the most part cannot afford the lavishness of independent and quality journalism. In such conditions, editorial policies are increasingly vulnerable to the interests of rare sources of revenues, among which the state institutions are becoming pivotal. Both public and commercial media receive government funding,²³ which is possibly tainted to best suit the particular political interests, especially due to the lack of assurances that procedures are legitimate, transparent and based on public interest.

1.4 ACTORS RELEVANT FOR THE DEVELOPMENT OF MEDIA POLICIES

The major developments in the media sector in Bosnia and Herzegovina were initiated and/or achieved by the international community. A multitude of international organisations and agencies such as the Office of High Representative (OHR), the Organisation for Security and Cooperation in Europe (OSCE), the European Union (EU) and the Council of Europe (COE), various donor countries and private foundations were involved in the democratisation processes over many years. The most positive results of the international community's intervention were the adoption of the Law on Communication, the establishment of CRA as an institutional guarantor of the regulated broadcasting market, and

several major legislative steps, primarily the adoption of the Freedom of Information Act and decriminalisation of libel. The CRA has been guaranteeing normative certainty in the broadcasting sector, but understaffing²⁴ and especially political pressures have been hindering its performance. On the other hand, the Press Council (PC),²⁵ a non-governmental organisation, oversees the self-regulatory mechanism in the print media, and since 2011 in the online sector, but its reach is limited especially because the self-regulatory system is not yet widely accepted by media organisations.²⁶

The Institution of the Ombudsman for Human Rights of BiH reacts to severe violations of media freedoms, but as Mehmed Halilović, a media law expert at Internews in BiH, pointed out, there are no individuals within this institution dedicated specifically to the media sector, which diminishes the vigour of their actions.

The impact of local civil society on media policies has been modest so far, the major reasons being a generally underdeveloped civic engagement and fragmentation along entity and ethnic lines. The involvement of journalistic community in the development of media policies is sporadic and mostly reactive. Of the six journalist associations, BH Journalists is the only one that regularly reacts and sometimes proposes positive policy changes. Additionally, the Association of Media Industry (UMI) offered expert opinions on the business aspect of the media sector on certain occasions.

Most regrettably, the Council of Ministers of Bosnia and Herzegovina that is responsible for the development and adoption of media policies has been extremely inactive over the past decades.²⁷ Mehmed Agović, the advisor to the current Minister of Communications and Traffic, stated (in an interview held on 24 September 2013) that the ministry is only now embarking on the development of media policies to tackle, *inter alia*, transparency, concentration of ownership, digitalisation process, and online media policies. However, other respondents expressed concerns that the Ministry will introduce changes that will weaken the powers of CRA and enable more political interference in the media sector.

1.5 RECENT CASES AND TENDENCIES

Several current developments indicate the eagerness of decision makers to assure political control over the media sector.

A recent controversial case was the adoption of the amendments to the Code on Commercial Communications, by which CRA reduced the advertising limit for public broadcasters from six to four minutes per hour. The analysis later published by CRA indicated that the public service broadcasters were considerably commercialized and that their advertising shares were inadmissibly high. The opposing voices, however, stress that these limitations will endanger the financial sustainability of public broadcasters, given that the overall rate of licence fee collection is low.²⁸ The unjustified rush to adopt the

amendments was viewed with disapproval and apprehensions that the regulator had given in to the interests of the major private media.²⁹ Moreover, the representatives of the Association of Media Industry warn that even the private media in the country will not benefit from this new policy.³⁰ And finally, it is extremely worrying that the amendments were adopted despite strong opposition by journalist associations, PSBS, NGOs and the international community. The newly appointed Council of CRA however decided to reconsider above-mentioned decision, and on 5 March 2014 announced new public consultations about the issue.

Indicative is also the case of the Law on *Radio Television of Republika Srpska (RTRS)* that has been changed on two occasions to completely oust CRA from the procedure observed when appointing members to the Board of Governors of this broadcaster. The amendments adopted by the National Assembly of Republika Srpska in October 2013 stipulate that the members of the Boards of Governors in RTRS are to be appointed directly by the National Assembly of RS.³¹ The amendments also make possible the funding of RTRS directly from the entity budget, which further endangers its independence and facilitates the political influence on editorial policy.³²

There are two cases that still remain to be resolved. The pre-draft of a new Law on Electronic Communications³³ prepared by the Ministry of Communications and Traffic caused considerable distress. Helena Mandić believes that it is an attempt to tear down CRA by diminishing its powers and introducing vague financing patterns, and she hopes for an appropriate reaction of the media community.³⁴ On the other hand, Agović states that it is aimed to improve the existing regulation and that it guarantees the continuation of CRA's powers and independence. By mid-January 2014, the proposal was not yet submitted to the parliamentary procedure. Concerns were also raised about the draft Law on Media in RS prepared by the Association of Journalists of Republika Srpska, which has been open for public debate since July 2013.³⁵ Although the draft includes certain positive elements, e.g. it regulates the transparency of ownership, including of online media, the critics believe that the proposed law puts the media sector in jeopardy of censorship and political control, that it introduces some retrograde solutions (for example, with regard to access to public information) and politicizes the issue by disregarding the existing (satisfactory) state-level regulation.³⁶

1.6 THE BRIGHT SIDE OF MEDIA POLICIES

The response of the professional community and other institutions/organisations in May 2013, when the Ministry of Justice of BiH proposed amendments to Freedom of Information Act (FOIA), had a significant positive effect. The new proposal was meant to enable an automatic denial of information if the request endangered the "right to privacy

and other legitimate private interests.” It was a step back for access to public information, since it discredited the test of public interest which made possible the publication of private information if it was in the interest of the public. The institution of Ombudsman was the first to point to the problematic amendments, followed by reactions from the professional community and civil society. Around 200 comments were submitted altogether and eventually the proposal was retracted.³⁷

Despite many weaknesses of media policy in the country, the media legislation and regulation in Bosnia and Herzegovina have been evaluated by both external and domestic analysts as progressive and harmonized with the highest international standards.³⁸ Indeed, the formal guarantees of media freedom are provided by the constitution(s), the relevant international covenants directly implemented in BiH, and by the laws concerning the media. Additionally, the programming and professional standards are guaranteed through the rules and regulations implemented by CRA, as well as through the self-regulatory norms implemented by PC. Positive developments include the adoption of the Freedom of Information Act³⁹ and decriminalisation of libel.⁴⁰ However, what is demoralising is that the positive steps were almost as a rule taken under the pressure of the international community, or through decisions imposed by OHR, while state institutions have been unwilling and/or unable to further develop the legislation, regulations and the implementation practices.

1.7

CONCLUSIONS

Media policies in Bosnia and Herzegovina have been (under)developed only to the point necessary to meet the interests of leading political structures. After the encouraging positive steps superintended by the international community with the effect of relative pacification and establishment of the legislative, regulatory and institutional framework for the media sector, the recent decade was mostly a period of indolence marked by the distortion of the set procedures and controversial policy initiatives. There is an all-pervading lack of strategic approach to media policies that would be based on public interest and informed by extensive analyses of the media environment. The prevalent focus on the several issues that were seen to be of particular ethno-politic concern, such as the interrelations of the three public service broadcasters and the transformation of the PSB system, or the running of CRA, was not matched by any major initiatives to regulate important aspects of the media sector, such as ownership, privatisation, public funding and a supportive economic environment.

The promotion of particular interests of political groups is a constant threat made possible by weak and tainted patterns of implementation, and especially indicated by recent policy initiatives. The cases presented also suggest that the interest of private media might

be more influential in the development of media policies (as in the case of amendments to the Law on Commercial Communications). Under present circumstances, the BiH media sector is in need of active civil society able to balance the appetites of those in power and to advocate for public interest, so far largely neglected. Although this is far from being achieved, the recent positive resolution in case of FOIA was a rare spark in the mist of BiH media policies.

2 MEDIA OWNERSHIP

Positive steps in media policies and practices were scarce and insufficient for attaining a stable and sustainable media market free of political control. This chapter will provide an overview of policies and practices related to media ownership, identifying the major patterns of ownership and possible conflicting relations between media owners and political/business centres of power. The ownership is currently largely unregulated, with transparency of ownership addressed only by the general requirement for business registration, while the regulation of concentration of ownership is completely absent (since 2006). Information on real owners can be concealed easily, which hinders a systematic insight into the ownership structure, which may be detrimental to media integrity. In this report, we rely on the information in official registries and on secondary sources of information on ownership and possible affiliations, to identify both negative and positive examples in this regard.

2.1 TRANSPARENCY OF OWNERSHIP

The minimum transparency of ownership is assured through the possibility to retrieve documents from court registries relating to all businesses, including media outlets. However, the documents are scattered across 15 registries in different parts of the country and available only if the requester has the means to pay court fees.⁴¹ Not all information on ownership is available online, but there is a valuable online registry of businesses in the territory of FBiH (but not RS).⁴² The register of broadcasters on CRA's website currently does not include the ownership data (although CRA holds this information), but only data on editors and directors.

The major issue of concern is the absence of policies on ownership transparency that would foresee the tracking of both the origin of capital and the hidden owners. It is suspected that the real owners of particular media are hidden. In some cases, the motive to obscure ownership information seems to be the effort to circumvent the legal restriction on foreign ownership, which was possibly the case with the *Pink TV* and *OBN*. Another possible motive

is to cover up conflict of interests (the case of *Dnevni avaz*). The problem here is that the existing rules on foreign ownership and on conflict of interest can be easily compromised without actually violating the laws (more on this in the following subsections).

Ownership transparency is especially moot when it comes to online media. There are no standards for ownership data publication on the websites of these media, and these data are in some cases hard to obtain because certain websites operate as media outlets but are not officially registered as media businesses, which hinders the implementation of self-regulatory professional norms among other things.

The ownership of a new company Audience Measurement, owned by Nmam Media Audience Measurement Limited, a company from Cyprus which we could not find in the registries of businesses, remains vague. Some sources suggest that this company from Cyprus might be affiliated with certain media actors in BiH.

2.2 MEDIA OWNERSHIP PATTERNS

On the small BiH media market, additionally fragmented along entity and ethnic lines, sources of revenues are scarce and accordingly, media have little possibility to be independent from the centres of political and economic power.

There are two major types of media: public media (only broadcasting media and news agencies) and private media; the type is determined based on ownership and financing patterns.⁴³ There are 12 public television broadcasters (i.e. 27 percent of all TV broadcasters) and 62 public radio broadcasters (i.e. 44 percent of all radio broadcasters). These media have a limited audience, broadcasting in the territory with less than half a million citizens and achieving a limited viewership within this population.

A look at Table 1 shows that over the past ten years both the number and the ratio of public vs. private broadcasters has remained the same. This leads to a disheartening conclusion – during the past decade, both media policies and the market forces in the country failed to make any progress to consolidate the market. The same problems of oversaturated market persist, and have even been intensified in the past years due to the economic crisis and the growing influence of public institutions on media financing. Privatisation of the local public media is at a stalemate, so they remain completely financially dependent on local authorities, with no guarantees of editorial independence.

Table 1 NUMBER OF RADIO AND TV BROADCASTERS BY TYPE OF OWNERSHIP

YEAR	OVERALL RADIO	PRIVATE RADIO	PUBLIC RADIO	OVERALL TV	PRIVATE TV	PUBLIC TV	TOTAL RADIO AND TV
2003	141	79	62	42	26	16	183
2013	140	78	62	44	32	12	184

Sources: CRA register (for 2013) and Jusić (2004) (for 2003).

Besides local public media, three public broadcasters are part of the public service broadcasting system: *RTVFBiH*, *RTRS* and *BHRT*, each with both television and radio stations. Their signal covers nearly the whole territory of the country. These broadcasters are financed primarily from licence fees and through advertising. Still, their editorial independence is compromised due to close political affiliations with the major political parties (more in the chapter on public service broadcasters).

The third type of media within the radio sector is non-profit radio outlets (as foreseen by the Rule 58/2011 on radio services, Article 15). There are currently only three media licensed as non-profit media,⁴⁴ with the small number possibly a result of disincentive policy not allowing community media to pursue advertising revenues.

Table 2 MAJOR TYPES OF OWNERSHIP ACROSS MEDIA SECTORS

	PRIVATE	PUBLIC	OTHER/NOTES
TELEVISION STATIONS	32 PRIVATE TV OUTLETS (63 percent of all TV)	12 PUBLIC TV STATIONS (27 percent of all TV stations)	3 PSB (<i>RTRS</i> , <i>RTVFBiH</i> , <i>BHRT</i>)
RADIO STATIONS	78 PRIVATE RADIO STATIONS (56 percent of radio stations)	62 PUBLIC RADIO STATIONS (44 percent of all radio stations)	3 PSB (<i>RTRS</i> , <i>RTVFBiH</i> , <i>BHRT</i>) 3 NON-PROFIT RADIO STATIONS (<i>Radio Marija</i> , <i>Radio Otvorena mreža</i> and <i>Radio Active Naša djeca</i>).
DAILIES	9 PRIVATE DAILIES (<i>Dnevni avaz</i> , <i>EuroBlic</i> , <i>Oslobođenje</i> , <i>Press RS</i> , <i>Nezavisne</i> , <i>Večernji list</i> , <i>Dnevni list</i> and <i>Glas Srpske</i>)	N/A	DAILIES ARE CONSIDERED TO BE HIGHLY INFLUENCED BY POLITICAL STRUCTURES.
MAGAZINES	OVER 104. Approx. 10 with some socio-political content.	A SMALL PART OF THE PERIODICALS IS PUBLISHED BY LOCAL AUTHORITIES (EXACT NUMBER N/A)	N/A
NEWS AGENCIES	TWO PRIVATE (<i>Onasa</i> , <i>Nina</i>)	TWO (<i>Fena</i> , <i>Srna</i>)	ONE AGENCY OWNED BY THE STATE OF TURKEY (<i>Anadolu</i>) TWO FOUNDED BY RELIGIOUS COMMUNITIES (<i>MINA</i> and <i>KTA</i>).
ONLINE MEDIA	ROUGH ESTIMATE: 80. ⁴⁵	N/A	SOME ONLINE MEDIA ARE CONSIDERED TO BE CONTROLLED BY POLITICAL PARTIES.

Sources: CRA, Press Council, 2013.

Major dailies and print magazines have been privatised. There were suspicions about the legitimacy of some privatisation processes of both dailies and printing companies,⁴⁶ but without any judicial epilogue. Dailies in particular are perceived to be highly influenced by certain political structures, while independent journalism in political magazines is also considered scarce.

Of the seven news agencies altogether, two have been funded directly from the budgets of the Federation of BiH (*Agency Fena*) and Republika Srpska (*Agency Srna*), which raises doubts about their editorial independence.

There is a large number of online media with varying ownership structures, and some are not officially reported as media business.

The survival of such a large number of media in all sectors on such a limited media market is seen as suggestive of political and other conflicting affiliations rather than media pluralism. Individual types of ownership in private media sector will be elaborated in the following subsections, with special emphasis on the risks to media integrity.

2.2.1

FOREIGN OWNERSHIP

Three major broadcasters and one news agency are in a way owned by foreign actors. *Pink BH* television and *OBN* network cover most of the state territory with their signal; their programs are available in around hundred municipalities reaching more than two million viewers,⁴⁷ which translates into the highest audience shares on the market (see Table 3 for data on audience shares). The Law on Direct Foreign Investments stipulates that foreign ownership of a business involving public communication cannot exceed 49 percent of capital (Article 4). However, the implementation mechanisms are immature and ambiguous in terms of which institution is mandated to assure the execution. For example, in the process of transferring ownership of *OBN* to GRP, several ministries that were asked for approval stated that this issue was outside their authority, or expressed a non-binding opinion that the change of ownership met the legal requirements.⁴⁸ *Open Broadcasting Network - OBN* started to broadcast in 1996, as a project of the international community⁴⁹ aimed to offer an impartial presentation of the developments in the highly fragmented and post-conflict BiH society. However, dissatisfied with the performance of *OBN*, the donors retracted their support in 2000. Over the years, *OBN* greatly departed from the initial programming idea switching to a dominantly commercial programming scheme. A Croatian citizen, Ivan Čaleta, is believed to have played the major role in *OBN* for years, although he was not the official owner.⁵⁰ The current owner of *OBN* is GRP MEDIA Sarajevo, owned by GRP MEDIA Zagreb.⁵¹ The same ownership pattern (media outlet owned by a domestic company owned by foreign entities) is found in *Al Jazeera Balkans*, a TV station that started broadcasting in November 2011. It is owned by Al Jazeera Network registered in Sarajevo, which in turn is owned by Al Jazeera Media Network from Qatar. The ownership of both *OBN* and *Al Jazeera* is thus a result of a legal loophole that indirectly allows for unrestricted foreign ownership. Still, *Al Jazeera* is mostly welcomed as a progressive actor especially in terms of technological standards, but its reach is still very limited (below 0.5 percent).

TV Pink BH, which entered the market in 2003, belongs to the category of foreign ownership only to some extent, because the ownership has been attributed to a citizen of Serbia, Željko Mitrović. However, he has been the official owner only since recently and in the meantime he became a citizen of Bosnia and Herzegovina.⁵²

There is also a recent case of the news agency *Anadolu*, a local office of the official news agency of Turkey. It entered the market in 2012 and the respondents in this research indicated that it had already been recognised for high professional standards, with its services being widely used by the media in BiH.

A new player on the market, *TV NI* (regional partner of *CNN*), with centres in Serbia, Croatia and BiH, should begin to broadcast in the spring of 2014.

2.2.2 OWNERSHIP BY BUSINESS ACTORS WITH POLITICAL AFFILIATIONS AND/OR (HIDDEN) OWNERSHIP BY POLITICAL ACTORS

In addition to *Pink BH* and *OBN*, several other private broadcasters are the major competitors on the market, primarily *RTV BN* and *Hayat TV*, while the dominant players in the radio sector are *Radio Kalman*, *Radio Stari Grad (RSG)* and *Radio BN* (see Table 3).

Table 3 AUDIENCE SHARES (JANUARY-JULY 2013) AND OWNERSHIP OF TV AND RADIO BROADCASTERS

TV STATIONS	ALL 4+	OWNERSHIP AND POSSIBLE AFFILIATIONS	RADIO STATIONS	ALL 4+	OWNERSHIP
PINK BH	13.6	PRIVATE/FOREIGN, OWNED BY ŽELJKO MITROVIĆ (AFFILIATION WITH THE FORMER GOVERNMENT STRUCTURES IN SERBIA)	RADIO KALMAN	11.3	PRIVATE (AFFILIATIONS N/A)
FTV	13.0	PUBLIC (FIGHT FOR CONTROL BETWEEN SDP AND SDA PARTIES)	RADIO STARI GRAD	10.2	PRIVATE (AFFILIATIONS N/A)
OBN	8.1	FOREIGN OWNERSHIP BY GRP MEDIA SARAJEVO, CONNECTED TO IVAN ČAČETA	RADIO BN	5.7	PRIVATE (AFFILIATIONS N/A)
BN TV	8.1	PRIVATE: JELA AND VLADIMIR TRIŠIĆ (POSSIBLY FAVOURING THE SDS PARTY)	RADIO KAMELEON	3.7	PRIVATE (AFFILIATIONS N/A)
HAYAT TV	5.8	BIH CITIZENS (AFFILIATIONS N/A)	RADIO BIG 2	2.9	PRIVATE (AFFILIATIONS N/A)
RTRS	4.3	PUBLIC SERVICE BROADCASTER (FAVOURING SNSD)	RADIO Q	2.7	PRIVATE (AFFILIATIONS N/A)
BHT1	4.3	PUBLIC SERVICE BROADCASTER (RELATIVELY BALANCED)	RADIO BOBAR	2.5	PRIVATE: COMPANY BOBAR LTD (POSSIBLY AFFILIATED WITH THE SNSD PARTY)
ATV	2.9	BIH CITIZENS (AFFILIATIONS N/A)	BH RADIO 1	2.4	PUBLIC SERVICE BROADCASTER (AFFILIATIONS N/A)

Source: CRA (ownership data), MIB (audience shares). The political affiliations are alleged by various media sources.

Direct ownership by business actors is not often found among the biggest broadcasters in the country. Some of them, however, have both business and political affiliations. The most prominent example in the radio sector is *Bobar* radio, owned by Bobar, a share capital company from Bijeljina, Repulika Srpska. The owner of Bobar Group (including the Bobar Bank, the insurance company and other companies) is Gavriilo Bobar, known for his political affiliations with SNSD. He was a member of the SNSD party and an official of the National Assembly of RS in 2011.

The political affiliations are most visible in the print media sector. Major dailies in Republika Srpska, *Nezavisne novine* and *Glas Srpske* (since 2006),⁵³ as well as radio station *Radio Nes*, Banja Luka, have a common ownership – company NIGD DNN Ltd., owned by Željko Kopanja and Nataša Kopanja. The respondents in this research believe that close relations between Željko Kopanja and the President of RS/the leader of SNSD secure extra profit for these media through partial government funding, and also contributed to some appointments within these media. As one of the respondents explained, “[i]t is not at all coincidence that the editor-in-chief of *Nezavisne novine* is the daughter of the Serb member of the Presidency of BiH ... of course, it would be illusory to expect that she has an equally professional stance towards each member of Presidency... [and] towards this party in which her father holds one of the pivotal positions” (Suzana Mijatović, a journalist for *Slobodna Bosna*).

The Government of Republika Srpska and the leading SNSD party are believed to be influencing the majority of media in Republika Srpska (more in the chapter on media finances). Privately owned *BN television* is one of the rare, and also one of the major media in Repulika Srpska that is not perceived as being affiliated with the ruling SNSD party. *BN* is indeed critical of the ruling party, but rather than being independent it is believed to be inclined to the Serb Democratic Party (SDS). Due to the critical stance towards SNSD, several incidents involving *BN* were interpreted as a form of political pressure, involving police inspection in 2010,⁵⁴ verbal confrontations,⁵⁵ and recently, on 17 October 2013, the instructions to SNSD members to refrain from contact with *BN*'s journalists.⁵⁶

On the other hand, the political affiliations within the Federation of BiH are more diverse. The hidden owner of *TV1* is speculated to be Sanela Jenkins, a businesswoman who was an advisor to Haris Silajdžić, the leader of the Party for BiH, during his term in office as a member of the Presidency of BiH.⁵⁷ Suspicions about political affiliations with the Party for BiH were strengthened by the fact that *TV1* started to broadcast in 2010, preceding the general election campaign. However, given that the Party for BiH lost the 2010 elections, *TV1* can be considered a valuable contribution to plurality of voices in the media sector, despite its still-low audience share (1 percent, January-June 2013): “One could say that they often have an objective approach to reality given that they are practically direct political

opponents of the currently governing structures” (Eldar Hadžović, in a telephone interview, December 2013).

Two major dailies in the Federation of BiH, *Dnevni avaz* and *Oslobođenje*, belong to the category in which the owners are business tycoons with political affiliations. In the case of *Dnevni avaz*, i.e. Avaz roto press Ltd. Sarajevo, it is additionally suspected that a state official is a kind of a hidden owner. As a matter of fact, the businessman Fahrudin Radončić was the nominal owner of *Dnevni avaz* until mid-2012. In 2009, Radončić founded a political party (Party for Better Future, SBB) and in November 2012 he became the Minister of Security of BiH, but not before the ownership was transferred to his ex-wife Azra Radončić (in July 2012). Possible accusations about conflict of interest (the Law on Conflict of Interest in Government Institutions of BiH, Article 4) were thus formally avoided, but suspicions that Radončić still has the major influence on the editorial policy of *Dnevni avaz* persist. This influence has been most evident in the excessive criticism towards the Party of Democratic Action (SDA). For example, content analysis of articles published during the pre-election period in 2010 indicates that *Dnevni avaz* reported more extensively and favourably about Radončić (in 68 percent of cases) and SBB (in 57 percent of cases), while being mostly negative towards the competing SDA (79 percent) and SBiH (84 percent of cases).⁵⁸

The major owners of the *Oslobođenje* daily are two share capital companies, Sarajevska pivara and Klas, which are connected with the Selimović family.⁵⁹ The family is considered to be closely affiliated with the SDA party. The weekly *BH Dani*, which holds the biggest audience share among the political magazines (although only 3.5 percent of readership), was previously considered a valuable contribution to media plurality in BiH,⁶⁰ but it lost its status in 2010 when Senad Pećanin sold it to *Oslobođenje* and several prominent authors left.

Table 4 AUDIENCE REACH OF DAILIES JANUARY-JUNE 2013

DAILIES	REACH (%)	MAJORITY OWNERSHIP (AND POSSIBLE AFFILIATIONS)
DNEVNI AVAZ	21.9	AZRA RADONČIĆ, CONNECTED TO F. RADONČIĆ AND THE SBB PARTY.
EURO BLIC (the BiH edition of a Serbian daily)	6.3	SERBIAN BLIC, OWNED BY RINGIER AXEL SPRINGER LTD., SERBIA, AS A PART OF NETWORK OPERATING IN POLAND, CZECH REPUBLIC AND SLOVAKIA.
OSLOBOĐENJE	5.0	COMPANIES SARAJEVSKA PIVARA AND KLAS, CONNECTED TO THE SELIMOVIĆ FAMILY AND THE SDA PARTY.
PRESS RS	4.4	PRESS RS WAS PRIMARILY A BIH EDITION OF THE SERBIAN PRESS. PRESS WAS OWNED BY NPC INTERNATIONAL LTD. SERBIA, AND IT WAS TERMINATED IN 2012 WHEN THE CONTROVERSIAL TYCOON MIROSLAV MIŠKOVIĆ STATED THAT HE WAS ITS OWNER.
24 SATA (HR)	3.8	A CROATIAN DAILY NEWSPAPER OWNED BY THE AUSTRIAN COMPANY STYRIA.
VEČERNJI LIST	3.1	A CROATIAN DAILY NEWSPAPER OWNED BY STYRIA.

NEZAVISNE NOVINE, GLAS SRPSKE	2.8	NIGD DNN LTD., CONNECTED TO ŽELJKO KOPANJA, AFFILIATED WITH THE PARTY SNSD.
VEČERNJE NOVOSTI (SRB)	2.5	A SERBIAN DAILY NEWSPAPER. SHARED OWNERSHIP OF STATE AND LOCAL STAKEHOLDERS TRIMAX INVESTMENTS, ARDOS HOLDING, KARAMAT HOLDINGS, PIO FUND RS, SMALL SHAREHOLDERS.
DNEVNI LIST	2.2	PRIVATELY OWNED BY MEMBERS OF THE RAŠIĆ FAMILY.

Source: ownership data at pravosudje.ba.

Data on audience reach (diary method) provided by Mareco Index Bosnia (MIIB).

Apart from *Dnevni avaz*, some online media are also suspected of having hidden owners – political actors, and of being controlled by the headquarters of political parties. Ljiljana Zurovac, director of the Press Council, also believes that there are such connections in online media, but these are especially hard to identify.⁶¹ For example, the websites *Sutra* and *Moj potral*⁶² have been mentioned by our respondents as being connected with political parties, but this remains only a speculation.

Other larger TV broadcasters – *ATV* and *Hayat*, and radio broadcasters – *Radio Kameleon*, *Radio Kalman*, *RSG Radio*, are all owned by businessmen, citizens of BIH.⁶³ There are no visible affiliations of these media with political parties, but some of them are mentioned in the context of conflicting financing patterns (more on this in the chapter on media finances).

2.2.3 CIVIL SOCIETY OWNERSHIP AND OWNERSHIP BY JOURNALISTS

Direct ownership by journalists is rare. *Face TV*, launched in January 2012, is owned by the journalist Senad Hadžifejzović. Respondents in this research welcome the new broadcasters on the market, but are still reserved with regard to their contribution in terms of plurality and independence. *Face TV* has not gained a significant audience share (less than 0.5 percent).

There are several examples of relevant online media founded by the organisations set up by journalists, which are dependent on the support provided by international donors, for example, the online magazines *Žurnal* and *Buka* which are mostly mentioned as positive examples of media sources (more in the next subsection).

2.2.4 POSITIVE EXAMPLES OF MEDIA OWNERSHIP IN TERMS OF BUSINESS OR JOURNALISTIC RELEVANCE

Three online media sources are positive examples in terms of quality and balanced reporting. The online magazine *Žurnal*, based in Sarajevo, is a project of the association Center for Media Development and Analyses and one of the rare media sources tackling

corruption as a dominant problem in the country. The online magazine *Buka*, based in Banja Luka, is perceived as a valuable contribution to media plurality in Republika Srpska. In addition, Center for Investigative Reporting (CIN), Sarajevo, an association founded by a local professional Leila Bičakčić and foreign journalists and media specialists, Drew Sullivan and Donald Pine, publishes investigative pieces and has a considerable database on different issues, thus constituting a valuable and rare source of comprehensive and relevant information. These media do not reach wider audience but are noticeably re-published by other media.

A positive example in terms of business success, without visible political affiliations, is the online news website *klix.ba*. *Klix* is published by Intersoft, a share capital company, owned by Dario and Mario Šimić. It has grown into a big business with major advertising contracts, and it is not clearly associated with any political structures. Of all the online news sources, it has the highest number of users and is especially praised for providing timely information from the ground. Other news websites are far below *klix.ba* in terms of their reach, but some sports magazines, tabloids, and extremely commercialised websites have a greater audience reach (see Table 5).

Table 5 REACH/RANKING OF ONLINE MEDIA OUTLETS, NOVEMBER 2013⁶⁴

TOP WEBSITES (GEMIOUS AUDIENCE)	REACH (%)	TOP WEBSITES (ALEXA RANKING)	RANK*
KLIX.BA	25.13	KLIX.BA	6
DOZNAJEMO.COM	16.56	AVAZ.BA	10
HABER.BA	13.17	RADIOSARAJEVO.BA	29
CAFE.BA	11.58	DEPO.BA	31
MAGAZIN.BA	11.24	SOURCE.BA	33
TUZLANSKI.BA	10.44	NEZAVISNE.COM	35
NEZAVISNE.COM	10.33	DOZNAJEMO.COM	37
RADIO SARAJEVO	9.44	BLJESAK.INFO	40

Source: Audience measurement, Alexa ranking, November 2013.

*Note: Only websites with news content are included in the table (excluded are social networks, search engines and foreign portals).

Two print magazines are worthy of mentioning in the positive light, although their circulation is very limited. *Slobodna Bosna*,⁶⁵ based in Sarajevo, is one of the rare periodicals still considered to be relatively independent in terms of both ownership structure and content. In Republika Srpska, the magazine *Respekt*, issued by PR group Ltd. (owned by Jovica Petković and Željko Rajlić) is one of the rare media in RS featuring articles critical of the SNSD party and the RS government.

The major private owners in terms of audience reach are the owners of *Pink BH* television and *OBN* television. Željko Mitrović, a holder of both Serbian and (in recent years) Bosnian citizenship, is the owner of Pink Media Group, “the largest private commercial broadcaster of entertainment programs and the largest media group for South East Europe.”⁶⁷ Besides *Pink BH*, in 2013 the company launched around 100 channels, which are made available online and in part through cable distributors in BiH. Mitrović was considered to have been closely affiliated with the former Serbian President Milošević.⁶⁸ Ivan Čaleta, a Croatian businessman, was at some point associated with the advertising agency Global Media, the Omnia agency in BiH, Slovenian *TV3*, and *Nova TV* in Croatia, but currently he officially owns only GRP Media based in Zagreb, and is therefore indirectly the owner of *OBN*. Čaleta has been accused by some media players of selling the audience reach in BiH through contracts concluded in Croatia.⁶⁹ Such moves were believed to be a means of avoiding taxes in BiH and it was seen as an inadmissible dumping of advertising prices damaging to the advertising market in BiH.⁷⁰

Željko Kopanja (*Glas Srpske*, *Nezavisne novine*, *Ness radio*) and Fahrudin Radončić (a possible hidden owner of *Dnevni avaz* and *TV Alfa*)⁷¹ have significant shares in media companies, but there are no major concerns with regard to ownership concentration especially because the circulation of the daily newspapers is low in general, and because *Ness radio* and especially *TV Alfa* do not have major audience shares.

Radončić started *Dnevni avaz* in 1995. Before that, he had worked as a journalist, most notably for the Zagreb-based weekly *Danas* (from 1989 to 1992). He had been closely affiliated with the Bosniak political elites for years, mostly the Party for Democratic Action (SDA) which possibly helped with the initial capital for *Dnevni avaz*. The political shift of *Dnevni avaz* after Radončić became politically active was obvious, as articles became more critical of the SDA leadership. Media sources have on occasions reported on Radončić’s connections with criminal circles,⁷² but it was never investigated by the authorities. Radončić was appointed the Minister of Security of BiH in 2012,⁷³ but his removal from duty was initiated on 13 March 2014, seemingly for failing to exert his power to ensure safety during citizen protests in February 2014.⁷⁴

Table 6 BUSINESS LINKS OF MAJOR MEDIA OWNERS

MEDIA OWNER	MEDIA OWNERSHIP (NOMINAL, HIDDEN, OR OTHERWISE CONNECTED)	OTHER OWNERSHIP
FAHRUDIN RADONČIĆ	AVAZ ROTO PRESS (founded by Avaz Ltd) TV ALFA (founded by Avaz roto press) PRINTING HOUSE GIK OKO LTD. (majority of ownership by Avaz) HOLDS SHARES IN THE PUBLISHING HOUSE PROSPERITET LTD. AVIO TRANS LTD. AERO SERVICES, TRUISM AND TRADE (owned by Avaz roto press) HIS SISTER RAZIJA FEHRATOVIĆ OWNS A PRINTING HOUSE FEHRATOVIĆ	AVAZ LTD. REAL-ESTATE hospitality and commerce (official owner Azra Radončić)
THE SELIMOVIĆ FAMILY	DAILY OSLOBODENJE (majority capital of Sarajevska pivara and Klas shared capital company) WEEKLY BH DANI (published by Oslobođenje Ltd.) UNIONINVESTPLASTIKA (partly a printing house)	MUJO SELIMOVIĆ: MIMS LTD. domestic and foreign trade NAPRIJED INVEST LTD. funds management EAM CONSULTING LTD. research, development and technological services and trade (majority capital MIMS) ENERGONOVA LTD. (approx. 33 percent of MIMS capital) THE FAMILY IS CONNECTED WITH DOZENS OF DIFFERENT BUSINESSES, INCLUDING COMPANIES SARAJEVSKA PIVARA, KLAS, SPRIND, MERKUR, UNIONINVEST PLASTIKA ETC.
ŽELJKO KOPANJA	NIGD DNN <i>Nezavisne novine Glas Srpske</i> Glas Srpski - Grafika	GLAS SRPSKI - TRGOVINA
GAVRILO BOBAR	BOBAR RADIO (indirectly, owned by Bobar Group, owned by Gavriilo Bobar)	BOBAR GROUP: Bobar Bank, Bobar insurance company, etc. ⁷⁵

Source: pravosudje.ba, CIN for data on Radončić, court registry on Bobar Group, media sources.

Note: The court registries do not give information on ownership of individuals, but only provide ownership information on specified companies. The ownership listed here includes only the companies that the researcher managed to identify based on secondary sources. Other related ownership is not excluded.

The Selimović Family and *Oslobodenje* are believed to be affiliated with the SDA party. During the past few years, the two dailies, *Oslobodenje* and *Dnevni avaz*, were used as instruments in the clashes between the two moguls – Radončić and the Selimović family, and their political affiliates, with high costs for media integrity.⁷⁶ During 2013, however, both ceased to publish mutual tendentious accusations, which may be attributed to particular interests that are currently in favour of such placidity rather than be seen as result from greater editorial integrity (off the record interpretations).

Željko Kopanja, a former journalist, in 1995 co-founded *Nezavisne novine*, a newspaper with a mission to contribute to better relations among the ethnicities in the post-war

Bosnia and Herzegovina, supported partly by USAID. Probably due to reporting on war crimes committed by Bosnian Serbs, Kopanja (himself a Bosnian Serb) was a victim of a car bomb attack in which he lost his legs. Kopanja believed the Serb security forces were actually involved in the attack, but the perpetrators were never identified. Kopanja has been closely related with the SNSD party (which came to power in 2006) and its leader Milorad Dodik possibly influenced the paper's editorial policy. In 2008, Kopanja bought the other major daily in RS, *Glas Srpske*.⁷⁷

2.3 OWNERSHIP PATTERNS WITHIN RELATED SECTORS: DISTRIBUTION, ADVERTISING, TELECOMMUNICATION

The advertising practices of two major state owned telecommunication companies – BH Telecom and HT Mostar – are believed to be politically instrumentalized. There are indications of a possible forthcoming transfer of ownership of small companies to the major telecom companies, which would strengthen their monopolistic position.⁷⁸ For example, in January 2014, the third major company – Telekom Srpske, owned by Serbian Telecom (65 percent of stocks) was involved in negotiations with regard to possible obtaining of Logosoft shares.

When it comes to the distribution of broadcast content,⁷⁹ the licensing procedure for distribution of audio-video and radio services includes a legally binding statement of licencees that they have acquired the rights to distribute certain programs. CRA is authorized to monitor if the licencees in fact concluded contracts allowing them to distribute certain programs.⁸⁰

Major advertising agencies are also important players on the media market. They are either partly owned by foreign companies or entirely owned by domestic entities, but most of them are part of the regional networks of advertising agencies.⁸¹ The ownership patterns in these agencies are not an issue of concern, but there were some accusations of financial misconducts and practices damaging to the media market (more in the chapter on finances).

A burning current issue is a fight for power within the system of audience reach measurement in the TV sector. Besides Mareco Index Bosnia (MIB),⁸² which was engaged in 2006 by the Association of Media Industry (UMI)⁸³ to provide data on TV audiences, a second company, Audience Measurement Ltd., entered the market recently. The capital of Audience Measurement Ltd. is solely owned by Nmam Media Audience Measurement Limited, a company from Cyprus. Strangely, we did not find this company in any available database,⁸⁴ and it is suspected that the company is affiliated with certain media players in BiH. No matter whether or not this is true, what is more suggestive is that recently the Institute for Measurement of BiH seems to be putting Audience Measurement Ltd. in

a favourable position.⁸⁵ These developments indicate a power struggle between the key players in the advertising sector (more in the chapter on finances).

2.4

CONCLUSIONS

The lack of assurances of media ownership transparency hinders insight into the nature of the relations and their influences on media integrity. The regulation preventing conflict of interest in case a state official holds an interest in a media organisation cannot prevent indirect influence on editorial policy through hidden ownership.

The legal provisions limiting foreign ownership of the media seem to be equally inefficient, given that a foreign actor who starts a company in BiH can indirectly own an entire media outlet.

Overall, the ownership structures in the country involve widespread risks to media integrity. The large number of media persevering on the market despite the constant shrinking of revenues is a possible indicator that powerful business and political actors on the state or local levels have been keeping them alive in exchange for editorial obedience. Some sources indicate an overall drift of the media towards political sponsors for the sake of bare survival. Consequently, those who should be the object of media's meticulous scrutiny are in fact affiliated with the media managers and/or the major sources of revenues.

Some of the conflicting connections between media and political/business actors are visible in the nominal ownership patterns pointing to political actors or major business actors. The ownership patterns include some foreign owners, major business actors, and affiliations with political parties. In RS, the affiliations can be traced mainly to the governing party, SNSD, leaving little space for political alternative in the media. In the Federation, the affiliations are more diverse possibly allowing more political diversity in media content. The two major dailies, for example, are affiliated with two competing Bosniak parties. However, fierce confrontations between the political actors and their allies within media hinder media integrity. Newer media outlets with foreign ownership, e.g. the news agency *Anadolu* and to some extent *Al Jazeera Balkans*, were welcomed as a valuable contribution to media diversity, with possibly higher professional and technical standards.

With the growing use of online media sources,⁸⁶ the trends in online media sector are becoming of more importance to media integrity and they carry additional challenges and opportunities. Online media sources are in general seen as a promise of a more pluralistic and quality media environment. There are few online sources that are valued for relevant content and alternative voices. Most of them are founded by organisations established by media professionals and are financially dependent on the international donor community. Online media, however, carry additional challenges for media integrity. Their transparency is an issue of concern because some of the online media are not even registered as media businesses, so

they do not consistently provide contact and background information on their websites and many of them remain out of the reach of a self-regulatory system. There are indications that some online media are under complete control of political parties.

3 FINANCING PATTERNS IN THE MEDIA SECTOR IN BIH

In addition to owners' affiliations, the financing patterns can also be indicative of conflicting connections between the media and political/business actors. Instead of taking over a media business which is hardly lucrative, political or business actors are more likely to secure influence through occasional donations and advertising contracts with key media outlets.

The main weaknesses of the media sector have persisted over the years. A large number of media are competing for small revenues, which have been additionally shrinking over the past several years owing to the economic crisis. The overall revenues in the TV sector were 156.5 million KM (80.02 million euro in 2012).⁸⁷ The overall advertising revenues in all media sectors amounted to 45.45 million euro (an estimate by the advertising agency Fabrika). Media are increasingly dependent on fewer sources of revenues, especially with the withdrawal of international donors and with the advertising revenues flowing out of the country into the hands of foreign media. These conditions are likely to endanger media integrity in Bosnia and Herzegovina, with media sacrificing their editorial independence and/or commercialising their content to ensure the revenues.

In the following section, we will look into several major issues related to media financing, including transparency, possible misuse of government funding, instrumentalisation of the advertising practices of public companies and the current disputes over audience measurements in the TV sector.

3.1 TRANSPARENCY OF MEDIA FINANCING

Private media do not face major requirements in terms of financial transparency, apart from being obliged to submit financial information to a relevant agency for financial services.⁸⁸ These agencies provide information on balance sheets, profit and loss statements,⁸⁹ as well as salaries and number of employees, on a per a fee basis, but details on cash flows and change of capital should be requested through a separate procedure and are available for larger legal persons only.⁹⁰ The financial transparency is especially vague in online media that are not registered as businesses.

On the other hand, public service broadcasters, including *RTVFBiH*, *RTRS* and *BHRT* are obligated by law to publish annual business and financial reports, as well as audit reports.⁹¹

In the past, they did not fulfill this obligation consistently, but in 2013 all three broadcasters made available the reports on their websites. Audit reports are also available online, but they are contradicted by deferring statements of managers (more in the section on PSB).

Data on the government funding of media are not easily accessible.⁹² Audit reports that are available online may serve as data sources, but they cannot substitute searchable databases, as each document needs to be explored individually.⁹³ In addition, the audit reports for public companies are not provided on yearly basis.⁹⁴ An alternative, albeit incomplete source of information on government funding in the period 2007-2011 is a database containing figures for 86 governmental institutions, i.e. somewhat more than a half of all public institutions.⁹⁵

3.2 GOVERNMENT FUNDING: CONFLICTING DEPENDENCE ON GOVERNMENT INSTITUTIONS

There are considerable doubts that the government funding of media is politically instrumentalized. The cantonal (in FBiH) and municipal authorities (in FBiH and RS) provide funds for the media by either directly funding local public media, or by making donations. Public municipal and cantonal broadcasters (12 TV stations and 62 radio stations) receive direct budget funding amounting to 15.39 million KM (7.87 million euro) per year. For the majority of these media, the budget funds are insufficient for their proper functioning; *TV SA*, the Sarajevo Canton television, receives by far the highest amount – around 4 million KM (2.05 million euro) per year. The Government of Republika Srpska has been funding media since 2009 (see indicative but incomplete data in Table 7).

Table 7 PUBLIC FUNDING 2007-2013

	2007 -2011 (MILLION EURO)	2012 (MILLION EURO)	2013 (MILLION EURO)
FUNDING BY THE GOVERNMENT OF RS	8.4 (CIN)	1.87 (CIN)	0* (except for the regular funding of press agency Srna)
FUNDING BY LOCAL AUTHORITIES	>0.9 (incomplete data)	7.87**	N/A

Sources: CIN Sarajevo.

*E-mail reply by the Government of Republika Srpska.

** Hadžović, E., article available at: <http://www.media.ba> (accessed 9 January 2014).

Note: around half of the government institutions included

The sudden parsimony of the Government of RS in 2013, with no funds provided for media (except for a regular funding of the news agency *Srna*), is possibly indicative of the lack of political interest to influence media in the non-election year. Given that 2014 is a year of general elections, one might expect increased public funding. Our respondents believe that public funding is primarily a tool to influence editorial policy and they point out that SNSD has used public funding to maintain control over the majority of media in the territory of Republika Srpska (Željko Raljić, *Respekt* magazine) and to reward the friendly media (Suzana Mijatović, a journalist for *Slobodna Bosna*). Similarly, local public media are perceived to be primarily governed by the interests of the local authorities.

3.3 ADVERTISING MARKET: UNSTABLE AND SHRINKING

The market is oversaturated with a large number of media competing for scarce advertising revenue. Advertising has been distributed across media sectors to a constant and convincing advantage of the TV market, which had the overall advertising revenues of 55.58 million KM (28.42 million euro) in 2012 (CRA 2013a, 11).

Table 8 REVENUES IN TV MEDIA SECTOR IN 2012

TYPE OF REVENUES	YEAR 2012 (MILLION KM)	YEAR 2012 (MILLION EURO)
INVOICED LICENCE FEES	71.2	36.4
COLLECTED LICENCE FEES	50.8	25.97
ADVERTISING	55.58	28.42
OVERALL IN TV SECTOR	156.5	80.02

Source: CRA 2013a, 11.

Print media have paid the highest toll in the digitalisation process, while online media have had the highest relative growth of advertising revenues in 2013 (an anonymous written reply, December 2013). Available sources suggest that advertising revenues have been shrinking, as a consequence of the accumulating effects of the economic crisis, with years 2009 and 2010 seeing a drop of an estimated 30-35 percent (Senad Zaimović in IREX 2011). The negative trends are also visible in the estimated advertising revenues in the last three years (see table 9).

Table 9 ESTIMATED ADVERTISING REVENUES 2011-2013

	2011 EST. (MILLION EURO)	2012 EST. (MILLION EURO)	2013 EST.3 (MILLION EURO)
TV	32.57	33.79	20
RADIO	2.50	2.51	2.2
PRINT	9.02	8.08	1.8
INTERNET	1.00	1.07	1.2
OVERALL	45.09	45.45	25.2

Source: Advertising agency Fabrika.

The main setback for the small BiH advertising market over the years has been the flow of advertising revenues to foreign media markets. Instead of the expected growth of the market, since 2003, due to the increasing retransmitting of channels from neighbouring countries, as well as global sports, news and scientific channels, the market has been additionally shrinking. As one of the respondents in this research suggested, policy measures should have been taken to protect the advertising market: "...there should be limitations on commercial breaks ... what is happening is that the advertisement is charged in Belgrade, Zagreb or Ljubljana, while being broadcasted here. The taxes are not paid here while the consumer is Bosnian. I think this should be given attention" (Reuf Herić, the director of *Radio Q*). The UMI association has so far tried to protect the market by providing only common information on all foreign outlets, thus restricting the usage of the measurement data for individual advertising practices of relevant foreign outlets (Hadžiavdić-Begović, the managing director of MIB, interview, 19 December 2013), but it is questionable if this system will be maintained in the future.

3.4 INSTRUMENTALISATION OF ADVERTISING PRACTICES OF MAJOR DOMESTIC ADVERTISERS

Some journalistic reports and our respondents' statements suggest that there are conflicting connections between major advertisers, political circles and other key actors in the media sector (i.e. advertising agencies, data providers), which are manifested as the instrumentalisation of advertising practices for particular business or political interests.

Given that media outlets are heavily dependent on only few major domestic advertisers, and probably cannot afford to lose them, their editorial policy is susceptible to the influence of and pressure by these advertisers and their affiliates. Major national advertisers are public telecommunication companies ВН Telecom and НТ Mostar, which are closely affiliated with political parties. Together with the third, privatised telecommunication company – Telecom Srpske they are among the major advertisers, especially in the print

media sector which is less attractive for foreign advertisers. For example, Senad Zaimović, the director of Fabrika agency, explained that this advertising agency does not cooperate with public companies for two reasons – because these companies cooperate with agencies favoured by the affiliated political structures, and because Fabrika avoids cooperation with them in order to prevent being politically compromised (a written reply, 7 January 2014). Some sources suggest that political parties control the advertising practices through the appointments of directors of public companies, so that when, for example, a public company “launches a five million campaign ... a director will redirect two millions to political party headquarters, for the next elections” (Samra Lučkin, the director of the Boram agency, OSCE conference, September 2013).

Table 10 MAJOR ADVERTISERS IN 2012

TV SECTOR			
	ADVERTISER	ADVER.FUNDS (KM)	ADVER.FUNDS (EURO)
1	BEIERSDORF AG HAMBURG	34,233,575	17,503,349
2	PROCTER & GAMBLE	30,400,775	15,543,669
3	AGROKOR	27,521,124	14,071,327
4	HENKEL & SCHWARZKOPF	27,204,850	13,909,619
5	COCA-COLA COMPANY	23,623,004	12,078,250
6	ATLANTIC GROUP	18,611,750	9,516,037
7	L'OREAL	17,953,442	9,179,449
8	FERRERO	15,963,488	8,162,002
9	TELEKOM SRPSKE	15,133,979	7,737,881
10	UNILEVER	12,336,460	6,307,532
11	PODRAVKA	8,869,768	4,535,040
12	WRIGLEY	8,239,934	4,213,011
13	ZGLOBEX	8,083,733	4,133,147
14	LEK SANDOZ	7,927,291	4,053,159
15	MARS INCORPORATED	7,344,655	3,755,262
16	BH TELECOM	6,666,267	3,408,408
17	MINISTRY OF AGRICULTURE... (FBIH)	6,410,943	3,277,863
18	INTEREX	6,011,655	3,073,710
19	JOHNSON & JOHNSON	6,002,380	3,068,968
20	MERCATOR	5,837,197	2,984,511
DAILIES			
1	TELEKOM SRPSKE	1,341,901	686,103
2	AGROKOR	1,046,987	535,316
3	BH TELEKOM	585,365	299,292
4	HT MOSTAR	440,389	225,167
5	MERCATOR	425,985	217,803

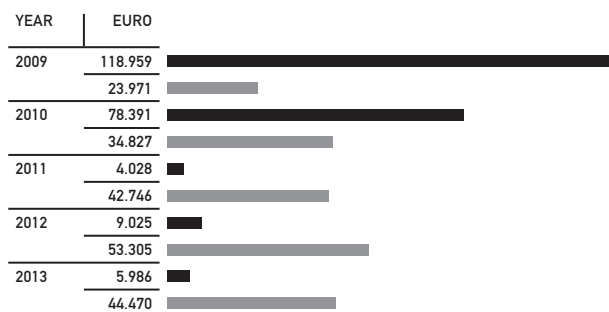
MAGAZINES			
1	TELECOM SRPSKE	531.861	271.936
2	BH TELEKOM	461.334	235.876
3	AGROKOR	385.520	197.113
4	TV 1	284.334	145.378
5	PROCTER & GAMBLE	207.864	106.279

Source: MIB AD Index 2012.

Note: the values are estimates (FRC), based on price lists
(the actual prices were possibly discounted).

BH Telecom⁹⁷ spent approximately 3.94 million euro for advertising in 2012 (MIB AD Index; FRC values). It is perceived to be closely affiliated with the SDA party. One of the respondents in this research asserted that the political affiliations are visible in the advertising practices in the print media sector: “SDA has forbidden any advertising in *Dnevni avaz*, which is why there is no BH Telecom in *Dnevni avaz*” (Selvedin Avdić, *Žurnal*). Indeed, *Dnevni avaz*’s revenues from advertisements for BH Telecom drastically reduced in 2010 and 2011, i.e. the period that coincided with the political engagement of the owner of *Dnevni avaz*. The same trend continued in 2012 and 2013 (see chart 1).⁹⁸

Chart 1 APPROXIMATE ADVERTISING REVENUE OF DNEVNI AVAZ ACCRUED FROM BH TELECOM (■) AND HT MOSTAR (▨)



Source: MIB AD Index.

It is also alleged that certain advertising practices are intended to bring illegitimate financial gains for particular actors. *Slobodna Bosna* has reported on the alleged illegitimate advertising practices of a public telecom company, HT Mostar, involving excessive marketing contracts with advertising agencies from Sarajevo and Zagreb, as a means of money

laundering to the benefit of HT Mostar managers and connected advertising agencies and media.⁹⁹ Financial transactions of HT Mostar in the previous years have also been interpreted as a way to assure SDP's (plus HSP's and HDZ1990's) control over the editorial policy of FTV, but since the beginning of 2011, HT Mostar has been affiliated with the Croatian Democratic Party (HDZ).¹⁰⁰

In the latest report by Esad Hećimović, Hervig G. Hoeler and Blaž Zgaga, it is indicated that the case was investigated by the authorities in Slovenia, Austria and BiH but the order for criminal investigation issued in October 2013 in BiH has not yet been signed in the cantonal prosecutor's office in Mostar, due to technical reasons. In the meantime, the same persons continue to keep their major position in these companies.¹⁰¹ Some media reports include accusations against the advertising agency SV-RSA as well, for alleged illegitimate deals with HT Eronet, but another source claims that SV-RSA has been tendentiously accused given that it has a prominent role on the advertising market and that "the media uproar orchestrated by *OBN television* was based on interpretation that SV-RSA favours FTV/BHRT/RTRS and was aimed at channeling the advertising budgets to its own television by eliminating SV-RSA from the advertising processes."¹⁰² Similarly, some media reports in 2009 pointed to possible conflicting relations of advertising agency Via Media with BH Telecom, but no definite conclusions can be made.¹⁰³

One of our respondents indicated that cooperation between some advertising agencies and political parties suggests possible common interests as well. One such example, which our respondent believes is suggestive of controversial affiliations, was the election campaign for SDP (2012 municipal elections) conducted by the SV-RSA agency (Suzana Mijatović, a journalist for *Slobodna Bosna*, interview, 12 January 2014).¹⁰⁴

Several respondents believe that critical reporting on major advertisers is likely to have direct effects on the finances of the media in question. For example, the number of ads for HT Mostar in *Slobodna Bosna*, and consequently the newspaper's advertising revenues, drastically fell in 2010, and finally to zero ads in the following two years (see chart 2). *Slobodna Bosna*'s journalist Suzana Mijatović thinks that this was a direct consequence of their critical reporting. "The moment we started writing about the SV-RSA advertising agency ... about their problematic advertising contracts with public companies – the most drastic example is for instance HT Mostar ... after publishing the article, the cooperation [that had already been agreed] was automatically retracted, cancelled" (a telephone interview, December 2013).¹⁰⁵

Chart 2 APPROXIMATE ADVERTISING REVENUE OF SLOBODNA BOSNA ACCRUED FROM BH TELECOM (■) AND HT MOSTAR (■)



Source: MIB AD Index.

The above is just one example of what is considered to be a general pattern of economic pressures on media outlets and of the marginalisation of media critical of certain centres of power.

Several respondents in this research witnessed direct attempts at media buyoffs. One of them said “We were offered advertising several times in order to stop writing about certain topics. The fact that we do not get advertisements clearly shows what our response was” (Selvedin Avdić, *Žurnal*). The powerful position of these advertisers reinforced by political structures leaves little choice for media managers. As the previous owner of *BH Dani* stated in 2009:

We in Dani are now in a situation where it's more important for us to sell three pages of advertisements, than attract 5000 readers per issue. Can you imagine this absurdity? ... it is heartbreaking to see what advertisement we get. Some advertisements are not there because I am not ready to compromise. It is well known which advertisers are the biggest here. If two, three of our articles about FDS [a tobacco company], BH Telecom, Bosnalijek [pharmaceutical company] were not published, the readers wouldn't even notice perhaps and we could have met our yearly budget needs. It all has its price, and I wouldn't like you to take this as a lament, but this is our choice (Senad Pećanin, *Oslobođenje*, 3 October 2009).

One year later, *BH Dani* magazine was sold to the Selimović family, which vividly confirmed that the media adhering to some kind of a mission to serve the public interests walk on thin ice.

There were couple of cases when government institutions invested considerable funds in campaigns on issues under their jurisdiction, which was seen as a promotion of political parties of the ministers. The latest instance of such practices was seen in 2012 when the

Ministry of Agriculture, Water-Management and Forestry of FBiH spent approx. 6.41 million KM (3.28 million euro) for television advertisements and 171,782 KM (87,831 euro) for advertisements in the print media, becoming the 17th biggest advertiser in the TV sector in 2012 in terms of invested sum (Source: MIB AD Index, FRC values). The campaign entitled “Let’s Buy Local” was meant to promote domestic agriculture, but was seen instead as a misuse of public funds for the promotion of a political party. Additionally, the Ministry was criticised for disrespect for procedures on public procurement and for distributing funds to agencies and media outlets based on their affiliations with the Ministry and the Minister’s party – People’s Party “Working for Betterment.” Transparency International BiH also condemned the spending of public funds for the campaign “It is not late for a better life”, supported by the Ministry of Energy, Mining and Industry of FBiH and the public company Elektroprivreda BiH in 2010, stating that it was a promotion of the For BiH Party during the run-up to the elections. Before that, a promotion video by the Government of Republika Srpska called “Proud of Srpska” was seen as overly proclaiming the accomplishments of the SNSD party.¹⁰⁶

These conflicting relations and practices are a major risk for the integrity of media in BiH. Advertising revenues of the independent media critical of the power structure are extremely low. As one of our respondent indicated, the golden days of BiH journalism are long since gone due to the unscrupulous scramble for advertisements and for the audience preferring commercial content: “The struggle is becoming more and more dirty” (Selvedin Avdić, *Žurnal*).

3.5 AUDIENCE MEASUREMENT AS A BATTLEFIELD

The audience measurement system in the print, radio and online media is far from being ideal, with the acute problems including the lack of interest on the part of media managers and insufficient budgets within the sector to finance quality measurement. The leading print media have never shown interest in circulation auditing, due to the lack of funds and possibly to conceal the low figures. Only few print media (*Press, Blic, Ljepota i zdravlje, Šik*, and *Sport centar*) have been included in Audit Bureau of Circulations (ABC) media measurements. Mareco Index Bosnia (MIB) provides data on the usage of print media and radio broadcasters, both based on the diary method. One of our respondents pointed out that the diary method is more susceptible to manipulation and especially less satisfactory for foreign advertisers (Reuf Herić, the director of *Radio Q*, interview, 8 January 2014).

The online media make use of Gemius Audience’s measurements in addition to Alexa and Google analytics data.¹⁰⁷ Although Gemius measurement provides more thorough data on user behaviour and user demographics, which can enable optimisation of advertising campaigns,¹⁰⁸ not all major online media participate in this measuring system.¹⁰⁹

As our respondent indicated, the reasons are the lack of interest and dissatisfaction with measurement results, but political motives are not excluded (Jasmin Marić, Valicon, in a telephone conversation held in December 2013).

At the moment, the main battle is fought over the television audience measurement. Mareco Index Bosnia (MIB) was engaged by the UMI association to provide data on the audience in broadcasting sector. The main advantages of the single measurement system were that it was for some time commonly accepted, that it was financially feasible and that the owner of data was UMI. One of our respondents indicated that UMI had contributed to the development of the market given that it balanced interests of the actors competing on the market (a written reply, 21 March 2014). However, internal disagreements within UMI emerged, and some of its members started questioning the reliability of the MIB measurement system. The disagreements culminated when two major broadcasters – *BHRT* and *OBN* – stepped out of the association in 2011. Aida Hadživdić-Begović, the managing director of MIB, said that since 2011 MIB has suffered negative broadcast and print media campaigns (by *TV1*, *OBN* and *Slobodna Bosna*) questioning the measurement process, compounded by the inspectorate's examination of MIB and attempts to locate the households included in the audience research.¹¹⁰ In her opinion, the pressures were meant to “shatter media industry and create ... a gloomy situation on the market out of which someone should profit”. Hadživdić-Begović is reluctant to name the actors behind these pressures, not only because it is hard to identify them but also because the naming could, as she said, “expose me to danger, my family, my company.”

In the meantime, a new audience data provider – Audience Measurement Ltd. (AM) – entered the market, and the media started signing individual contracts with one or both providers. UMI, previously the owner of the data, has now lost its role, sparking fears that in the absence of an umbrella institution to assure (in theory) the legitimacy of the process, the multitude of individual contracts between media and audience research providers open the possibility that the audience research results will be tailored to the needs of the strongest players on the market. Another respondent agrees that UMI was preventing misconducts on the market, and therefore “had to be discredited ...in order to open space for other interest spheres ... the estimated yearly value of measurements is around 1.50 million KM with approximately 8 to 10 million KM revenues in the next five-year period ... it is a respectable amount” (a written reply, 21 March 2014). The power struggle was transferred to the policy level as well. In 2012, the Institute of Metrology of BiH introduced changes in the subordinate regulations of metrology, stipulating that the equipment for TV audience measurement should be certified by a licenced laboratory.¹¹¹ Controversially, the laboratory that is authorised to certify the equipment is owned by the Audience Measurement Ltd., meaning that it verifies its own measurement equipment. It is especially problematic

that the authorised laboratory has the exclusive rights to use the Pollux software in the verification process, which is compatible with one measurement system only and cannot be used for the certification of the equipment used by MIB. On the other hand, use of conversion software that would enable the reading of MIB system data is not feasible given that it would entail the exposure of corporate secrets.¹¹²

Additional problematic aspects of the recent developments (identified mostly based on inputs from MIB since alternative sources were not available) are as follows:

- Indicative procedural deficiencies – the mandate of the Council of the Institute expired at the time of these changes; the equipment used by AM had been certified even before the laboratory was authorised for verification.
- The issue had not been substantially thematized before the decision was made; there are no elaborate arguments suggesting that the certification is needed or that it is legitimate in this form.
- Director of the Institute of Metrology had addressed MIB's clients (even before contacting MIB) asking them to terminate their cooperation with MIB, thus stepping beyond his mandate.
- The focus is falsely put on the measurement equipment which is only a technical aspect of the measurement system, while the legitimacy of the research can in fact be confirmed only through independent audits, establishing, among other things, if the equipment works properly, if the software provides accurate calculations, if the sampling of households is in line with methodological norms, and if the database matches the data detected through visits to households.

MIB filed a complaint with the Council of Competition of BiH. The Council took more than two months to decide that the complaint should be processed and to begin to investigate if the Institute of Metrology had imposed illegitimate limitations on the market. However, it did not suspend the previous decision of the Institute (Press release of the Council of Competition, 22 January 2014). The State Investigation and Protection Agency (SIPA) received the complaint in March 2013, and forwarded it to CRA, both institutions stating that these issues were not within their responsibility. Hadživadić-Begović believes that there are elements of abuse of power by the director of the Institute of Metrology, so MIB informed the Prosecutors Office about the case.¹¹³

Although some of our respondents suggested that the two sets of data on TV audience currently correspond well,¹¹⁴ it is still not clear what the outcome of these fierce battles will be and how the market will be affected.

3.6

GOOD EXAMPLES OF MEDIA FINANCES

Few media whose financing structures enable editorial integrity are online media sources relying on the support of the donor community. In addition to the previously mentioned online magazines, *Žurnal* (Sarajevo) and *Buka* (Banja Luka), one of the positive examples is also Center for Investigative Reporting (CIN), registered as an association, founded by Leila Bičakčić, Drew Sullivan and Don Pine.¹¹⁵ It is financed through the grants of various international donors based in BiH, the region and wider. Most of the grants are project-based and last one to three years, while only minority constitute the core support aimed at sustainability and capacity building, but the funds are relatively stable. An indicator of CIN's success is the fact that the interest in republishing CIN's stories has been growing over the years. As Bičakčić said, "...today almost all media in BiH and a considerable number of media in the region publish CIN's stories ...".¹¹⁶

Still, the fact that the most positive examples of media integrity are dependent on project-based donor support is somewhat worrying, since it puts into question their long-term sustainability. CIN has been considering the option of commercialising access to their content in future, with a view to securing steady income, but access has so far remained completely free.

3.7

CONCLUSIONS

Due to the financial crisis and the outflow of advertising revenues to foreign media markets, the already impoverished advertising market oversaturated with media outlets is further declining. The number of media, however, has not reduced over the years, but their survival possibly involves risks to media integrity due to cost-cutting strategies and compromised sources of revenues, since these practices are not conducive to quality, socially relevant and independent journalism. Advertising practices are expectedly distorted to better suit the interest of particular groups, through different kinds of conflicting relations among advertisers, advertising agencies, media companies and political structures. Conflicting relations involve the dependence of government funding on the loyalty of media outlets and illegitimate advertising practices of major domestic advertisers. It is suspected that the authorities (local governments and the government of Republika Srpska) fund media to buy their support, especially in times of particular need, such as elections. Non-privatized cantonal and municipal broadcasters are possibly under the most direct influence of local authorities, given that not even the formal guarantees of editorial independence are provided.

Public companies are considered to be closely affiliated with certain political parties, and their advertising practices are perceived to be instrumentalised for particular political or business interests. Media that defy certain political structures are likely to be discriminated

against, that is, punished with the withdrawal of advertisements, or offered advertisements in exchange for discontinuing critical reporting. Some sources also suggest that false advertising contracts are used to draw the money out of the major advertisers and into the pockets of the managers of advertisers, advertising agencies and media outlets.

The current disputes over audience measurements are a matter of power struggle to obtain decisive influence over the audience measurement system. The interests of the industry as a whole – to assure a reliable measurement system – seem to have been left behind, falling victim to particular interests.

An additional cause for concern is the fact that public service broadcasters take an unseemly large portion of advertising revenues, thus jeopardising their public service mission as well as limiting the revenues of the private media sector (more in the chapter on PSB).

4 PUBLIC SERVICE BROADCASTING

Political elites did not readily conform to the requests of the international community to transform state broadcasters into a common system of public service broadcasting after the war in BiH. The High Representative eventually issued several decisions establishing the state public RTV service (today *BHRT*) in 1999 and instituting the legislative framework for PSB in 2002. The PSB system in Bosnia and Herzegovina reflects the complex constitutional arrangements in the country, with three public service broadcasters in place:

- The state-level broadcaster, *Radio and Television of Bosnia and Herzegovina (BHRT)*, with *BHTV1* and *BH Radio 1*;
- *Radio and Television of the Federation of BiH, RTVFBiH*, with one TV channel (*FTV*) and one radio channel (*Radio Federation BiH*);
- *Radio and Television of Republika Srpska, RTRS*, with one TV and one radio channel.

Under the pressure of the European Commission and OHR in 2005, new laws on PSB were adopted (including the Law on Public RTV system in BiH and the Law on public RTV service BiH), regulating the relations between the three public broadcasters and demanding the introduction of a common organisational unit – Corporation of public RTV services in BiH. However, the Corporation was never established. There is a strong political interference and the inter-ethnic divides are transferred to the realm of PSB. The political fragmentation is reflected in the fact that the audiences of different ethnicities prefer different broadcasters, or in the case of the Croatian ethnic group, there is a strong sentiment that their interests are heavily neglected within the existing system of public service broadcasting. Apart from political obstructions, there is a problem of the complex structure, business inefficiency, and neglect of public interests.

4.1 PSB AS A COLLATERAL DAMAGE OF DIFFERING POLITICAL INTERESTS

Mark Thompson recently referred to the public service system in Bosnia and Herzegovina as “the most discouraging” case of PSB in the region.¹¹⁷ The most detrimental factor is the politicisation of PSB. The political elites have been influencing PSB negatively on three major levels: they seek to assure influence on the editorial policy and operation of these broadcasters, they have been obstructing a complete reform of PSB, and they influence public discourse(s) on PSB in the country.

The political elites’ aspirations to influence public service broadcasting are manifested through the politicised procedures for the appointment of management structures. As a result, the credibility and the competence of the members of Boards of Governors within PSB are questioned. Some safeguards against conflict of interest are provided,¹¹⁸ but in practice the appointment of Boards members is driven by the interests of the ruling political parties.¹¹⁹ The major criteria guiding them are the ethnic principle and political affiliations, while the competence and the experience of candidates is overlooked. Being politicized, the Boards cannot be expected to react to editorial bias of which these broadcasters have been accused. Similarly, being insufficiently competent, the Boards cannot be expected to improve the performance of PSB.¹²⁰ As one respondent in this research believes, the members of the boards are mostly “incompetent people, who are acting (or not acting) the way they are as instructed by political parties” (Zija Dizdarević, a journalist, interview, 8 July 2013). The political interference in the appointments was especially obvious in 2012 when the Parliament of FBiH attempted to appoint a new Board of Governors of RTVFBiH. Ostensibly because of a poor business performance of RTVFBiH, the Parliament dismissed the Board, established an interim Board of Governors in June 2012, and announced a vacancy for new members. It could have been accepted as a legitimate dismissal if the actions were not so hasty and neglectful of the norms stipulating that only one member of the Board can be appointed per year. This happened after FTV seemingly departed from the perceived preferable treatment of SDP in 2012. However, the initiative was abandoned in November 2012 after strong reactions on the part of the international community, NGOs and the media.¹²¹

The polarisation along entity lines has been hindering the transformation of the system into an efficient and effective public service. The political elites from Republika Srpska have been attempting to weaken state-level institutions. Due to this separatist politics, state-level public broadcaster BHRT is on an especially slippery slope. One of our respondents pointed out different ways in which the state broadcaster is obstructed, including through the appointments, dismissals and incriminations: “the biggest problem is the stance coming from the RS that ... the [state] public broadcaster is not needed and there is a variety of obstructions with which this public broadcaster had to cope in the last 7-8

years“ (Mehmed Agović, the director of *BHRT* until 2009, now the advisor at the Ministry of Traffic and Communication of BiH). Some sources suggest that due to these political motives the Board of Governors of *BHRT* has been “one of the major hindering factors for the establishment of PSB Corporation, and is also responsible for the failure to financially and organisationally stabilize this broadcaster [*BHRT*]” (an anonymous source, July 2013).

The recent criminal charges against several journalists of *FTV* were for example interpreted by some sources as political indictment instructed by the political elites in the RS. The Association of Journalists of Republika Srpska (UNRS), which filed the complaint, claimed that the indictment is a matter of defence of professional standards, but other sources believe such noble motives would have been defended better through other means of protection.¹²²

The lack of political will is partly a reason that the corporation of three public service broadcasters was never established. The role of the corporation would include the management of the broadcasting rights and technical resources, the overseeing of the distributing network, technical resources and assets, and coordination and implementation of a common marketing strategy (Law on the Public RTV System),¹²³ and the major role in the process of digitalisation. Although the strategy for a switchover to digital broadcasting was adopted in 2009,¹²⁴ its implementation has been stalled ever since. The action plan was prepared in January 2012, but it still hasn't been adopted by the Council of Ministers. Helena Mandić is pessimistic about the future of the process. As regards the readiness of the PSB for the digitalisation process, the tender for digital infrastructure was challenged on two occasions and the complaint procedure was prolonged for years. Finally, on 19 January 2014, all the conditions were met, so the construction of infrastructure connecting PSB centres in Sarajevo, Mostar and Banja Luka can begin.¹²⁵

Finally, the political elites of the Croats in BiH point out that the needs of Croats, as constituent people in BiH, are marginalised in the public service broadcasting system, so they advocate for the introduction of another PSB in the Croatian language. For this reason, they were hindering the adoption of the Law on public RTV service of FBiH for years. The issue was revived in January 2013, when a parliamentarian proposed that the fourth channel should be provided by amending the Law on public RTV system of BiH. Media experts, however, believe that this was a manoeuvre for winning over the political support, rather than an initiative intended to succeed:

This affair “enables both HDZ's to present themselves to the Croatian public as ‘firm advocates’ for the establishment of a Croatian TV channel who have ‘done everything they could to fulfil their promise’ ... The Serb parties (SNSD and SDS), on the other hand, have presented themselves as loyal coalition partners to Croatian parties ... and SDP and SBB as Bosniak partners in the new government ... the more they oppose the establishment of

[ethno] national TV channels, the greater support of the Bosniak public they hope to garner” (Mehmed Halilović, a media law advisor, Internews in BiH).¹²⁶

Experts and analysts point out that the issue of fourth broadcaster is based on ethno-national populism rather than on the consideration of the actual needs.¹²⁷ In addition, financial and administrative feasibility is questioned, and media experts call for the rationalisation of the system partly through the establishment of the Corporation. In the meantime, discourse of the Croatian political elites in BiH has had dire effects on the functioning of PSB, given that it dramatically lowered the rate of licence fee collection among Croats in BiH (more in the following subsection).

Finally, the public service remit of PSB is not precisely defined, there is no consistent monitoring of the performance of PSB, and consultations with citizens are extremely limited.¹²⁸ Some sources suggest that public service broadcasters lack balance in their reporting, neglect certain types of content such as educational content, content related to minorities, content related to culture,¹²⁹ state cohesion, while offering too many entertaining formats and thus operating to some extent as commercial media.¹³⁰

4.2 THE FINANCING CONTROVERSIES: DOMINANCE OF PSB IN THE ADVERTISING MARKET AND A LOW RATE OF LICENCE FEE COLLECTION

The financial independence of public service broadcasters has been guaranteed on the regulatory level for all three broadcasters, given that the sources of revenues are independent from the government bodies. These provisions were distorted for *RTRS* when the amendments to the Law on *RTRS* in 2013 opened the possibility of financing this broadcaster directly from the budget of the Government of Republika Srpska. However, even if this possibility is to be realised soon, it would be only a legitimisation of what has been practiced to some extent in another form for years – financing of various media outlets, including *RTRS*, through the donations of the Government of Republika Srpska.

PSBs are financed primarily through licence fees and advertising.

Table 11 REVENUES OF PUBLIC SERVICE TV BROADCASTERS IN 2012

	BHT (%)	FTV (%)	RTRS (%)	OVERALL (%)
LICENCE FEES REVENUES	56.17	40.83	56.91	51.44
ADVERTISING REVENUES	8.98	39.81	15.10	20.31
OTHER REVENUES	34.85	19.36	27.99	28.25
TOTAL	100.00	100.00	100.00	100.00

Source: CRA 2013a.

The public service broadcasters' share of the overall advertising revenues on the TV market is unjustifiable. PSBs hold the dominant position on the market, and given that they also collect licence fees, they are in a position to dump the advertising prices and to engage in a rather unfair competition with private broadcasters.¹³¹ *FTV* has the largest advertising revenues on the market (see table 12), and it also generates more advertising revenues than 40 other TV broadcasters in BIH combined (excluding *OBN*, *Pink BH*, *Hayat*, *BN TV*). While all three PSBs are among the top income group of seven broadcasters, which together take 87.3 percent of all advertising, the remaining 39 media are left with 12.72 percent overall.¹³²

Table 12 ADVERTISING REVENUES PER TV BROADCASTER

TV BROADCASTER	ADVERTISING REVENUES (KM)	ADVERTISING REVENUES (EURO)	OVERALL ADVERTISING REVENUES (%)
FTV	12,316,590	6,297,373	22.16
OBN	9,473,384	4,843,664	17.04
PINK BH	7,524,903	3,847,422	13.54
HAYAT	5,148,684	2,632,480	9.26
BN TV	4,235,788	2,165,724	7.62
BHT	3,830,894	1,958,705	6.89
RTRS	3,478,864	1,778,715	6.26
ATV	2,506,624	1,281,617	4.51
TUZLA CANTON TV	865,931	442,743	1.56
CANTON SARAJEVO TV	746,185	381,518	1.34

Source: CRA 2013a.

Although the share of advertising revenues in the overall revenues of all three broadcasters is arguably acceptable – 20.31 percent in 2012, it is inadmissibly high for *FTV* – 39.81 percent.¹³³ Given that in practice advertising is not distributed among three broadcasters in accordance with the Law on Public Service Broadcasting System (50 percent to *BHRT*, 25 percent to *RTRS* and *RTVFBih* each), *FTV* has significantly higher ratio of advertising revenues than PSBs in other countries in Europe, which varies between 10 and 20 percent in Germany, France, Hungary, Czech Republic and Greece.¹³⁴ This generally high percentage could endanger the public service mission and indicate an overall commercialisation of the broadcaster, which calls for some kind of limitation. Some sources propose a limit of around 25 percent of advertising revenues in the overall amount of revenues.¹³⁵ However, the recent decision of the CRA Council to reduce advertising time from 6 to 4 minutes can further endanger the functioning of PSBs and should be re-examined. In addition, as Senad Zaimović, the director of Fabrika advertising agency asserts, it is not likely

that commercial broadcasters will be receiving more advertisements as a result of these limits for PSBs.

The rate of licence fee collection is low, with a tendency to decline. Payment of the licence fee is an obligation for all households and entities that possess a radio or television receiver. As reported by CRA, the largest amount of fees was invoiced and gathered in 2009, but the sum declined in the following years. The officially reported rate of licence fee collection is 73.94 percent. However, it is a percentage of the invoiced amount (overall 57.32 million KM or 29.31 million euro in 2012), collected by telecom operators, from around 649,953 households, while the estimated number of households with radio or television receivers is much higher, put at around 1,033,520, meaning that the actual rate of collection could be as low as 46.5 percent.¹³⁶ The collection rate is especially low among the ethnic Croats and it is related to the political campaigning for a Croatian language channel.

Monitoring of business performance is poorly exploited for business development. Yearly financial and audit reports have questionable effects, since no corrective measures have been regularly taken in the light of the poor business performance evaluations of PSBs. Boards of Governors should be monitoring and supervising the business performance of public broadcasters, but this mechanism is devaluated under the circumstances of questionable independence and credentials of the Boards members. The audits and the parliamentary approvals of PSBs business reports are similarly not seen as efficient corrective mechanisms. Although there were several cases when financial reports of public service broadcasters were not approved by the Parliament, no corrective measures followed, which raises doubts that particular political interests again prevailed.

Overall, the financial planning within public service broadcasters is questionable without long-term estimates of the administrative, technical and production needs. Such estimates should be a basis for any decisions regarding the limitations on advertising, state subsidies, decisions on licence fee rates, and should also take into account the financing of the Corporation (once it is established).

4.3 POSITIVE CASES

It is hard to identify relevant positive trends in terms of appointments and the financing of PSB, but we should mention recent developments in *BHRT* where finally a common radio and television desk was put in place, as a step towards streamlining and convergence of production processes.

Another positive development is the discontinuation of *FTV*'s extreme political affiliation with the *SDP* party, but the political fights for influence over this broadcaster are ongoing.

In sum, the public service system in BiH currently faces several major problems:

- Political obstructions and interferences: influences on the appointments of managerial structures; lack of political will needed to establish a corporation of PSB.
- Business inefficiency and problematic sources of revenues: RTV system is robust, resources are used irrationally, there is a lack of coordination and efficient cooperation among the three broadcasters, redundancy in human resources, etc.; the share of the main source of revenues, licence fees, is low, while the share of advertising revenues in the financial construction is excessive.
- Poor performance and neglected public interest: the lack of competitive programming at PSB, poorly addressed public interest, excessive commercialisation of content and low production quality.

5 JOURNALISM INFLUENCED BY THE INTERESTS OF POWER CENTRES

The key elements of media freedoms include adequate operating conditions involving the independency of media from the political and economic centres of power, supportive market conditions, as well as consistent solidarity within the professional community (McQuail 2000, 167). This chapter is focused on the operating conditions within the media sector in Bosnia and Herzegovina, with an emphasis on the political affiliations of media, socio-economic status and pressures on journalists, and professional organising. The effects on media content will also be discussed briefly, based mostly on secondary sources and inputs by the respondents interviewed for this research.¹³⁷

At the outset of the war and during the war in ex-Yugoslavia, the media were tremendously instrumentalized for the goals of political elites. There were obvious direct affiliations between managers of the state media and the political parties and leaders. The regulatory framework developed and implemented after the war professionalised the media to some extent, but political parallelism remains a major feature of the BH media system, involving not only the ethno-national affiliations but also affiliations with particular political parties within the given ethnic communities. The majority of media outlets are considered to be closely connected with the centres of political and economic power, and to some extent acting as advocates for their interests.¹³⁸

5.1 DIRECT POLITICAL AFFILIATIONS AND/OR BUSINESS INTERESTS

One of the mechanisms of political influence on media is the appointment of managing and editorial personnel loyal to the specific centres of power. Political interests are perceived as the key factor in the appointment procedures for media managers and editors.¹³⁹ This is especially evident within the public broadcasters. The two entity broadcasters, *RTRS* and *RTVFBiH*, are especially criticised for their political affiliations. While *RTRS* is considered to be under the complete control of the leading political party in RS, SNSD, there has been some struggle with regard to influence on *RTVFBiH* since it dropped its strong affiliation with the SDP party in 2012. The respondents believe that political backgrounds of some of the managers in public service broadcasters, sometimes unduly long terms in office, as well as the timing and the manner of some dismissals are indicative of political affiliations.¹⁴⁰

Some respondents in this research also believe that the managers of entities' public news agencies, *Srna* and *Fena*, are inevitably politically affiliated. The credentials of the editor-in-chief of *Srna* were severely criticized, since they were seen as an indicator of the primacy of political criteria over professionalism.¹⁴¹

The political influence is also often mentioned with regard to the local public broadcasters – 12 local public television stations out of 44 in total, and 62 local public radio stations out of 140 in total, founded by cantonal and municipal governments). Another problem within local public broadcasters is that their editorial independence is not protected through independent sources of revenues – they are financed directly by the municipal and cantonal governments. One of our respondents openly spoke about the politicisation of the appointment procedures, stating that he was appointed an executive director of *TVSA* in January 2012 as a candidate proposed by the SDA party, and dismissed in April 2013, again on political grounds. In the Sarajevo Canton, frequent changes of the government during 2013 led to frequent changes of cantonal television managers, not allowing them to achieve any meaningful results. As our respondent said, “another government comes and they all immediately want to appoint their people ... but no one considers what damage they do to the company“ (Mirza Sulejmanović, *RTVSA*). Lack of professional integrity is not unexpected in the circumstances where, as our respondent said, “one can feel the atmosphere that, given that it is a public company depending on cantonal budget, you have to be submissive in a way.” The local governments take severe measures when the political interference is not to their satisfaction, and in 2013, for example, journalists of *RTV Goražde* were deprived of their salaries for several months.

In general, government funding, either through direct funding of public media, through donations coming from different administrative levels to both public and pri-

vate media, or through the directing of the advertising practices of major advertisers, is suspected to be instrumentalised for political control.

The major domestic advertisers and political parties are severely criticised by the media from the opposing interest groups. For example, *Dnevni avaz* had been criticising SDA, the affiliated public company BH Telecom and the daily *Oslobođenje*, until these relations were somewhat smoothed in 2013. *Oslobođenje* could not criticize president Gaddafi during the war in Libya, as it would have been against the business interests of *Oslobođenje* (Marko 2012).

When it comes to the appointments of managers in the private media outlets, there are literally no assurances that the appointing procedures are based on professional criteria. As one of our respondents said, “the appointment procedure for an editor-in-chief comes down to the appointment by the owner ... without even considering the opinion of team members ... the law hasn’t limited the rights of owners to appoint editors in chief and the owners absolutely utilise their rights” (Radmila Žigić, *Radio Pan*).

The respondents in this research suggest that compliance with the interests of centres of power is to some extent assured through the conformist ideological position or political affiliations of journalists themselves.¹⁴² Conformism is thus assured through censorship, and even more so through self-censorship. A survey conducted in 2008 suggests that the majority of media workers (58 percent; N=122) believe censorship and self-censorship are to some extent present in BH media.¹⁴³ The respondents in this research reported, but without mentioning any specific examples, several ways in which the interests of media and their affiliates are satisfied: through censorship based on financial and political interests of the media and its affiliates (especially in media receiving government funding, as Maja Islović, a journalist for the *Buka* online magazine suggests); through disregard for or the marginalisation of certain statements (indicated by Emir Musli, a reporter for *Deutsche Welle* and *Dnevni avaz*); by overburdening journalists so that they cannot investigate certain stories (indicated by Jelena Vujić, an *ATV* journalist); through the marginalisation of the “sensitive” stories (suggested by Davud Muminović, an assistant editor at *Al Jazeera Balkans*, previously an employee of *Nezavisne novine*), or of journalists failing to comply with these particular interests. One of our respondents claims that such practices, for example, took place at *RTV Gorazde*: “Through a new job classification scheme, the current political elite has relegated him [the previous editor Rasim Bosno], so regardless of his long experience he ended up as a news presenter. We [the trade union] fought and he got the position of journalist, but not the editor” (Elma Geca, a representative of the trade union of *RTV Gorazde*). The most prominent case of dismissal of an editor-in-chief of the news program was that of Duška Jurišić of *FTV* in 2010. The fact that the management did not disclose the reasons for her dismissal fuelled speculations that it was a result of

political pressures.¹⁴⁴ In other cases the political interests are satisfied without violations of legitimate procedures. For example, the former executive director of the programming and production department of *TVSA*, Mirza Sulejmanović, stated that he held the post for 15 months, but the fact that the local government failed to conduct the regular vacancy procedure during this time, enabled his easy removal in accordance with the intentions of governing parties.

There are also some speculations about corrupt practices and offers, but as indicated by two of our respondents, corruption is not always straightforward and rather than involving payments it is sometimes based on private relations and favours, such as the facilitating of the acquisition of bank loans. A few of our respondents reported offers of pay-offs. For example, Željko Raljić of the *Respekt* magazine said that he was offered a payment not to publish the issue of *Respekt* focused on the property of the Minister of Industry, Energy and Mining of RS.

The capacity of journalists to resist censorship and auto censorship is questionable if we take into account the socio-economic position of journalists.

5.2 GRIM SOCIO-ECONOMIC POSITION OF JOURNALISTS AND EXPOSURE TO EXTERNAL PRESSURES

Journalists are considered to be vastly underpaid, with their estimated average salary being somewhat below the country average, i.e. around 407 euro,¹⁴⁵ and in some local media even lower than 250 euro.¹⁴⁶ Violations of labour rights are not rare, and as suggested in the 2009 report, are most often related to salary payments (as reported by 43 percent of respondents $N=121$), the length of the working day (39 percent) and overall working conditions (33 percent) while other violations occur less frequently (Hodžić 2008). The problems related to salary payments involve low wages, irregular payment and minimum salaries reported to the state to reduce benefit payments. An additional problem are unreported engagements and, as one of our respondents pointed out, journalists in some cases work for several years without the working contracts and health insurance (Maja Islović, *Buka* online magazine). The labour inspectorate and courts do not have sufficient capacities and efficiency to adequately protect labour rights. For example, one of our respondents reported in October 2013 that the situation of *RTV Goražde* employees had been dreadful for several months, with their salaries not paid since August 2013 (Elma Geca, the president of the trade union in *RTV Goražde*).

Employees can easily be dismissed under the pretext of economic or administrative reasons, while the alternative employment is highly uncertain on the BiH labour market. Consequently, the situation of journalist is decidedly vulnerable and their autonomy is far from being protected. As the respondents in this research suggest, not only that “working

professionally as a rule does not pay off” (as Radmila Žigić of *Radio Pan* put it), but indeed working against the professional standards sometimes becomes the only way to assure the existential minimum for journalists and their families (as Milkica Milojević, a journalist and President of the BH Journalists association suggested).¹⁴⁷

Media and journalists that nevertheless criticize centres of power are also often exposed to different kinds of external pressures, including threats, verbal and physical assaults, and lawsuits against media and journalists.¹⁴⁸ Free Media Help Line registers around 40 different kinds of pressures and infringements of media freedom per year, involving more than a dozen of threats and several physical attacks.

Social pressures evolving around ethnic identities have been present ever since the end of the war, and media that, for example, reported on war crimes committed by the members of their own ethnic group, were especially exposed. The most extreme example was the bomb attack on the journalist Željko Kopanja in 1999 (for more on this, see the section on media owners above). Željka Mihaljević reports that employees of radio *Studio N*, Livno, were in 2000 labelled foreign mercenaries and betrayers of the Croatian people in a pamphlet that was distributed in the local community. “It was an open call for lynch” she said.¹⁴⁹ This kind of pressure is still present and one of the recent examples was a physical attack on Štefica Galić, the editor of *tacno.net* portal, after the screening of a documentary about her husband who was helping Bosniak population during the war against the Croat nationalists in the town of Ljubuški.

The most shattering fact is that public officials have not only failed to protect independent journalism but they have been the major actors in asserting pressures against journalists. Most strikingly, the Government of Republika Srpska has on a few occasions refused contacts with journalists of certain media outlets in retaliation for critical reporting against them (*BN television* in 2013),¹⁵⁰ or as a boycott of the state public service broadcaster *BHRT* in 2007. In the same manner, in May 2013, the Mayor of the Bihać municipality called public institutions and companies to boycott RTV of the Una-Sana Canton. Political actors/public officials have also been involved in verbal attacks on media and journalists, with several cases occurring in 2013 alone.¹⁵¹ Some sources suggest that the laws, most of all the Libel Law, are misused to assert pressure over disobedient media, especially by political actors and public officials.¹⁵² The court proceedings are time and money consuming and therefore likely to discourage investigative journalism and critique. For example, the ruling against the journalist Ljiljana Kovačević in 2013 included payment of damages of approximately 2,500 euro.¹⁵³ Several libel lawsuits were filed by the Prime minister of RS against *RTVFBiH*, with five rulings against *FTV* so far.¹⁵⁴

And finally, three respondents in this research pointed out that the social effects of engaged journalistic reporting are discouraging, given that “media reports basically do

not change anything relevant on the political scene” (Emir Musli, a freelancer working for *Deutsche Welle* and *Dnevni avaz*) and that journalistic reports as a rule do not initiate judicial proceedings (as indicated by Davud Muminović, an assistant editor at *Al Jazeera*)

5.4 INCONSISTENT SOLIDARITY AND SUPPORT, LIMITED PROFESSIONAL ORGANISING

The overall impression based on the interviews with 12 journalists/editors/directors of media outlets in BiH is that journalists do not feel sufficiently protected either by the state institutions or through collective organising. The support is uncertain and often inefficient and there is an overall lack of solidarity within the journalistic community. The legal framework for professional organising is well-developed.¹⁵⁵ Trade union organisations are founded on the level of individual media companies, as well on the level of entities (RS and FBiH). There are 32 sovereign trade union organisations (within individual media) and around 1800 individual members of the two entity trade unions of media and graphic workers.¹⁵⁶ No precise data on the level of organising are available, but various sources suggested that it is still relatively low,¹⁵⁷ especially within the private media companies. For example, four major TV outlets we contacted do not have trade unions (*Pink BH*, *OBN*, *Hayat* and *BN*). The results of a research conducted in 2011 indicate that the trade unions are generally inefficient, given that 27 (out of 31) respondents evaluated their work negatively. As stated in the same report, trade unions “should play a greater role and take more initiative for the protection of journalists.”¹⁵⁸

There are six journalists’ organisations,¹⁵⁹ with more than 1900 members, but their actions and communication practices are disproportionally scarce. Only the website of the BH Journalists association provides relevant reports, information and press releases on current developments in the media sector. At the moment, this association has over 700 members from both entities and of various ethnic origin, 550 of them active,¹⁶⁰ but it has not yet been vastly accepted by the journalistic community in Republika Srpska.¹⁶¹ An important section of BH Journalists is Free Media Help Line, which offers support to journalists exposed to various pressures, somewhat encouraging journalists to report pressures, corruption and unethical practices. Other associations are mostly inactive, with the exception of the Association of Journalists of Republika Srpska which has intensified its activity since 2011. However, this association was at times criticised for overly politicised activities based on possible affiliation with the leading party in the RS – SNSD.¹⁶²

The journalistic community is still highly fragmented along ethnic and entity lines. Common and coordinated actions are rare, limited mostly to statements about major attacks on journalists, which diminishes the potential strength and effects of collective organising. As one of our respondents said, “I cannot remember an occasion when the entire

journalistic community in BiH stood up in defence of our colleagues who were subjected to unjust accusations, marginalisation or perhaps dismissed” (Radmila Žigić, *Radio Pan*).

Media reports about the protests taking place in BiH in February 2014 in part reflected weaknesses of the media sector. Especially during the first days of protests many media neglected the socio-economic motives and the call for accountability of (primarily cantonal) governments and presented protests as an outburst of “hooliganism” and violence, while involving in tendentious and politicized speculations about the motives and initiators of protests.¹⁶³

5.4 JOURNALISTIC PRACTICES: THE EFFECTS OF CONFLICTING AFFILIATIONS

There are several major factors that limit the quality of journalism in the country¹⁶⁴ including ethno-national bias and bias towards affiliated political actors. Respondents in this research especially believe that a considerable portion of bias arises from entity, ethnic and party affiliations. Ethnic-national fragmentation is especially noticeable in media content related to war crimes, leading to differing focuses, interpretations, selections of sources, ways in which those accused of war crimes are named and portrayed, etc. As Volčič and Džihana (2011, 11–12) argue, “...the media coverage of the trials reflected the dominant interests and perspectives of ethnic fractions represented by individual media organisation.” The ethno-national rhetoric is regularly and intensively used by political elites and reproduced by the media.

Some of our respondents especially indicated that political plurality in Republika Srpska is endangered given that the majority of (especially print and broadcasting) media are in some way affiliated with the political party SNSD, some of which received significant funds from the Government of Republika Srpska in the previous years. The political affiliations in FBiH are also mentioned, but it is suggested that several major political parties influence different media outlets.

Political affiliations have been especially ascribed to the dailies in BiH, with *Dnevni avaz* seen as affiliated with the current Minister of Security and the leader of Union for Better Future (SBB), as opposed to daily *Oslobođenje*, perceived to be affiliated with the Party of Democratic Action (SDA), and *Nezavisne novine* and *Glas Srpske* believed to be affiliated with SNSD.¹⁶⁵

Media’s affiliations with political parties are perhaps most clearly visible during the election periods (Udovičić 2010). For example, in 2010 the reports in dailies and prime time news programs of the public broadcasters *FTV* and *RTRS* were considerably biased (ibid), with the former broadcaster focusing on the critique of the government of the RS, and the latter supporting SNSD.¹⁶⁶ While *RTRS* is considered to be a service of the leading party SNSD, some respondents indicate that *FTV* has shifted its affiliation in 2012 from SDP

to SDA. As one of our respondents reports, during his engagement as a journalist for *RTRS*, he was not allowed to report on the involvement of the former Mayor of Derventa in trafficking with minors: “It ended at the Prosecutors office of BiH with a settlement ... I wasn’t given the opportunity to say the real truth about the mayor.”

Particular business interests are also reflected in biased media reports. For example, the reports on the above-mentioned changes to the Code on Commercial Communications (which further reduced advertising limit for public broadcasters) differed between public service broadcasters on one side and private broadcasters on the other, reflecting their particular interests in this regard.¹⁶⁷

The quality of journalism is additionally compromised by the trend of commercialisation due to which the media feature “little of relevant things. It mostly comes down to show business...or a press release of one or another party” (Emir Zatega, a journalist at the Center for Investigative Reporting). Due to the struggle for audience and the lack of capacities, media tend towards “publishing unverified information ...” (Boris Vakić, *EuroBlic*), while investigative journalism is to some extent discouraged by the unwillingness of institutions to provide requested information (as indicated by Jelena Vuić, journalist of *ATV*). Still, there is a fairly good legal framework for access to public information, and with some recent court decisions the complaint procedures have been evolving.¹⁶⁸ Nevertheless, investigative journalism is rare, pursued only exceptionally by the minority of media, and as one of our respondents said, media predominantly focus on daily events and barely reach the professional minimum (Radmila Žigić, *Radio Pan*).

5.5 THE BRIGHT SIDE OF JOURNALISTIC PRACTICES

The examples of good and resourceful journalism and contributions to pluralism can be found especially among online media outlets. Various sources suggest that good pieces of journalism and/or critical and engaged articles can be found in the online magazines *Žurnal* and *Buka*, and on the website of the Center for Investigative Reporting (CIN). All three media are dependent on the support of international donors. The magazine *Slobodna Bosna* apparently manages to preserve editorial independence from political interference, but as suggested by some respondents, the quality of this magazine is jeopardised by the lack of funding and human resources. The state-level public service broadcaster, *BHRT*, has also been maintaining a relatively balanced reporting and did not give in to political influences over the years. Other media outlets often mentioned for their contribution to communication processes in BiH and professionalism are of foreign origin, such as *Radio Deutsche Welle*¹⁶⁹ and the recently established press agency *Anadolu. Al Jazeera Balkans* is believed to have raised the professional standards in BiH, but during the protests held in February 2014 in several cities of BiH it was also criticized, much like many other media,

for neglecting the motives and potential positive effects of collective actions by excessively focusing on the violence that occurred during the protests.

The regulatory system (in broadcasting) and the self-regulatory system (in print media and online media since 2011) have contributed to greater respect for professional standards. The reach of self-regulatory mechanism, however, remains particularly limited, given that not all media show readiness to actively engage in the self-regulatory system.

5.6

CONCLUSIONS

The quality and credibility of media is hindered by several factors:

- Bad socio-economic position of journalists and violation of their labour rights.
- Lack of journalistic autonomy, due to political affiliations of media outlets.
- The dire economic situation of media, the lack of resources for quality and investigative journalism, and commercialisation of media content.
- The dependence of media on government funding on different levels and politically motivated appointments of the editorial personnel and managing structures.
- Lack of interest on the part of media owners to invest in quality journalism, investigative journalism and specialisation of journalists for niche reporting.
- Various pressures and attacks on journalists.
- Lack of support for journalists within the professional and wider community.
- The discouraging lack of the impact of engaged journalism on institutional actions and social changes.

In sum, the quality of journalism and investigative journalistic content are endangered because of the lack of resources within the media and political and economic affiliations, pressures and influences. These interests are assured through certain practices of censorship, but more so through self-censorship and political and ideological conformism of the journalists. The mechanisms of political affiliations are various. They involve direct affiliations of media managers and to some extent corrupt practices, as well as financial influence on the media. The difficult socio-economic position of journalists, lack of respect for labour rights, lack of institutional protection, flawed collective organising and finally the lack of public support make journalists more susceptible to pressures and discourage their involvement in stories that would require wider support.

The regulative and institutional framework for media sector has provided the basis for the pacification and regulation of media. Important positive steps were the development of institutional framework (CRA) and some legal and regulatory norms (for instance, laws pertaining to PSB, the Law on Communications, etc). A self-regulatory framework has also been established and is struggling for wider acceptance among print and online media. But further improvements were stalled and the trends over the past decade are generally worrying. The key actors were indolent and failed to develop adequate policy responses to the difficulties within the media sector, while the existing norms have been somewhat distorted in practice.

Several key environmental factors hinder media independence, sustainability and finally the quality of journalism in BiH. The sector suffers from strong political interference and harsh polarisation along entity, ethnic and political lines. Political interference intensified through continued populist rhetoric hindering the transformation of PSB and putting pressure on CRA. Several recent problematic policy changes and initiatives further facilitated interference in editorial policies of entity broadcasters, asserted political influence over CRA and limited its authorities; there was also an initiative intended to loosen the accountability in terms of free access to information, but under pressures of international community and civil sector it failed.

The majority of media outlets are considered to be closely affiliated with the political elites either through nominal ownership, through hidden ownership, or through financing paths. Political interference is accomplished, for example, through the government funding of “loyal media” but is also extended to the advertising practices of major advertisers in the country – public companies, closely affiliated with leading political parties. The insights of the public into conflicting ownership and financial patterns are scarce and mainly based on sporadic media reports.

The economic environment is such that it can hardly enable quality journalism. The market is impoverished and it has been shrinking for years due to the economic crisis, the outflow of revenues to larger foreign media, but also because donor support is less available and the rate of licence fee collection declined. Media industry is burdened with power struggles which harm the credibility and sustainability of measurement system(s) and further discourage potential advertisers.

The professional organising is similarly diminished by the ethnic and entity fragmentation and lack of common initiatives to promote the socio-economic position and improve the protection of media and journalists exposed to pressures.

In general, the majority of media operate on a very low budget and for the most part cannot afford quality journalism or criticism of the few major sources of revenues and their affiliates. Journalists are discouraged to engage in investigative journalism for several reasons, among these the major ones being existential uncertainty, lack of support on the part of institutions and CSOs, and the general view that investigative journalism cannot initiate societal changes.

The key elements of media integrity thus remain unresolved, including transparency of ownership and adequate limitations on foreign ownership and conflict of interests, an unsustainably large number of media outlets, a large number of non-privatised broadcasters, the lack of transparency in public funding and of assurances of the protection of the public interest, non-functional PSB, hindrances in the digitalisation process, etc. The research results point to a conclusion that there is an urgent need for a strategic approach in tackling all these issues. The previous experiences shows the need for the involvement of different social actors, including government institutions, media industry, civil sector and the international community, in order to balance the particular interests of those in power, allow for changes based on the public interest and enable the public to have a better insight into conflicting ownership and financing patterns in the media sector.

MEDIA POLICY

While being aware of the difficulties of advocating substantial policy changes in the above-described circumstances and deeply fragmented media environment, certain major steps could be taken by various social actors. These are as follows:

- (1) Research results should be a basis for policy initiatives. Preferably, a regular system of data collection, research and analysis of various aspects of the media sector should be established and integrated in the decision making process. For this to be achieved, the capacities for relevant analyses of media sector should be enhanced within the state institutions, academia and the non-governmental sector.
- (2) Mechanisms for the prevention of overt influence of political actors on the media sector should be enhanced, through guarantees of editorial independence (most of all, by ensuring that members of the regulatory body, PSB governing bodies, and managers/editors of media outlets are selected through an independent appointment procedure based on credentials, and by ensuring independent financing patterns). Finally, institutions relevant for the media sector (the Ministry of Communication, the Ministry of Finances, the Council of Competition, CRA etc.) should develop fiscal policies to enable media sustainability (tax subsidies, enabling advertising revenues for community media, etc.) and make media capable of producing plural and quality media content;
- (3) Existing laws should be enhanced to improve their clarity and assure their consistent implementation. For example, a more precise definition of “incitement to hatred” (in the Criminal Codes) and standards for establishing “emotional distress” (in the Libel Law) are needed. With regard to Freedom of Information Act (FOIA), more guarantees should be provided for the transparency of public information, including sanctions against the institutions that fail to act in accordance with the law (stipulated in the state FOIA, but not also in the entity FOIAS). This also includes better regulation of transparency and legitimacy of government funding for the media, as well as a review of the status of public local media.
- (4) The anti-concentration legislation should be formulated to prevent possible future concentration of media ownership and lack of media pluralism.
- (5) Transparency of media businesses should be improved, most of all the transparency of ownership and financing patterns.
- (6) Capacities of different actors to contribute to a better implementation and development of media policies should be enhanced. This includes especially enhancement of

CRA's capacities and the protection of its independence in the context of current pressures on this institution. Civil society organisations should also be developing their capacities to inform and actively influence media policies instead of pursuing a reactive approach to precarious policy initiatives.

- (7) Civil society organisations, in cooperation with the Institution of Human Rights Ombudsman and international institutions, and possibly with other state institutions, should be involved in policy developments, in order to prevent possibly detrimental policy changes (such as those that have been initiated recently) and to contribute to best policy solutions.

MEDIA OWNERSHIP

- (1) Transparency of official data on media ownership should be enhanced; more specifically, court registries of business entities in RS should provide the information through online platforms. The online register of businesses in FBiH provided by website www.pravosudje.ba is a good step forward; preferably, online registers should be centralised or linked to make access easier. The online register of broadcasters provided by CRA should include information on media owners;
- (2) Policies, the institutional and self-regulatory framework should be developed to address lack of transparency of online media. Investigations of the websites operating as media businesses that have not been officially registered as such should be initiated; online media should be encouraged to publish information on ownership and contact information on their websites and to actively engage in the self-regulatory system to promote professional norms.
- (3) Mechanisms of control over the official vs. hidden owners and capital should be developed. The municipal courts should guarantee that all conditions are met for a media business to be registered, including the respect for rules on conflict of interests, as well as rules on foreign ownership; state authorities should investigate possible controversial, hidden ownerships; media and civil society organisations can play a major role in unmasking the "suspicious" ownership patterns and making public possible affiliations of owners.
- (4) The legislative framework should be reconsidered and enhanced in order to prevent "indirect" foreign ownership that was identified in few major cases.
- (5) The rules on conflict of interest of media managers and editors should be enhanced to prevent:
 - the influence of public officials on the editorial policies of media that they not officially own, but are presumably connected with (owned by family members, holding any kind of interest in the media);

- the appointment of politically affiliated persons to the Board of Governors, or politically engaged editors; the opinion of media employees within both private and public media should play a role in the appointing procedures.
- (6) The legislation preventing the concentration of ownership should be adopted, in cooperation with the Council of Competition, CRA , Ministry of Communication and other relevant institutions.
- (7) The status of local public media should be resolved, in terms of assuring its public interest role (research and consultations with citizens and experts to establish if the public interest is satisfied or how it can be better satisfied through these public media), editorial independence (mechanisms for securing independent appointing procedures and financing not dependent on arbitrary decisions of a current local government) and competition (the media industry and the Council of Competition should develop policies to assure that local public media do not constitute inadmissible competition to the local private media that are competing for the same advertising sources). These media could be partly transformed to become community broadcasters; they could be networked to reduce the production costs, transformed into local offices of PSBs and in part privatised.
- (8) Controversies related to the ownership of the measurement system provider should be resolved, i.e. the ownership of the audience data provider Audience Measurement should be made transparent.
- (9) The public should be acquainted with the ownership patterns that possibly influence media integrity. More precisely, civil society organisation should seek to do so through public debates on the political economy of the media, through critical analysis of media practices indicative of the conflicting affiliations of media outlets, through reactions to problematic appointments of media managers and editors, and other activities.

MEDIA FINANCES

- (1) Promotion of the voluntary financial transparency among the media outlets. The associations of journalists, the Press Council and other civil society institutions should promote the practice of publishing the types of revenues and the list of sources of revenues as a way for the media to demonstrate their social responsibility and actively promote media integrity.
- (2) Corrective mechanism for badly evaluated aspects of PSB functioning should be enhanced. The financial and audit reports should be the basis for development of improvement measures, following the feedback by the parliament. On the other hand, the civil sector should monitor the performance of PSB and request positive changes through public criticism and/or consultations with PSB representatives.

- (3) The domestic advertising market should be protected from the excessive outflow of revenues to foreign markets. The media industry and audience data providers should maintain the practice of concealing information on the audience reach of foreign outlets in BiH; the media industry should also advocate for positive solutions on the international level and on the level of national policies.
- (4) The rationale and procedures of government funding should be enhanced.
 - Government institutions should assure that consistent criteria for assessing the public interests are used when awarding funds to individual media. The criteria should be established based on available analyses and public consultations.
 - All government institutions should assure complete transparency of the selection procedures used when awarding funds.
 - The public funds should be used exclusively for the production of specific content of public relevance.
 - Government institutions should provide monitoring and evaluation of the public interest merit of media funding.
- (5) Government institutions should clearly demonstrate that their advertising practices are aimed at advancements in the area of their mandates and not at promoting the governing political party. This calls for a development of precise procedures within the government institution to elaborate on the justification. Monitoring by civil society and media should be a valuable corrective mechanism.
- (6) The audience measurement system and use of measurement data should be enhanced. Improvements to the audience measurement system in the radio (people meters), print (circulations) and online media sectors (greater use of the system providing detailed information on user behaviour and demographics) would be beneficial to the promotion of media integrity, but depends on the business interests and financial capacities of media outlets.
- (7) The current controversies related to the TV audience measurement system should be resolved. The Council of Competition and the prosecutor's office should resolve current complaints about possible inadmissible practices by the Audience Measurement, and possible abuse of power by the director of the Institute for Measurement of BiH.
- (8) The media industry should assure that the TV audience measurement is reliable and financially sustainable, which calls for independent audits, providing advertisers with substantiation of data reliability, as well as sustainable pattern of financing of one or both audience measurement systems.

PUBLIC SERVICE BROADCASTING

- (1) Guarantees against the politicisation of appointment procedures for the Board of Governors should be ensured: a) instead of the Parliament/National Assembly having absolute power in the process (as in *RTVFBiH* and since recently in *RTRS*), *CRA* as an independent state agency should be preparing the list of candidates; b) the criteria for assessing the competences of candidates should be established in detail and implemented rigorously; c) the failure to appoint the best-ranked candidates should not be tolerated, i.e. the reasons for non-appointment should be established; d) possible politically motivated dismissal of the board members should be discouraged by establishing a transparent and well specified complaint procedure. The current trends seem to be opposite and seem to enable arbitrary decisions, which is why civil society initiatives are highly needed.
- (2) The guarantees of the autonomy of *PSB* through independent sources of revenues should be provided. The recent changes in the Law on *RTRS* raise concerns as to whether the possibility of direct financing of *RTRS* from the budget of the *RS* Government will be used to assert direct influence on *RTRS*. Measures should be provided to assure that the government funding is not in any way conditioned, and direct public subsidies for “infrastructure and other technical costs” should be withheld (as recommended by Article 19 organisation) and dedicated instead to programme production. In sum, the legal framework and the implementation mechanisms should assure that the funds provided are sufficient for an optimal functioning of *PSB*. Until the problem of the low rate of licence fee collection is solved, the decision on the reduction of advertising time for *PSB* from 6 to 4 minutes should be re-examined; the financial needs of *PSB* should be assessed, and the amount of the licence fee should be determined based on the assessed need and in consultations with *PSB* representatives.
- (3) The proportion of advertising revenues should be limited in such a way as to ensure that a) the public service broadcasters are not overly dependent on advertising, and b) the private media are not unduly jeopardised by excessive advertising on *PSB* under circumstances possibly constituting unfair competition. However, these decisions should be delivered timely and only if the sustainability of the *PSB* will not be jeopardised, i.e. if the public service broadcasters are provided with sufficient funds for their technical, administrative and production costs.
- (4) A Corporation within the *PSB* system should be established in order to, inter alia, a) rationalize the costs of *PSB*, b) develop a common advertising strategy and practices of three broadcasters, c) coordinate all other activities related to the technological development and management of the transmission network, d) coordinate the steps leading

to digitalisation. Advocacy for the establishment of the Corporation is hampered by the lack of political will among decision makers.

- (5) The public service remit should be elaborated and procedures to guarantee its fulfilment assured. The public service remit should reflect the complexities of the country and seek to satisfy the needs of all constituents of BH population; this could include the establishment of a monitoring system to assess how the programming obligations are fulfilled (perhaps through enabling CRA or civil society organisations to do the monitoring), and transparent procedures for complaints over PSB programs. Consultations with citizens through (lawfully appointed) programming councils should play a substantial role in the process.

JOURNALISM AND THE SITUATION OF JOURNALISTS

- (1) Advocacy for a consistent application of set standards when appointing the managerial personnel in the public media outlets, in order to assure that they are relatively autonomous and chosen based on their credentials; the opinion of journalists within the media outlet about the candidates for editors should have a decisive role in the appointment.
- (2) Funds for the production of media content of public significance should be provided, while assuring that the distribution of funds is transparent and based on programming criteria and public interest.
- (3) Advocacy for a better protection of the labour rights of journalists, and protection of media freedoms, through a constant monitoring of relevant cases, provision of support for journalists suffering pressures, and advocacy for respect of journalists' rights and autonomy.
- (4) A common platform should be set up in which all journalist associations would participate, advocating for common interests of all journalists in the country, regardless of entity and ethnic origin – for example, campaigning for transparency, self-regulation, media credibility and protection of journalists. Recent membership data suggest that the number of members of all journalists associations is over 1900, which could form a powerful force for positive changes.
- (5) Promotion of trade union and professional organising among journalists, especially within private media where trade union organising virtually does not exist.
- (6) Promotion of the accountability of various social actors for pressures and attacks on journalists and media, especially accountability of public figures. This should include harsh public condemnation and legal proceedings in cases of attacks or pressures on journalists.

ENDNOTES

- 1 Bosnia and Herzegovina consists of two entities: Federation BiH (FBiH) and Republika Srpska (RS), plus a separate administrative unit called Brčko District. FBiH is further divided into ten cantons, while the total number of municipalities in the two entities is 141.
- 2 See Jusić and Ahmetšević (2013).
- 3 *MC Online*, “Rezultati Međunarodne podrške medijima” (Report from the conference on international media support), organised by Analitika, Sarajevo, 27 September 2013).
- 4 Although the Libel Law is well formulated, it was utilized by the political elites and other actors to harm the competing or detested media through frequent lawsuits. The number of lawsuits was huge, and courts could not always live up to the challenge to process them adequately, timely and independently. The standards for establishing emotional distress, including time-limits after the content is published, have not yet been set. The Municipality court of Sarajevo alone processed around 670 lawsuits against the media, in the last five years. Source: Halilović, M. Interview published at: <http://www.6yka.com/novost/39967/mediji-u-bih-prepuni-klevete> (accessed 6 March 2014). Still, as Halilović, M. reported in 2009, the number of lawsuits has reduced since 2008, and he thinks that the reason might be the fact that the media have been publishing corrections more regularly. For more, see Halilović, M., “Mogu li se izbjeći tužbe za klevetu i uvredu?”
- 5 See for example Media Sustainability Index (MSI) IREX reports, available at: <http://www.irex.org/resource/bosnia-and-herzegovina-media-sustainability-index-msi> (accessed 24 March 2014). The court cases concerning media often include lengthy procedures that burden the media and sometimes push them towards the edge of existence and moral strength. Additionally, the differences between court decisions in FBiH and RS are possible indicators of political bias (see IREX 2013, 22).
- 6 In accordance with the Law on Communications of Bosnia and Herzegovina, the Agency’s responsibilities are: the development and promotion of rules in the sectors of telecommunications and broadcasting, the licensing of operators in the broadcasting and telecommunications sectors, the planning, management and allocation of the frequency spectrum, the implementation of technical and other standards related to quality, and the establishment and maintenance of licence fees. See more at: <http://www.cra.ba/eng/index.php?uid=1265547993>, (accessed 3 December 2013).
- 7 CRA was formed by the Office of High Representative (OHR) as a successor to the Independent Media Commission (IMC) established in 2001, which merged with the Telecommunications Regulatory Agency into CRA.
- 8 See Law on Communications of Bosnia and Herzegovina, additionally, laws on public broadcasters define some guarantees of editorial independence. The print and online media function on the basis of self-regulation, meaning that the Press Council can suggest the removing of content or the publishing of a correction or an apology.
- 9 Although it was part of a regular procedure, CRA considers this problematic since the Parliament did not provide any reasonable explanation for refusal of candidates (IREX 2013).
- 10 It is stipulated that the *ad hoc* body is composed of an equal number of representatives of both the governmental and the non-governmental sector. There are, however, doubts that the body appointed in 2013 actually acts in the interest of the parliamentary parties. Of the six members of the *ad hoc* body, as Helena Mandić believes, only two from the civil sector are independent, while the remaining four representatives are likely to act in the interest of political parties.
- 11 The list of 14 members is first sent to the Council of Ministers before it is submitted to the parliamentary procedure and the vague role of the Council raises more suspicions about political control. For political affiliations of the members see, for example, a press releases of the association of BH Journalists. See also a journalistic article by Metiljević A. “SDP započeo operaciju preuzimanja kontrole nad FTV-om” (SDP launches an operation to take control over FTV).

- 12 See the flash report by Hodžić, S. "The Credibility and Competence of PSB Boards are Questioned", published within this project.
- 13 Indicated by Mehmed Agović, currently an advisor to the Minister of Traffic and Communication.
- 14 *Radio and Television of Bosnia and Herzegovina (BHRT)* is a state broadcaster. There are also two entity public service broadcasters: *Radio and Television of Federation of BiH (RTVFBiH)* and *Radio and Television of Republika Srpska (RTRS)*.
- 15 Conference on international media intervention organised by Analitika, Sarajevo, 16 October 2013.
- 16 The progress has been stalled since 2009 when the strategy for the switchover to digital broadcasting was adopted. See more in the chapter on PSB.
- 17 The privatisation was initially postponed by the Office of High Representative until the second round of licensing was completed, in 2002 (see more in Jusić, 2004).
- 18 Hadžović, "Majmuni na javnom servisu."
- 19 The requirement to register private businesses is stipulated by the Framework Law on Registration of Business Entities in Bosnia and Herzegovina (*Official Gazette of BiH No. 42/04*), and relevant entity laws on registration (*Official Gazette of FBiH No. 27/05* and *Official Gazette of RS No. 42/05*); previously, the Cantonal Laws on Media required media outlets to be registered in the cantonal media registries, but this is no longer the case. For example, in the Sarajevo Canton, the Law on Media was put out of force in 2009. See also article available at: <http://www.radiosarajevo.ba/content/view/4230/> (accessed 18 February 2014).
- 20 The register kept by CRA includes the documents on court registration of the broadcaster and information on ownership. Rule 55/2011 on Audio-Visual Media Services, Article 22, para. 2.
- 21 CRA has been trying to initiate policies that would address ownership concentration across different media sectors, under a general law rather than relying on the previous CRA rules pertaining to the broadcasting sector only. So far, the state institutions, such as the Council of Competition, did not show interest to actively engage in the development of such policies.
- 22 Data taken from the online registry of CRA and the list of media on the Press Council website, both from September 2013. The majority of 110 registered magazines are not of socio-political nature.
- 23 The Government of RS has been providing funding for several media in Republika Srpska, as have the municipal and cantonal governments. See more in the chapter on media finances.
- 24 For example, while 32 posts are foreseen by the systematisation, only 18 people are currently employed in the section for broadcasting (Helena Mandić, interview, 10 October 2013).
- 25 Press Council is a non-governmental organisation with a mandate to ensure the implementation of self-regulatory mechanisms, i.e. to mediate and deliver decisions on the violations of professional norms in print media, and since recently online media.
- 26 Unlike the CRA, which has the executive powers and can impose their decisions, including fines and suspensions of licences, the Press Council does not have such powers, meaning that the implementation of the Complaints Commission's decisions (Complaint Commission is part of PC) on violations of journalistic norms depends on the goodwill of the media management, which is not always demonstrated. The system is just starting to be introduced in the online media sector. In addition, neither CRA nor PC have a mandate or capacity to monitor media content on regular basis, but they react mostly upon receiving a complaint and in some cases *ex officio*.
- 27 Rules, laws and decisions delivered by the Ministry of Traffic and Communication from 2007 onwards include some decisions pertaining to media legislation, the last of which, adopted in 2010, were focused on gender balance both in the content and the managerial structures of public service broadcasters. Law on public RTV service BiH, and Law on public RTV system BiH were adopted in 2005, as well as the decision on the Policy of Broadcasting Sector in Bosnia and Herzegovina in 2007. Source: http://www.mkt.gov.ba/dokumenti/zakoni/Archive.aspx?template_id=10&pageIndex=1. Accessed 24 December 2013.
- 28 The official data put it at 73.94 percent of invoiced amount (CRA 2013a), collected through telephone

- bills, but only around 649,953 households are included. The number of households with RTV sets is estimated at around 1,033,520, meaning that the collection may be as low as 46.5 percent.
- 29 See, for example, the statement of Borka Rudić, a secretary of the BH Journalists association, in *FTV News*, 25 September 2013. See also reactions of representatives of the EU delegations and OSCE in the article *N24*, “Ne smanjite mogućnosti razvoja javnih RTV emitera,” and a press release of the BH Journalists, *Otvoreno pismo Regulatornoj agenciji za komunikacije*. In addition, the Commission on Information of the House of Representatives of the Parliament of FBiH also reacted by asking CRA to reconsider these amendments.
- 30 For more, see statements of Senad Zaimović in *MC Online*, “Senad Zaimović: javni RTV servisi su s pravom zabrinuti.”
- 31 The role of CRA in the appointment procedures has been marginalised over the previous years, and Helena Mandić of CRA suggests that the amendments in fact do not bring substantial changes. As a matter of fact, CRA already had to repeat the process of selection of candidates for RTRS if the original list was not approved by the National Assembly. CRA is also already excluded from the procedure in another entity’s public service broadcaster – *RTV FBiH*, where the Committee for the selection and appointments within the Parliament of Federation BiH prepares the list of candidates for the Board of Governors and the Parliament approves the appointments. See more at: <http://www.mediaobservatory.net/radar/flash-report-bosniaherzegovina> (accessed 20 February 2014). The power is now completely in the hands of the Parliament of FBiH (for *RTV BiH*) and the National Assembly of RS (for *RTRS*), enabling them to directly and more easily politicize the appointments. When it comes to the state broadcaster, *BHRT*, CRA still prepares the list of proposed candidates, while the Parliament of BiH appoints the members from the list.
- 32 See for example journalist report Isovčić, M., “Još jedan udar na slobodno i nezavisno novinarstvo u RS,”
- 33 Available at: <http://www.mkt.gov.ba>. Accessed 25 September 2013.
- 34 Dunja Mijatović, an OSCE Representative on Freedom of the Media, also expressed concerns about the implication of this draft law on the independence of CRA (see Dunja Mijatović, *New draft electronic communications law in BiH could affect independence of communications regulator, says OSCE media freedom representative*). See more in the OSCE analysis of the draft law, available at: <http://www.osce.org/fom/107410> (accessed 10 February 2014).
- 35 Currently, the Association of Journalists of Republika Srpska is preparing an analysis of the state of the media sector, and is planning to form a work group during 2014 to further develop the draft proposal (Dragan Jerinić, president of the Association, in a written reply, February 2014).
- 36 See more, for example, Bjelajac, M., “Šta se krije iza inicijative Udruženja novinara RS,” and the analysis by Halilović (2013).
- 37 See the flash report by Dekić (2013).
- 38 See for example Haraszti (2007). The laws and regulations have been receiving the highest scores over the past years in the Media Sustainability Index among different facets of media sector.
- 39 *Official Gazette of BiH* No. 28/00 and 45/06; *Official Gazette of FBiH* No. 32/01; *Official Gazette of RS* No. 20/01.
- 40 *Official Gazette of Republika Srpska* No. 37/01; *Official Gazette of FBiH* No. 59/02, 19/03 and 73/05.
- 41 While in the Federation of BiH data are available in nine municipality courts, with the access fee being 5 euros per page, in Republika Srpska the data are provided through the APIF agency for an administrative fee of 5 euros per business entity.
- 42 It is available at: www.pravosudje.ba (accessed 24 March 2014). Our search of this online register, however, did not always yield results. For example, we did not find data on the Pres-Sing Ltd., Sarajevo (the publisher of *Slobodna Bosna*) but we retrieved data from the registry of Municipal Court in Sarajevo. Furthermore, data on ownership of Open Broadcasting Network (OBN) available in CRA and the Registry of Securities of FBiH (both stating that the owner of OBN is GRP Media Sarajevo, owned by GRP Media Zagreb, see the registry at: <http://www.rvp.ba/Section2/SubSection1/Default.aspx> accessed on 12 January 2014)

- do not correspond with the data in the registry at pravosudje.ba (owners: OBN Ltd., based in London, Great Britain, and Gabriel Vukadin from Sarajevo). In addition, online media are not registered, and for example, the search for Moj portal and Sutra.ba does not give any results.
- 43 The type of ownership is established during the licensing procedure. Public broadcasters are those that were established by governments or other public bodies on any of the administrative levels (municipal, cantonal, entity or state level), or owned and financed by these public bodies in the ratio of more than 51 percent (Rule 57/2011 on public radio and TV stations, Article 2).
- 44 Currently, *Radio Maria* is financed by the Catholic Church, *Radio Otvorena mreža* is a communication platform of a humanitarian network, and *Radio Naša djeca* has been founded by a non-governmental organisation engaged in the protection of children.
- 45 This is a rough estimate i.e. the number of websites included in the Gemius Audience measurement system. However, not all of these websites are media outlets, while also a certain number of online media are not included in this measurement system.
- 46 The Agency for Privatisation of FBiH and Alden Print – the buyer of *Večernje novine*, were accused in the public of simulating the privatisation process so that Alden Print could take over the workers and the property of *Večernje novine*, practically for free. The newspaper was terminated soon after the privatisation. As regards the privatisation of the *Oslobodjenje* daily, the director, Salko Hasanefendić, and the leader of the privatisation team, Emir Hrustanović, were both under investigation for possible misuse of their position (see more in Jusić 2004).
- 47 As reported in the AGCOM and CRA 2008.
- 48 Source: Helena Mandić, CRA, in a written reply, 11 December 2013.
- 49 The initial capital was provided by several foreign states, primarily USA, Sweden, Japan, Canada, Spain and Italy, as well as the European Commission and the Open Society Fund (Jusić 2004, 74). OBN re-registered as a company with a shared capital in 1999.
- 50 As reported by FTV, he was, however, the official owner in 2008, when he was granted the status of citizen by the Ministry of Foreign Affairs of BiH upon the recommendation of the Foreign Trade Chamber of BiH. FTV, however, questions the procedure through which Čaleta was granted status of citizen of BiH in 2008, stressing that no justifiable reason was provided. See article/video of FTV published at: <http://www.federalna.ba/bhs/vijest/76305/kako-je-stranac-protivno-zakonupostao-vlasnik-obn-a> (accessed 12 January 2013). But it remains unclear if Čaleta in fact fulfilled the criteria for citizen status by that time.
- 51 Source: Registry of Securities of FBiH, CRA.
- 52 Previously it was officially owned by two companies, one from Bijeljina and other from Belgrade (Serbia) (see Jusić 2004, 76). Currently, Željko Mitrović and his Belgrade based company Pink International Ltd. actually share the ownership.
- 53 Although the court registry does not point to these connections, *Glas Srpske* is known as a subsidiary of NIG ĐNN, after it was privatised in 2006.
- 54 In 2010, *BN television* building was searched by the police, which was also perceived by some sources as a form of pressure, especially given that their quarters were raided at 6 a.m. in a somewhat extravagant manner. See for example Kusmuk, Z., “Vasilije Andrić ‘puca’ na mjesto direktora policije” (Vasilije Andrić has his sight set on becoming the director of the police), *Global*, 21 January 2010, pp. 24-25.
- 55 For example, during 2013 Milorad Dodik, President of RS and the leader of SNSD, verbally attacked some of the BN managers and finally accused BN of being an American mercenary engaged to prosecute Dodik and his family. See, for example, the article “Dodik: Amerikanci Trišiću dali 800.000 dolara da napravi ovu hajku protiv mene” (Dodik: Tršić got 800,000 dollars from the Americans to mount this onslaught against me).
- 56 SNSD employed similar method against ATV in 2010, when the journalists were banned access to the election quarters of this political party, and against the state broadcaster ВНТ1 before that. See for example: “SNSD zabranio rad *Alternativnoj televiziji*” (SNS prohibited *Alternative TV*), *Dnevni avaz*, 2 October 2010.

- 57 Officially reported owners are RTM-TV1 d.o.o. Mostar (49 percent) and Euromedia Limited Broadcasting Company, d.o.o. Sarajevo (51 percent). Source: CRA, in a written reply, 11 December 2013.
- 58 On the other hand, *Oslobođenje* was extremely negative (in 79 percent of cases) and especially towards Radončić (in 90 percent of cases) (Udovičić 2010, 17–18). The owners of *Dnevni avaz* and *Oslobođenje* were believed to be closely affiliated with SDA until 2009, when Radončić himself started an active political engagement and in a way broke his previous political ties.
- 59 The register refers to the report of the Commission for Securities of the Federation BiH, No. 03-19-194/04, 12 April 2004, but the connection with the Selimović family is a commonplace. Forty-three percent of Klas's share (and possibly 20 more percent in the future) was taken over by AS Jelah Group, owned by the Hrvić family, which is now becoming one of the major actors in the food industry in the country. See article, available at: http://www.slobodna-bosna.ba/vijest/12712/akvizicija_godine_tesanjski_as_preuzeo_sarajevski_klas.html. Accessed 6 March 2014.
- 60 Some sources also suggest that *Dani* was affiliated with the Party for BiH, but given that the party did not do well in the 2010 elections, the magazine had to be sold to the Selimović family. See, for example, the article published at: <http://www.media.ba/en/menadzment-novinarstvo/o-cemu-sutimokad-sutimo-o-danima>. Accessed 23 January 2014.
- 61 Telephone conversation, 27 December 2013.
- 62 See S.A, "Federalna uprava policije prosljediti će naredne sedmice državnom Tužiteljstvu nalaze o kriminalu u Bošnjačkom institutu!". Website *Moj portal* is mentioned as being closely connected with the Social Democratic Party.
- 63 *BN television* and *BN radio* are owned by Jela and Vladimir Trišić; *ATV* by Nataša Tešanović, Milan Lukić, Darko Aleksić et al; *Hayat TV* by Elvir Švrakić, Dženana Švrakić, Nermin Karačić and Emin Švrakić; *RSG radio* by Adnan Osmanagić; *Radio Kameleon* by Berbić Zlatko; *Radio Kalman* by Edin Kršo.
- 64 Data and estimates on ownership and affiliations of online media are not provided due to scarcity of information on these media outlets.
- 65 Published by Pres-Sing Ltd., which is founded by the editors and journalists Senad Avdić, Sedina Lončarević-Metiljević, Asim Metiljević, Suzana Mijatović, Sead Omeragić, Abdulah Sidran and Marko Vešović. Source: Court registry, Municipal Court in Sarajevo. It is important to note that the online database of registered companies does not include this company. The court documents on the registration were provided three days after the request, per fee of approximately 25 euro, i.e. 5 euro per page.
- 66 Media under state ownership will be considered in a separate chapter.
- 67 Source: <http://www.pink.co.ba/kompanija/onama/>. Accessed 28 January 2014.
- 68 Source: "Pranje prljavih para' u BiH" ("Dirty money laundering" in BiH), *Dani*, 30 December 2011.
- 69 See, for example, Čardžić, "Ivan Čaleta i OBN napali su sve nas" (Ivan Čaleta and OBN attacked all of us), *Dnevni avaz*, 12 January 2006.
- 70 Source: Mustajbegović, "OBN: Otvoreno pljačkanje Bosne" (OBN: Open plundering of BiH), *Dani*, 4 March 2005.
- 71 Azra Radončić is now a founder of AVAZ Ltd. company, which is the founder of Avaz-rotor press Ltd. Sarajevo, the founder of *TV Alfa*.
- 72 Among them Naser Kelmendi, the leader of a major crime network in the region. There was a series of police investigations against this group, within and outside of BiH, for possible involvement in smuggling, trafficking, money laundering, murder and other crimes. In a recent court proceeding against Zijad Turković for a series of crimes, a witness who had been for 10 years an employee in *Dnevni avaz* and *TV Alfa* stated that Radončić had approved a murder of Ramiz Delalić - Čelo, a war commander in the Army of the Republic of BiH. The same witness reported that Radončić had forbidden reporting on Turković and Kelmendi at the time when she was working for the daily. At the same time, Zijad Turković witnessed that Radončić had ordered the murder of Naser Kelmendi. Source: CIN, "Šejla Turković: Zijad je naslijedio 900,000 KM",

- and CIN, “Turković: Radončić platio za likvidaciju Kelmendija”.
- 73 The fact that Radončić was appointed a Minister of Security of BiH in 2012 was interpreted by some as a further downfall of the legal order in BiH. See, for example, Imamović, “Bilo jednom u BiH.” *Buka*, 11 June 2012.
- 74 By the beginning of April 2014, it remains uncertain whether the current political interests will lead to the confirmation of his removal by the House of Peoples of the Parliamentary Assembly of BiH.
- 75 Some media report that Gavriilo Bobar, much like some other persons affiliated with the leading SNSD party, received a loan of approximately 3 million euros from the Investment and Development bank in Republika Srpska in 2011. The same source suggests that the sustainability of Bobar bank is dependent solely on the funds from the state institutions in Republika Srpska (M.D. “Propalu fabriku Prehrana Željka Dragičević prodala Gavrilu Bobaru” (Željka Dragačević sold the failed Prehrana factory to Gavriilo Bobnar), *Slobodna Bosna*, 11 Avgust 2011.
- 76 See, for example, the article at: <http://www.6yka.com/novost/25490/cijena-bosnjastva> (accessed 4 February 2014). See also: <http://www.poslovnih.hr/after5/trgovacki-talent-s-bascarsije-45771>. Accessed 12 January 2014.
- 77 Consortium of companies Nezavisne novine and Integral engineering (later taken over entirely by Nezavisne novine). It was speculated that the privatisation was influenced by SNSD, and that thanks to political affiliations Kopenja was not fined for failing to employ a certain number of workers in *Glas Srpske*, as obligated by the privatisation contract. The sources are however only few, primarily found on the blog of the journalist Slobodan Vasković. Available at: <http://slobodanvaskovic.blogspot.com>. Accessed 19 January 2014.
- 78 See, for example, M. Aščić. “M:tel kupuje Logosoft za 24 miliona maraka” (M:tel buying Logosoft for 24 million KM), *Dnevni avaz*, 25 December 2013, p. 2.
- 79 Of the 49 distributors of TV and radio program, the major ones are Telemach Ltd., with the majority of capital belonging to the company Bosnia Broadband based in Luxembourg, Cable TV HS, owned by private entities Hajdarević Enes, Jovanika Kabanica, Fadi Abaz and the Sarajevo company Satelit, and the distributor Elta-kabel Ltd. owned by Aco Kabanica.
- 80 In September 2013, Croatian *Nova TV* issued a statement that distributors in BiH are not authorised to distribute their program. CRA reacted and took out *Nova TV* from the Annex to the Licence for distribution of the audio-visual media services, after which cable operators stopped the distribution of *Nova TV* programs. CRA indicated (in a written reply on 25 December 2013) that there were no other cases of disrespect for regulations related to the distribution of program, and that in the case of *Nova TV*, the distribution was stopped soon after Nova “retracted” the licence for BiH distributors to take-over their signal. However, Senad Zaimović, the director of the advertising agency Fabrika, points out that both TV channels from Croatia and the Agency for Protection of Intellectual Ownership informed him that the licence for re-broadcasting of their programs was not regulated. See article: <http://www.media.ba/bs/magazin-medijska-politika-regulativa/senad-zaimovic-javni-servisi-su-s-pravom-zabrinuti>. Accessed 20 February 2014.
- 81 The major ones are: McCann Erikson Sarajevo, owned by Universal media Ltd. Sarajevo, a company owned by a citizen of Serbia, Srđan Šaper; Direct media Ltd., owned by Multikom Group Ltd. Beograd (Serbia) and in part by the private person, Aleksandra Ćuk. It is part of the network of companies operating in the Adriatic region. Mita Group Ltd. Sarajevo is owned entirely by the private person, Mirsad Kućuk, but it is also part of the wide network of agencies. Communis Ltd. is an agency owned by private persons, Ivan Stanković from Serbia and Zvezdana Cvijetić from Sarajevo. Omni media Ltd. Sarajevo is owned by a Croatian citizen, Neven Čičko. The owner of sv-rsa office in Sarajevo, mentioned by secondary sources (but not in the online register of pravosuđe.ba), is Neven Kulenović.
- 82 The ownership structure of Mareco Index Bosnia Ltd. includes Balkan British Social Surveys and INDEX AD Shareholding association from Bulgaria, D3 Systems Inc Austria/USA, as well as private persons – two from Austria and three from

- BIH, Roswitha Hasslinger, Friedrich Karmasin, Aida Hadžiavić-Begović, Vahid Kljajić and Reuf Kljajić. Aida Hadžiavić-Begović stated in an interview conducted on 19 December 2013 that the ownership is to be soon transferred from Reuf Kljajić to other owners.
- 83 Formed in 2005 with the support of USAID/Che-monics. Members are the larger TV media outlets and advertising agencies, which joined with the aim to provide financial and procedural frame-work for research in the broadcasting sector. MIB was chosen based on credentials and the lowest offered price.
- 84 The search of available database was a courtesy of Saša Leković and his colleagues from ICIJ (International Consortium of Investigative Journalists), who stated they had never come across a similar case.
- 85 Representatives of Audience Measurement de-clared to be interviewed for the purpose of this research. Similarly, by 4 March 2014, no reply was provided by the Institute for Measurement in BIH (a request was submitted on 14 December 2013).
- 86 Internet reached 57 percent of population in 2012, i.e. 551,037 subscribers and 2,184,500 users (CRA 2013b). Of the 100 surveyed online media users, 17 percent reported that they use online sources every day, and 47 percent of them almost every day, while only 5 percent reported that they do not use online sources for news. The same source suggests that users tend to visit online news sources via links on social media - almost one fifth of 100 respondents visited news sources exclusively through social net-works (Husejinefendić 2012, 228).
- 87 CRA, Analiza tržišta emitovanja (The analysis of the broadcasting market), p. 11.
- 88 AFIP and FIP in the Federation of BIH and APIF in Republika Srpska. Majority of capital belongs to the respective entity (AFIP and FIP - Federation of BIH and APIF - Republika Srpska).
- 89 LRC Inženjering also provides this data on com-mercial basis, but it was recently accused by AFIP of illegitimately acquiring information and of some inaccuracies. However, the Council of Com-petition ruled that AFIP abused dominant position on the market. See more at: <http://afip.ba/index.php/component/content/article?id=48&>. Ac-cessed 03 February 2014.
- 90 It is normally available for larger businesses. The information cannot be ceded to other persons, fur-ther distributed or published. See the guidelines for the access to financial information, published at: <http://afip.ba/images/materijali/PravilaOUstupanjuPodataka.pdf>. Accessed 3 February 2014.
- 91 As stipulated in the Law on Public RTV system BIH, Law on Public RTV service BIH, Law on RTV FBiH and Law on RTRS, and Rule 57/2011 on public RTV broadcasters.
- 92 For illustration, the reply (e-mail, September 2013) to our request for information on the funds given by the Government of RS was that decisions involving subsidies for media are published in the *Official Gazette of Republika Srpska*. However, there is an unmanageably large number of vol-umes of *Official Gazette* which should be explored individually to find these decisions.
- 93 Source: PR officers of the audit house of FBiH and the audit house of BIH, informal telephone con-versations, December 2013.
- 94 For example, annual audits are provided yearly for institutions on the level of FBiH, but the audit of-fice is mandated to provide audit reports on pub-lic companies only occasionally, per established criteria of priority.
- 95 The database is available at: <http://database.cin.ba/finansiranjeudruzenja/>. Accessed 3 February 2014.
- 96 Somewhat higher are the estimates of another ad-vertising agency – overall 33 million euro of ad-vertising revenues; TV 70 percent, outdoor 10 per-cent, online 4 percent.
- 97 As shown in Table 10, Telekom Srpske has invest-ed much more funds for advertising in 2012 than the two public telecom companies. Telekom Srp-ske was privatised in 2006, and its major owner now is Telekom Srbije (65 percent of stocks). An-other public company, Elektroprivreda, is per-ceived to be related with SDP. Due to limitations on this research, advertising practices of these companies will not be elaborated further.
- 98 The values are indicative but do not enable clear con-clusions about the tendentious motives in this sense.
- 99 The managers of the members of Mreža plus network – *ATV, Hayat, TV Oscar C, TV Tuzla,* and *Pink BIH*. See, for example, the article enti-tled “Dok SIPA traga za milionima eura koje je

- 'oprao' Darko Aleksić, direktorica ATV-a Nataša Tešanović traga za – donacijama," published by *Slobodna Bosna*, 10 November 2011, p. 4, where it is claimed that Darko Aleksić, one of the owners of ATV was for example paid 440,127 euro and was involved in the laundering of 1.94 million euro.
- 100 During that time, the advertising agency SV-RSA was engaged in SDP's election campaign in 2010, which is also an indicator of connections between the owner of this agency, Neven Kulenović, and the political party SDP (Suzana Mijatović, a journalist of *Slobodna Bosna*, interview, 12 January 2014). Source: "Milionski profit HT Eroneta izvučen preko marketinških agencija zagrebačkog 'Digitela' i sarajevsko-beogradske agencije SV-RSA koju vodi marketinški mešetar Neven Kulenović," *Slobodna Bosna*, 17 February 2011.
- 101 See more in the article by Esad Hećimović, Hervig G. Hoeler and Blaž Zgaga, a result of an investigative journalistic project, supported by the SEE Media Observatory, published in *Slobodna Bosna*, 23 January 2014, pp. 32–36. It should be noted that Hećimović is an editor in the OBN television, and is not a journalist of *Slobodna Bosna*, but this article was published in that magazine.
- 102 We have contacted OBN for interview, but did not receive the final positive reply from its managers.
- 103 See for example, Dedajić, M., "Pod lupom revizorski izvještaji za 2007 and 2008" ("The Audit Reports for 2008 and 2008 Under Scrutiny), *Dnevni avaz*, 10 February 2009.
- 104 We addressed a request for an interview to SV-RSA on 5 March 2014, but we did not receive a positive reply.
- 105 Similarly, Mijatović said that *Slobodna Bosna* has never signed advertising contracts with the public company Elektroprivreda BiH after reporting critically about this company.
- 106 Source: CIN, "Srcem na izbore i u kupovinu domaćih proizvoda."
- 107 Gemius Audience is a global company with headquarters in Poland and 17 offices of which two in the neighbouring countries. Gemius had cooperated with a company from BiH - Valicon (majority capital owned by the Slovenian company Valicon Ltd., and a private person Ismir Omeragić) until 2012, when around 100 different websites were included in the research.
- 108 In addition, while the rankings do not recognise a user as one unique user if he/she is accessing from different locations and may therefore be operating with unrealistic numbers, the GA measurement system is taking into account the data from the field and is expectedly much more reliable (a telephone conversation, December 2013).
- 109 For example, *Dnevni avaz* is currently not included in the measurement system.
- 110 Hadživadić-Begović reports that media (especially *Slobodna Bosna*) have tendentiously reported on the inspections of MIB and on MIB's alleged refusal to engage in the measurement system audit, while in fact the problem was the lack of resources for such an audit, and that they failed to publish MIB's responses. Hadživadić-Begović also reports that one of the inspectorates requested MIB to disclose information on the households included in the measurement system. Given that this would be against the principles of media research, MIB instead offered to test the numbers on the measurement equipment without disclosing the data on households. In addition, one of the households informed MIB that there were some people in the field trying to find the households included in the research and replace the measurement equipment, after which MIB introduced additional mechanism for data protection. No significant misconduct was established through these inspections (conclusions of the inspectorate, research archive).
- 111 In several countries in Europe including Spain, Czech Republic, Serbia and Macedonia people metres are not included in the certification of metrology institutions (Source: responses by metrology institutions sent to MIB; director of MIB forwarded the replies to Mediacentar; saved in the project archive). On the other hand, for example, the AGB Nielsen in Slovenia had to attest the equipment, get the certificate from the Slovenian Institute for Quality and Metrology, based on which the relevant ministry issued the decision allowing the use of the equipment (Source: e-mail reply from AGB Nilsen Media Research, Slovenia, January 2014, research archive)..
- 112 Source: Aida Hadživadić-Begović, the director of MIB.

- 113 See MIB press releases at: <http://www.mib.ba/01e.asp> (accessed 25 January 2014). The Mediacentar foundation has tried to arrange interviews with the representatives of both Audience Measurement and the Institute of Metrology, but the former did not want to respond to the request, while the latter asked for an official, written request. We have filed the requests at the beginning of December 2013 but have not received any reply.
- 114 Adnan Bilal, the marketing director of *RTV FBiH*, Senad Zaimović, the director of Fabrika advertising agency.
- 115 Other employees of CIN are the members of CIN's assembly, plus the Governing Board with seven members from Europe and USA.
- 116 According to a written reply by Leila Bičakčić, January 2014.
- 117 At the conference on the results of intervention of the international community in the region, organised by Analitika, Sarajevo, 16 October 2013.
- 118 Boards of Governors cannot include government officials, members of political parties, employees within PSB or of other companies involved in broadcasting, etc. However, other forms of possible interests in media-related companies are not included in the prohibition of conflict of interest (such as indirect connections, capital shares etc). The protection against unwarranted dismissal is partly provided by the requirement to specify the ground for the dismissal of board members and directors, but the three laws do not specify the appeal procedures and thus offer little protection against politically motivated dismissals by entities' parliaments.
- 119 See *supra* note 32.
- 120 The role of the Board of Governors includes the protection of interest of the public in terms of the broadcast program, supervision of the overall business performance and of the use of the broadcaster's property.
- 121 Since then, the Parliament of FBiH moved to other priorities leaving the issue unresolved, with one of the members of the previous Board resigning in June 2013, while the term in office of the rest of them expired (the last one in July 2013). Similarly, the attempts in 2009 to discharge the director of *BHRT*, Mehmed Agović, now the advisor to the Minister of Traffic and Communication, were seen to be bogusly justified by poor business performance, while being most likely motivated by the interests of leading political groups.
- 122 See, for example, the interview with Borka Rudić, the Secretary General of the BH Journalists association. See *MC Online*, "BH novinari: Ovo je politička optužnica."
- 123 Also, under the pressure of the European Union, the laws pertaining to *RTVFBiH* and *RTRS* were amended. The Law on *RTRS* was adopted on 11 May 2006. The Law on *RTVFBiH* was questioned for a possible violation of "vital national interest" i.e. equal rights of constituent peoples in decision-making, education, religion, language, nurturing of culture, tradition and heritage. Finally, the Law was adopted in August 2008.
- 124 Some progress was made during 2012 with the installation of digital transmitters, connecting three centres with PSB offices in Mostar, Sarajevo and Banja Luka. By the deadline for the switchover (December 2014), the procedural issue, development of infrastructure, public campaigning and assurance of both technological and informational readiness of citizens, should be resolved.
- 125 Complaint procedures have taken two years, partly due to the fact that the Complaints Office is slow and their term in office has expired. This infrastructure should be "connecting five IT centres in the system of digital connections and transmitters covering the area of Sarajevo, Mostar and Banja Luka with the digital signal" (Mehmed Agović, in a written reply, January 2014). The funds for this phase are already assured, and if there are no complaints over the tender, the realisation of this phase should start approximately by the end of February or in March 2014, Agović indicated.
- 126 See the article "Zašto je (ne)privatljiva hrvatska televizija u BiH". Available at: <http://www.media.ba/bs/magazin-medijska-politika-regulativa/zasto-je-neprihvatljiva-hrvatska-televizija-u-bih>. Accessed 21 December 2013.
- 127 See for example a series of articles published at: <http://www.media.ba/bs/magazin-medijska-politika-regulativa/da-hrvatskom-kanalu-u-bih> (accessed 21 December 2013).

- 128 The relevant laws on PSBs stipulate the existence of a program council, an advisory body including representatives of different constituents of the population, but their role has so far been marginal.
- 129 See for example Isanović (2008, 289).
- 130 See for example Tešanović (2011, 50).
- 131 However, the relevant institutions do not share the same view. At the assembly of the Council of Competition held in December 2013, *OBN's* charges against all three public service broadcaster were dismissed on the grounds that the abuse of dominant position of the market could not be determined. See: <http://bihkonk.gov.ba/7127.html> (accessed 8 February 2014).
- 132 Each of the three broadcasters had been allowed six minutes of advertising per hour, i.e. 18 minutes in total, before it was reduced to four minutes per hour (a decision that will soon be reconsidered; more in the chapter on policies), while commercial media are allowed 12 minutes of advertising per hour. In some cases, PSBs practice discounts that sometimes exceed 70 percent of the regular advertising price (CRA 2013a).
- 133 At the same time there are differences in the functioning of three broadcasters, with *FTV* having higher expenses than other two broadcasters and a higher average salary. The average salary of *RTV FBiH* employees is by 27.06 percent higher than that of *BHT* employees, and 24 percent higher than in *RTRS*, although CRA claims that their programs do not differ significantly
- 134 See Boev (2012, 29).
- 135 The percentage is approximate, but the idea is to limit the influence of the markets on the programming of public service broadcasters (*Article 19* 2005, 14).
- 136 This is the lowest possible percentage, and most likely there is a considerable number of households exempt from the obligation to pay licence fee, although we do not have the precise data (CRA 2013a, 15–17).
- 137 As a part of this research, 12 interviews with journalists, editors and owners of media outlets were conducted in October 2013, focused on position and performance of journalists (the remaining interviews were focused on other issues), while trying to respect the territorial and ethnic diversity, as well as to include different media sectors: public and private TV stations, radio, newspapers and online media.
- 138 See, for example, Marko (2012) and Jusić (2004).
- 139 Indicated by several respondents in this research. See also Marko, 2011–2012, p. 6.
- 140 For example, the current Minister of Economic Relations and Regional Cooperation of RS, Igor Vidović, was previously a member of the Governing Board of *RTRS* (four-year term, starting in 2009), and before that an official within the Assembly of the City of Banja Luka (2004–2008). The term in office of the previous director of *RTRS*, who was often mentioned for his support of the leadership of SNSD, was extended for 10 years, until September 2013 when he was finally replaced. It is speculated that the reason behind this replacement was that SNSD was not satisfied with his support anymore. See, for example, M.D., “SB saznaje: Dodik smijenio Davidovića, generalnog direktora RTRS-a.”
- 141 Some sources suggest the editor-in-chief does not have the minimum of five years of experience at editorial position, as requested in the call (see N.S., “Pisma čitatelja: Vera Sajić bira rukovodstvo Srne”). Željko Raljić of the *Respekt* magazine, interviewed on 7 October 2013, believes that the editor is closely affiliated with SNSD and will be appointed again; he also reckons that the new call for candidates will possibly not be published before the current editor gains the needed experience. In addition, the editors and journalists of this agency submitted a letter to the government of RS in August 2013, asking for a new management with required competencies (see for example “Urednici *Srne* pisali vrhu Srpske: spasite nas, na samom smo dnu,” *Kurir*).
- 142 It is likely that journalist themselves tend to work in media outlets which share their ideological position (as Išović suggested), or they later start to identify with that ideology and political option (as Žigić suggested). Most notably, the dominant ethno-national and entity fragmentation within BiH is reflected in the stances taken by journalists, which automatically assures much of their compliance with the particular interests of political elites. Two respondents also point to a problematic involvement of journalists in the political

- campaigns and their role of advisors to state officials, or involvement as party candidates.
- 143 Forty percent believe that there are occasional cases, 18 percent believe they are inherent to media practices, while 41 percent of respondents said they did not have knowledge of the existence of such practices. Only one respondent reported that he personally had been ordered not to report critically about certain governmental structures (Hodžić, 2008).
- 144 The Municipality Court in Sarajevo decided almost two years later that the dismissal was unwarranted and that Jurišić should be re-appointed. By that time, however, the position of chief editor ceased to exist due to internal changes in the FTV statute, which were again believed to be illegitimate. Jurišić was offered a different position in 2012, but refused reckoning it was not a fair equivalent. In mid 2013, Jurišić was appointed the editor of the TV program. However, this positive resolution was rather a result of changed circumstances, loosened political ties and judicial remedies, than an indicator of lasting changes in terms of the legitimacy of appointment procedures and political independence (see for example Sadiković, "Jurišić smijenjena zbog političkih pritisaka?"). In another case, although the declared reasons for the demotion of the editor of news program, Bakir Hadžiomerović, were the lack of professionalism and violation of journalistic norms, Mirza Huskić, a representative of the Trade Union of RTVFBiH and BHRT indicates that the dismissal was in fact tendentious and procedurally questionable (interview in October 2013).
- 145 Estimates by the respondents in the MSI research (IREX 2013, 25).
- 146 The salaries in the biggest outlets reach around 800 euro, and in rare cases up to 1790 euro.
- 147 Both interviews conducted in October 2013.
- 148 See Hodžić (2010, 13–15).
- 149 An interesting case was incitement to violence on Facebook against the journalist Predrag Lucić in April 2013, for his satirical poem about the war crimes in the village of Ahmići. The poem focused on the role of the Croatian army in the committed crimes but was mistakenly interpreted as disrespectful and politically problematic.
- 150 OSCE press release available at: <http://www.oscebih.org/News.aspx?newsid=1565&lang=EN>. Accessed 12 January 2014.
- 151 The attack by the President of Republika Srpska on BNTV journalists, accusing them of "taking the money from the Americans to destroy [him];" the attack of the mayor of Trebinje municipality on the journalist Nebojša Vukanović (ATV) and other journalists present at a press conference (February 2013). The editor of *Slobodna Bosna* magazine reported numerous threats and insults by Zoran Čegar, Chief of the Intelligence Sector of the Police of Federation BiH in May 2013. A member of the Assembly of Una-Sana Canton even physically attacked a journalist of the online outlet *IN Media* in January 2013, etc.
- 152 In addition, Željko Raljić, a respondent in this research, reported that he was exposed to a form of pressure in July 2013 when he was interrogated at the Ministry of Internal Affairs, as he believes, under the instruction of the chief of security of the President of the RS, after he published a pamphlet that had been sent to his office portraying the president of the RS as corrupt and a criminal. As Raljić said, the interrogation was focused on revealing the name of the person distributing the pamphlet, but Raljić refused to disclose this information.
- 153 President of the RS filed a lawsuit against Ljiljana Kovačević in May 2013, after she reported on the Prosecutor's Office investigation concerning the construction of a government building in Banja Luka.
- 154 By the end of April 2012, only one of them was legally binding.
- 155 Law on Associations and Foundations of BiH, Constitution of FBiH, Constitution of RS.
- 156 Fourteen individual trade union organisations with around 200 employees and five individuals are members of this union (source: Mariana Šarčević, a representative of the Trade Union of Media and Print Workers in the RS). Eighteen media and around 1600 journalists are members of the Trade Union of Graphic, Publishing and Media Workers in FBiH (source: Amer Toskić, a representative of the Trade Union); both inputs provided through telephone and e-mail communication in August 2013.

- 157 A survey conducted in 2007 (Hodžić 2008) showed that around 31 percent of respondents – media workers (out of 121 in total) were members of trade union organisations. However, the trade union organisation in RS put the percentage at around 60; other sources indicate 15 percent of media workers are members of trade union organisations in BiH (Tešanović 2011, 63).
- 158 Press Council of BiH and BH Journalists 2012, 24-25.
- 159 They are: BH Journalists association (BH novinari), Association of Journalists of RS, Association of Young Journalists of RS, Association of Croat Journalists from BiH, Association of BH Journalists, and Network of Women Journalists. Additionally, there is the Association of Reporters from the Courts of BiH, as a part of Balkan Investigative Reporting Network (BIRN), but it is not registered as an association.
- 160 Information provided by BH Journalists on 19 November 2013.
- 161 Some sources suggest their reactions are not always consistent and, for example, there were no reactions to tendentious journalism in *RTV FBiH* prior to 2012.
- 162 Marko (2012, 10) also questions whether the major conference that this association organised was more of a political event, given that the main guest of the conference was the President of Republika Srpska who spoke of the economic perspectives of the RS.
- 163 See, for example, analytical article by Paulina Janusz, “Spin of a spin”, available at: <http://www.media.ba/bs/magazin-novinarstvo/spinom-na-spin> (accessed 3 March 2014), as well as article: “Protestants were promised the weapons for attacks on Republika Srpska”, available at: http://pressrs.ba/sr/vesti/vesti_dana/story/54891/Demonstrantima+obe%C4%87ano+oru%C5%BEje+za+napad+na+rs!.html. Accessed 3 March 2014.
- 164 See, for example, previous MSI IREX reports.
- 165 However, the effects of these affiliations on media content should not be overemphasised. As one of our respondent said, most of the media content is still correct, and only content directly related to the relevant political parties can be expected to be biased and unprofessional (Davud Muminović, an assistant editor at *Al Jazeera Balkans*).
- 166 See also Džihana et al. (2012).
- 167 This statement is based on the perception of few respondents and it has by no means been confirmed through systematic content analysis.
- 168 In 2013, the court allowed CIN to access information on the salaries of state officials in two state institutions. See more at: <http://www.cin.ba/cin-dobio-dvije-tuzbe-protiv-institucija/>. Accessed 9 February 2014.
- 169 One of interviewees said, based on his own experience, that the *DW* follows professional standard of balanced reporting and allows investigative journalism (Emir Musli, a freelance journalist).

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CROATIA

Helena Popović

INTRODUCTION

It's been more than two decades since Croatia gained independence. The transformation has been profound and has, in a relatively short period of time, brought a systemic change, moving from a socialist system during Yugoslavia towards a right-wing authoritarian system in the nineties, and then towards a liberal system from 2000 onwards. The transition has symbolically ended with the EU membership in 2013, and it seems that this path implies an overall improvement of social institutions and the "quality of life" in general. However, an opposite claim could also be made, in this case related to the media system in Croatia. The following chapter will demonstrate why.

The chapter is based on primary and secondary data: primary data were gathered from three focus groups composed of journalists divided according to the type of media for which they worked,¹ and four interviews with relevant actors.² A fifth interview was planned with the Director of the *Croatian Radiotelevision, HRT*, a public service broadcaster, however he was unavailable.³ Secondary data included official statistics, reports written by institutions relevant in the field of media, academic research, market research agency reports, investigative journalist articles etc. Since particular type of data is unavailable, it was necessary to use alternative sources and to make estimates which provide only a limited insight into the field of research. Some of the difficulties in the process were caused by fragmentary data, or absence of data; access to information useful for research was sometimes denied (both by public and private institutions), and even when data could be accessed, the methodology of data gathering used by individual institutions is often insufficient and fragmentary. Although every effort was taken to make this paper as accurate as possible, the information may not be exhaustive, and not all the cases and all the media that deserves attention are included. The choices were made according to the context and period of writing in which some problems came to the fore while others, perhaps equally important, were marginalized.

1. MEDIA POLICY AND IMPLEMENTATION

1.1 THE DEVELOPMENT OF MEDIA POLICY

Media policy development in Croatia is characterized by two phases, with year 2000 seen as an important turning point in the recent history of the country. The first phase in the nineties was characterized by state-controlled media and poor regulation. The second phase began in 2000, after president Tudman's death and the change of government in

which the centre-“left”⁴ coalition with the Social Democrats as the leading political party came to power; during this phase, media regulation oriented towards the market pluralist model dominant in Western Europe started to develop. With the Croatian Democratic Union (HDZ) regaining power in the parliamentary elections in 2003, there was a worry that the EU accession processes would be hindered by the newly elected right-wing government. However, even to the surprise of the HDZ electorate, the political elite with Ivo Sanader as Prime Minister (now on trial for corruption), supported the EU accession processes. Thus, the media policy regulation continued to move in a similar direction regardless of the change of the ruling party: the media policy strategy of both the HDZ and the centre-“left” coalition was quite similar and mainly defined in accordance with EU provisions. This was accelerated with the candidate country status awarded in 2004, and formally concluded in June 2011. Due to the fact that HDZ was in power from 2003 to the end of 2011 – when the centre-“left” Kukuriku Coalition came to power – the majority of media-related acts were passed during their reign. Three of these are the most important for the media landscape: the Media Act (2004), the Electronic Media Act (2009) and the Croatian Radiotelevision Act (2010) that regulates the Public Service Broadcaster. Other laws important for the media field are the Audiovisual Activities Act (2007), the Croatian News Agency Act (2001), and the Electronic Communication Act (2008), as well as numerous other acts that indirectly touch upon the media landscape. As is obvious from the aforementioned, the acts regulating the media landscape are numerous, and frequent changes and amendments have made it a complex area to follow.

There has never been an explicit strategy developed by the policy makers in Croatia; instead, media-related policies were “imported” as a part of the EU accession processes.⁵ However, Nina Obuljen Koržinek,⁶ former State Secretary responsible for media at the Ministry of Culture during the reign of HDZ, maintains that there was an implicit strategy and that all the decisions were part of a broad participatory endeavour, but that this positive trend stopped when the current government gained power (in 2011). In her words:

It is hard to speak of a strategy before 2000, since the social context was such that it was necessary to find ad hoc solutions ... After 2000, the government decided to completely revise the media legislation. It was then, in 2002 and 2003, that the government decided upon the foundations and principles which defined the direction in which media policy regulation developed, and that direction has not changed, it has only changed insofar as to implement changes in the parts that did not enable implementation or in the parts where adjustments needed to be made in accordance with EU regulation. ... [Thus], I think it is wrong to say that we never had a media strategy, maybe not in the sense of a detailed elaborate strategic document, but a vision could certainly be derived from a participative process ... that big turning point in the beginning of 2000 and all later reforms and new regulations

occurred in a very broad participative process ... until the last changes that happened in the last two years that were enforced without any public debate.

A different opposite, view is visible in the statement of the current head of the Media Department at the Ministry of Culture, Milan Živković⁷ (SDP), who claimed that a strategy never existed while the decisions were made by a small circle of connected interested parties and not as a result of a broad participatory process. In his words:

We have never had a strategy that would be articulated in any form of document or an intentional project, and there was no debate outside of a small circle of interested parties that included representatives of political power and economic power along with, perhaps, a minor participation of representatives of the academic community or civil society... this was not much debated and the debates were held behind closed doors, and it was always a consensus between economic and political powers.

While a strategic document was never written, the direction visible in policy making in the last two decades, which reflects hegemonic discourse, clearly shows a determination to ensure free operation of commercial media and market competition, while state protection has been condemned as a relic from the past socialist times – this was a position held by external actors representing the EU, as well as domestic, newly established elites that worked their way to deliver the necessary reforms and meet the conditions for the EU membership. Accordingly, there was a widespread belief in the “invisible hand of the market” – a notion that a regulatory framework for the growth of media pluralism based on market principles would guarantee a proper functioning of the media landscape. Obuljen Koržinek points out that this conviction has repercussions for the media landscape visible in the Media Act passed in 2004, which is the weakest link when it comes to the implementation of legislative provisions. As she claims, this is a very concrete result of the fear of political influence on the media landscape:

... The dissatisfaction with the implementation of the Media Act has a very clear cause, the cause was the insistence, through the directions provided by the Organisation for Security and Co-operation in Europe (OSCE) and the experts they put at our disposal, that no public authority institution/body was allowed to gain power to implement that Act, so now we have a situation that we have an Act that nobody implements.

While it is true that implementation is lacking, this seems to be a way to transfer the responsibility to external actors only, and to free local/domestic decision makers from responsibility in this respect. While the above-mentioned statement points to processes by which the State was passivized from outside due to fear of political control, Živković directs attention to the social actors that gained power in these processes. As he claims, media regulation defined in the decade 2000-2010, was created in accordance with EU regu-

lation which overtly favours economic players in the media field, but the whole process occurred as a consensus between the elites:

I think that the last changes [in policy regulation] are more in favour of economic power ... after all, the Television Directive of the European Union which forms the base for the Electronic Media Act has partly been introduced in order to protect the interests of commercial television in Europe, and to ensure its spreading, often at the expense of public service television ... to give an example, what lies behind the stipulation in the Electronic Media Act that the state ... has to allocate 15 percent of its total advertising expenditure to commercial local and regional media – if that isn't a normative transposition of small private interests then I don't know what is!

1.2 POLITICAL POWER

Even though both the former and current representatives of the Ministry of Culture insist that political power was marginalized in the policy regulation processes and implementation, it is evident that state officials, especially the members of the ruling parties, had an important role in the mentioned processes, not only due to their structural position, but also because of path-dependent actions in which “...preceding steps in a particular direction induce further movement in the same direction” (Pierson 2000). This path dependency is particularly connected to the period of the nineties, when the authoritarian regime of the former president Franjo Tuđman (HDZ) controlled the media, a period in which many social actors gained importance in political life and are still active today.

The power of the governing political parties in contemporary Croatia is most visible in the area of PSB regulation. The new Croatian Radiotelevision Act, introduced in 2010 and amended in July 2012, strengthened the position of the Parliament which now appoints the *HRT* general manager, the majority of the *HRT* Supervisory Board members and all members of the *HRT* Program Council. Thus, the governing political formation has an excessive power, visible in the recent case (September 2013) in which the Supervisory Board of *HRT* requested the dismissal of the general manager (Goran Radman) due to several breaches, but he was able to retain the post thanks to the support of the majority in the Parliamentary Committee on Information, Computerisation and the Media.⁸ This clearly shows that political support enables certain actors to retain their positions regardless of the evident breach of legislative provisions.

1.2.1 THE INEFFECTIVENESS OF REGULATORY BODIES

While media legislation is thoroughly defined as a result of EU accession processes, the prevailing problem that remains unsolved is the implementation of the provisions

stipulated in the acts. In this respect, the regulatory bodies that are supposed to supervise and monitor the players in the field are important. The Parliament plays an important role here since it appoints the members of the regulatory bodies important for the media landscape of which the one with the broadest powers in the field is the Agency for Electronic Media and its Council for Electronic Media. Even though they are formally independent, the members of the regulatory bodies are usually aligned with the political party which supports them in the appointment process. They are, as Živković puts it, semi-autonomous:

... We have a semi-autonomous regulatory body which is the Agency for Electronic Media ... it should function independently from the state, but the mechanism of selection is the Parliament that appoints the members of the Council for Electronic Media ... the parliamentary majority appoints members ... whether that is a good or bad thing – I don't know. ... I don't think that we have invented a better way to appoint members of these bodies ... The current attempt to establish a self-regulatory Media Council as a joint venture of the Croatian Journalists Association, the print media owners, [an idea that is] even supported by the Agency for Electronic Media has not given any results. The council is not functioning ...

Nada Zgrabljic Rotar,⁹ Associate Professor at the University Center for Croatian Studies, points out that the operation of the regulatory bodies is questionable, and explains it in the following way:

... To what extent are members of some regulatory bodies autonomous and free, and to what extent are they appointed based on the quality of their previous work and expertise or some other criteria? They should face some consequences if they don't fulfil their obligations.

In her view, one of the reasons for this problem is that the members of regulatory bodies are employed (their term in office usually lasts 4 or 5 years) and attempt to remain in position, thus they are not autonomous but depend on political structures. In addition, any type of long-lasting situatedness in the same institutional position necessarily ends up in various types of dependencies and connections which prevent the actors from fulfilling their formal obligations, especially if this includes stepping on the toes of a powerful social actor.

Another view on the ineffectiveness of regulatory bodies is given by Obuljen Koržinek, who links the problem to individual characteristics of the people in charge, and claims the main problem lies in the lack of expertise:

I am apt to explain this [lack of implementation of certain provisions] by the fact that knowledge about the media and media policy on all levels is very low. The recruiting pool of personnel is small ... [and] in the places where particular interests manage to flourish; it is the result of a low level of information, the lack of criteria and standard, [and] non-transparent way of decision making.

In addition to political pressures and influences obvious from the statements above, economic influences are also clearly visible and they determine the implementation processes. How to otherwise explain the situation in which a breach of legal provisions by commercial media has no repercussions for them although it is something that would, by common sense, be in the interest of the State, not only because it would obtain a stronger position that enables control, but also as a way to fill the state budget. As Zgrabljic Rotar puts it:

[If we look at commercial media] and I am mainly thinking of commercial television in foreign ownership ... we know that they don't fulfil their obligations set out in the program based on which they got the licence. That is not transparent and publicly available ... it is all because there are extremely strong economic lobbies ... that operate through advertising, management councils etc. In that part, there is not enough autonomy; they can put pressure ... well on everyone! These are strong institutions and bodies.... When I was a member of the Council for Media, all the violations made by Nova TV or RTL ended up in admonitions, regardless of who intervened ... are there any limits to admonitions?!

This non-transparent and passive position of the regulators working in favour of the commercial actors is visible in the case of *H-Alter* – a civil society association and a news portal – which demanded that the Council for Electronic Media publish the contracts signed with the largest television companies that have a national broadcast licence in Croatia. It took 14 months for the Council to make a move. Only one contract was made publicly available – the one signed with *RTL* in 2004 – from which it is clear that they do not fulfil the obligations stated in the contract based on which they got their broadcast licence.¹⁰

Another problem is that an insight into the work of regulators can be gained only through the activity reports which they submit annually to the Croatian Parliament. However, it seems that these reports are a formality only, and there are no repercussions for the regulators if they ignore this duty or commit misconduct. Nada Zgrabljic Rotar points out:

Is it really enough to submit a report to the Parliament once a year ... and then what? Nothing! We seem to always move in an inadequate field, and if someone wants to take advantage of that – it is clearly possible ... there are no consequences, it is more an administrative function.

1.3

ECONOMIC POWER

1.3.1

THE VAT CASE

A case indicating the strength of the media proprietors and the submissive position of the politicians in contemporary Croatia is the tax decrease of 2013 in favour of press media proprietors. After the election in December 2011 and the victory of the *Kukuriku*

Coalition, the actors positioned within the Ministry of Culture promised a more comprehensive change in the media field that would be serving the public interests. As a part of this move, upon his appointment Živković proposed a change in the licence fee that would be variable, in accordance with income. He also suggested that a part of public funding would be directed towards other type of media fulfilling the public interest agenda, such as civil society media or community media. He argued against the decrease of the value added tax from 10 to 5 percent, a request initiated by commercial players in autumn 2012. In this debate, the journalists too argued against this request, recalling the tax reduction in 2007 (the year of parliamentary elections), when the VAT was reduced from 22 to 10 percent for all newspapers and magazines – a decision made by the HDZ government with Ivo Sanader as PM – which did not benefit the employees or the public in any way, but was used to pay the debts of the proprietors. However, under the pressure of commercial players, the Value Added Tax Act was passed in July 2013, with Article 38 stipulating that VAT for daily newspapers would be 5 percent. This is clearly an attempt to materially support privately owned press media in a period of economic crisis. The main beneficiaries of the VAT reduction were two conglomerates, EPH and the Styria Group, whose gains translate into an annual loss of 24-million kuna (approx. 3,135,400 euro) for the state budget.¹¹

In addition, most of the news press is of extremely low quality, with a large amount of advertising, elements of tabloid journalism and little quality content that would be of public interest. The Ministry of Culture tried to mend this by proposing that the VAT decrease should be applied to the daily newspapers that publish texts written by in-house journalists, a minimum of 25,000 words,¹² and have a statute (the latter is already stipulated in the Media Act but without any concrete repercussions for those who do not fulfil this criterion). However, this is of little consolation in a period in which various types of taxes paid by the majority of citizens have been increasing as a measure to fight the economic crisis.

Another case in point is related to the restrictions on advertising introduced in 2010 through the Croatian Radiotelevision Act, when the legislator limited the amount of advertising on HRT. This occurred under the pressure of commercial operators as the deciding factor, and was not – as would be expected – supported by the argument in favour of the public or the role of the PSB in accommodating their interests (Švob-Đokić et al. 2011).

1.4 THE PRECARIOUS POSITION OF JOURNALISTS

Legislative provisions are often breached in favour of media owners at the expense of journalists, but without repercussions. For example, Article 26 of the Media Act addresses the relations among media owners, editors in chief and journalists, stipulating that these relations are regulated in media statutes. However, many media outlets do not have statutes and are never penalized for the violation of the law.

This has serious repercussions for the working conditions of journalists. In addition, regardless of the provisions protecting journalists and their working position within the media organisation, there are “grey zones” in legislation, including the Media Act (Article 2, definition of journalists), and the Labour Act (Article 8). This is heavily exploited by employees who offer journalists contracts in which their obligations are similar to those of other employees (in terms of exclusivity, regular attendance in office etc.), while their rights and security of position are diminished (the so-called RPO /*Registar poreznih obveznika*/ Register of taxpayers) contracts.¹³

1.5 GOOD PRACTICES

A positive change initiated by the current political actors in the Ministry of Culture is visible in that civil society media are finally recognized by the regulators as important. In July 2013, the Law on Electronic Media was amended – among other changes non-profit media were redefined, including not only non-profit audiovisual and radio programs but also online publications (web portals).

Another important novelty is that 3 percent of the lottery funds have to be allocated to non-profit media, which means around 3,000,000 kuna (approx. 392,000 euro) annually. The newly developed program aimed to “strengthen the critical capacity and social influence of non-profit media” (different platforms - from print, radio and TV to online media), but also to “widen the information range (number of topics) and relevance of content (background information) of established general and specialized non-profit media; initiate the establishment of new non-profit media, and the professionalisation of journalist and authorial work in the non-profit media.”¹⁴ During spring 2013, a mailing list was formed including non-profit media and other interested parties, and a public debate was organized via the website of the Ministry of Culture. The debate was also sustained through events such as round tables and meetings at the Ministry of Culture. In this case too, the pressure of commercial interest was strong. Among other things, it was claimed that the fact that an organisation is registered as a civil society association says nothing about its profile and quality of work. Thus, they too claimed to act in the public interest and consequently have the right to financial support. However, in this case, the civil society associations remained the main beneficiaries of this program, probably because the amount of funds allocated was quite small compared to other subsidies, and because the number of commercial media fulfilling the criterion of providing content of public interests and nurturing a critical approach, is so small that they remained almost invisible.

An interesting new initiative organized by the Ministry of Culture is the pilot-project of public commissioning of investigative stories. As explained on the web site of the Ministry,¹⁵ the aim was to include the public in the decision making process on what

journalists should investigate and consequently publish. This initiative was inspired by Dan Hind's book *The Return of the Public* (2010), in which the author argues for the empowerment of the public in decision making processes and the implementation of a new participatory model in media production.

The invitation for journalist projects attracted 50 anonymous applications. The proposal of topics had to be laid out in a letter of intent issued by a non-profit media outlet that guaranteed the publication of the story if the topic/project received financial support. The projects were then evaluated by the Expert Committee for Non-Profit Media and citizens who could vote online (during one week period); 1,764 citizens voted, and 15 projects were granted one-month financial support, while three were granted a three-month support. The topics that received the highest number of votes covered the finances of the Catholic Church in Croatia (*lupiga.com*), the destruction of the working class (*lupiga.com* and *Stav/Cenzura.hr*), and the criteria used in compiling the reading lists for elementary and secondary schools in Croatia (*booksa.hr*). The other projects that received financial support covered privatisation, women as labour force, financing of national theatres in Croatia, specific corruption affairs, the negative depiction of the Serbian national minority in local media, pollution, democratic deficit in EU etc. At the end of the commissioning process, the Ministry concluded that the project did not receive much media attention, and not many citizens engaged in the voting.

It can be assumed that the citizens that did vote were directly or indirectly involved in civil society activism and are the regular users/audiences of the sites that will serve as the publishing platform for the projects. They are a small niche, so, in a way the project was preaching to the converted. However, as far as the voting is concerned, this might be a good thing (in saying so, I consciously risk the accusations of elitism). In fact, in attempting to engage citizens in modes of participatory democracy, one needs to consider the consequences – are we ready to accept the potential outcomes of the votes regardless of the results? The advocacy for participatory models has mutated in various ways – in the media, this supposedly anti-elitist trend implies the inclusion of “ordinary people” in the production and consumption processes. It is visible in new media formats in which “ordinary people” have a central place, and talent and reality shows in which “ordinary people” participate and vote. It also implies the simplification of discourses in various fields in order for “ordinary people” to understand, and is also manifested in civic journalism that invites the community to act upon their environment etc. A few decades ago, the production of media content was strictly the domain of professionals, but the trends described above have changed this, severely affecting journalism as a profession and changing for the worse the media representation of the social world.

As far as the audience reach is concerned, the project should aim at a wider dissemination of resulting texts via mainstream media, or – at least – media funded through the state, regional or local budgets. This would probably shake up both the producers and the consumers of mainstream media not used to this type of content. In addition, the public is now limited to internet users, both in terms of voting, and in terms of reading/viewing – thus the participatory channels should be broadened. In any case, this is yet another attempt of the current leaders of the Media Department at the Ministry of Culture to change and improve the media production in Croatia by introducing and experimenting with small scale alternative models.

1.6

CONCLUSIONS

The Croatian media landscape has been shaped by two dominant forces: on the one hand, the EU policies that enhanced the liberal market economy and opened up the field for commercial media, and on the other, the authoritarian political regime in the nineties in which political power dominated over the social processes and institutions. This changed in 2000, when new players in the political arena, regardless of declared ideological positions, adopted a positive stance towards EU accession and economic measures. Thus, a close cooperation between strong economic actors and political decision makers is clearly visible. In the case of media policies, only a few civil society actors counteract the aforementioned sources of power, and demand better regulation and implementation in the media landscape.

The weakest link is the enforcement of legislative provisions. There are various explanations of this problem, from the lack of autonomy of the regulatory bodies and/or lack of expertise, to the lack of any penalty for misconduct. Obviously, the implementation of the provisions is the responsibility of regulatory bodies, and it is clear that non-action is also a type of action. In this respect, commercial players (especially the major players) are not affected much by media legislation, meaning that they are in a privileged position since in practice they are often exempt from rules. This could also be claimed for political actors in power, even though they are – as public figures – more subject to media scrutiny and public pressure than commercial players.

It can be argued that in contemporary Croatia economic power is much more threatening to free and independent media than political power which was viewed as the main threat in the nineties. This is perhaps a simplified division, since interconnections between power structures in society are quite complex. However, if we remain at the level of regulation, it is clear that new threats presented by advertisers, marketing agencies, public relations agencies, as well as banks that are creditors of media outlets, are growing, but have

not been addressed in legislative provisions. Influence and pressures emanate from actors that have no direct, palpable connection to media organisations and are located outside of the conventional proprietor-editor-journalist scheme. At the same time, the society's expectations of social responsibility of these actors are low, and they remain in the interim area between the public and the private. The question is how to resolve this structural problem – one that goes way beyond the borders of Croatia. What is linkable (but not limited) to Croatia is the formally well-defined media legislation that lacks implementation on all levels, and a domination of interconnected economic and petty political interest that are surely not serving the public interest.

2. MEDIA OWNERSHIP

2.1 TRANSPARENCY OF OWNERSHIP

Transparency rules on ownership structure and a financial report were introduced in the media legislation a decade ago. They apply to all media. Hidden ownership is banned. The Media Act ensures transparency of ownership. All media outlets are obliged to submit ownership data to the Croatian Chamber of Economy, and this data also has to be published in the *Official Gazette* (Article 32). The Electronic Media Act stipulates that electronic media organisations have to submit annual reports on ownership structure (Article 52) and potential changes (Article 57) to the Council for Electronic Media. They also have to publish data on ownership in the *Official Gazette* (Article 52).

The Media Act (Article 35) also ensures the protection of market competition, which also applies to all media. The media are obliged to declare their intention to merge¹⁶ to the Market Competition Agency (Article 36). A specific provision in the Media Act that limits concentration is applicable to press outlets only, and limited to media outlets whose market share in terms of total sold copies exceeds 40 percent (Article 37).

Electronic Media Act restricts cross-media ownership of television and radio operating on different levels (national, regional and local), satellite, internet and cable operators, and prevents advertising agencies or legal entities holding more than 10 percent of shares in advertising agencies to hold shares in television or radio outlets (Article 60). It also defines the meaning of “connected/affiliated parties” as individuals connected through family, marriage, relatives, shareholders; individuals connected through marketing contracts, members of various supervisory boards (Article 53). These “affiliated parties” are taken into consideration when determining media concentration (Article 55).

In short, the legislation seems to be well defined. However, as with so many other fields, there is room for improvements and the implementation is lacking. The publication

of data in the *Official Gazette* is not monitored, and even if data is available, it is only searchable for individual media outlets. Since there is no special issue published by the *Official Gazette* that would list all the changes during the year, the search is complex and long-lasting. The same is true for the data published or not published as the case may be, by individual media outlets.

However, some small improvements are visible in the transparency of media ownership. The Electronic Media Council has invited media organisations to upload to its new website their profile information including ownership structure. Hopefully this will enhance not only communication between the Electronic Media Council and the media organisations, but also accessibility for all other interested parties.¹⁷ The updated list of registered electronic media outlets is now available on the website of the Agency for Electronic Media (AEM), but as of February 2014, ownership data (which are not always accurate) are provided only for television and radio companies and not for electronic publications (i. e. web portals) as well.

The Croatian Chamber of Economy provides online access to a document that contains a list of registered press outlets, but only the name of the company that owns a press outlet is listed. Put differently, even though some improvements have been made, the data provided are partly inaccurate and incomplete and it takes considerable time and effort to dive into the complex network of ownership structures. The name of the company does not say anything about the persons standing behind it. As an example, the companies Europa digital d.o.o. (web portals), *Slobodna Dalmacija* (press), EPH Media (press), and Gloria Grupa (press), seem to have nothing in common, but they have the same address and they are all subsidiary companies within EPH group, owned by WAZ and Ninoslav Pavić. Another example could be provided by sketching out the path anyone interested in this issue needs to pursue to unearth the ownership structure of a media company. Let us try with the controversial web portal *Dnevno.hr*: in the records of the Electronic Media Council it is stated that the publisher is Portal Dnevno d.o.o., and only the name of the “person in charge” is available. The Register of Business Enterprises (biznet) of the CCE¹⁸ lists this company, but no information is provided about the ownership structure. The Court Register has some additional information, namely that the founding company is Chic Turizam whose director is Silvio Čižmak. A search of the company Chic Turizam d.o.o. shows that the founder of the company and its director is Nikica Gović – so one can only assume that Nikica Gović owns *Dnevno.hr*. According to the investigative news portal index.hr, the founding firm Chic Turizam d.o.o. is currently blocked due to debts, and was previously in the ownership of the entrepreneur Michael Ljubas, who is suspected to financially stand behind the web portal.¹⁹ This small exercise demonstrates how difficult it is to determine the ownership structures and connected persons – something that could

be made easily available in an era of networked social institutions and advanced software. The question is who benefits from this obscurity?

2.2 OBSCURE PRIVATISATION PROCESSES IN CROATIA

With the changes in the beginning of the nineties, and the transformation from a socialist self-management model to a liberal market economy model, commercial privately owned media entered the market – the press was almost entirely privatized, commercial radio stations mushroomed, followed in 2003/2004 by the entrance of commercial televisions with national licences. The privatisation of the press was burdened by corruption and obscurity which have not been entirely cleared up to this day. Ilko Ćimić,²⁰ one of the leading investigative journalists in Croatia traces the connections among various political and economic actors in Croatia implicated in corruption affairs in the field of media. He specifically focuses on the Westdeutsche Allgemeine Zeitung (WAZ), the German media concern that entered South East Europe at the end of the nineties and engaged in a partnership with Europapress Holding (EPH) owned by Ninoslav Pavić – each held 50 percent of the shares (with the most successful outlets being *Globus* and *Jutarnji list*). At the time, the entrance of foreign media players was viewed as a positive change – a mechanism to introduce professional and ethical standards of business conduct that supposedly worked in the West. However, this was soon proved to be an illusion, as the president of the executive board of the Independent Association of Journalists of Vojvodina, Nedim Sejdinović, claims:

*In some cases [with the entrance of WAZ] the journalism profession was even further degraded, and it was jeopardized anyway in the countries of South-East Europe. WAZ is characterized by the fact that their media outlets have never been in opposition to the politics and strategic objectives of the governments in the countries in which their particular media made business.*²¹

The Gruppo affair came to light after the death of the former president Franjo Tuđman and the change of the government in 2000. Several powerful media players were investigated for media corruption – a form of cartel was created in the media field which included actors in the field of economy connected with highly positioned politicians (Ninoslav Pavić, the tycoon Miroslav Kutle, the film producer Vinko Grubišić and a highly positioned member of the HDZ, Ivić Pašalić). However, the investigation has never been brought to a closure. With HDZ and the new premier Ivo Sanader (now on trial for corruption) regaining power in 2003, WAZ/EPH started to expand their business – from media to consulting, real estates, tourism etc.²²

As to corruption, the classic case in point was that of the privatisation of the daily *Slobodna Dalmacija* owned by the employees and sold via the Croatian Fund for Privatisation. It was bought by EPH in 2005 under dubious circumstances and included

financial malversation in the transfer by way of which the tourist agency Adriatica.net was sold to *Slobodna Dalmacija* (EPH). This process also signifies the beginning of the domination of Ivica Todorčić – the owner and president of the concern Agrokor – in the press distribution business, since he became the majority owner of the press distribution company Tisak when he bought shares from Ninoslav Pavić in 2006. All the buying contracts were secret and it was not until the end of 2010 that *Jutarnji list* and *Slobodna Dalmacija* published them partially, revealing what was already suspected - that numerous provisions in the contracts were never fulfilled (the establishment of a higher education institution for journalism in Split, the obligation to keep all employees, the purchase of new equipment etc.). The current situation in EPH is difficult – financial risks linked to its entrance into the fields other than media field brought the concern to collapse. Their debt is sky-high – 487,700,000 kuna (approx. 63,704,713 euro),²³ with the main debtors being banks, followed by subsidiary companies within EPH, and the state which cancelled the debt in the amount of 1,044,915 euro, which naturally triggered a public debate.²⁴ Currently, the banks own EPH, and the ownership will change in the next few months, which marks the end of the domination of Ninoslav Pavić and WAZ.

The discovery of various corruption scandals has accelerated with the arrest of the former Prime Minister Ivo Sanader (Hypo Bank, Fimi media...) and a few large cases revealed the crucial role of marketing agencies in money laundering. One such agency was Fimi media – the agency that had exclusive rights and was tied to the political party HDZ and the former prime minister. Another notorious affair disclosed in November 2013 involved the Croatian Chamber of Economy and a theft of 32 million kuna (approx. 4,180,000 euro) stolen via fictive marketing services. A corruption case directly connected to the world of the media is that of Core Media – an entertainment production firm owned by a former HRT anchor Dijana Čuljak and her spouse Vladimir Šelebaj-Sellier, who have been accused of fraud and tax evasion. The affair also includes the former director of the commercial television *Nova TV* Siniša Svilan, accused of accepting bribe in order to air production content made by Core Media on *Nova TV*.²⁵

2.3 MEDIA PLATFORMS AND OWNERSHIP STRUCTURE

2.3.1 TELEVISION

Commercial televisions with national licences are in foreign ownership – the Free-to-Air market developed in 2004 with the entrance of *RTL* and *Nova TV*. The audience shares have changed in the last two years and show that in the competition between the most important television channels,²⁶ the commercial television *Nova TV* is in the lead (24.59 percent), while the *HTV 1* (19.60 percent) and *HTV 2* (9.35 percent) show a decrease in audience shares, as does the commercial *RTL TV* (16.74 percent).²⁷

Table 1 OWNERSHIP STRUCTURE OF COMMERCIAL TELEVISIONS WITH NATIONAL REACH

NOVA TV	CME MEDIA ENTERPRISES 100%
RTL TELEVIZIJA	RTL - RTL GROUP CENTRAL & EASTERN GMBH, KÖLN 99.99% ATLANTIC GRUPA D.D. 0.01%

Source: Agency for Electronic Media.²⁸

Local and regional media usually do not have big audience shares compared to national and international televisions but they are important since they are mainly concerned with local issues and thus provide audiences with specific information that is available only through such media. As pointed out in the research conducted by Ipsos Puls and partners,²⁹ most of the local and regional television channels do not meet the technical standards that would enable the collection of data on viewership – which severely limits the possibility of collecting reliable data. The analysis of channels that give access to data collection on viewership shows that the three channels with the highest share are *Jabuka TV* (SHR 0.53 percent) registered within the share company *Otvorena televizija Zagreb*, covering Zagreb and the counties surrounding it, and *Nezavisna televizija (NET)* (SHR 0.42 percent) operating in the same area. The third is *Osječka televizija* (SHR 0.33 percent) that covers the eastern part of Croatia on the border with Serbia. All of them are privately owned; however, politics seem to have an important impact on the life of local media. This is visible in the example of the last mentioned *Osječka televizija (OAR d.o.o.)* that operates in the region where two right-wing political parties dominate the political arena. *Osječka televizija*, tied to the political party HDZ, was established as a competition to the *Slavonska TV* formed in 1992 (*Televizija Slavonije i Baranje* – a company predominantly owned by Darko Tolić – 47.06 percent and Damir Marketić – 47.06 percent), which is claimed to be tied to the far right political party HDSSB.

The former owner of *Osječka televizija*, Drago Veselčić, who bought the television in 2007, is now a witness in the Fimi media trial connected to the former Prime Minister Ivo Sanader and the political party HDZ. In the trial he witnessed that HDZ gave financial support to *Osječka televizija* just before the parliamentary elections in 2007, and that cooperation with HDZ was necessary if advertising income was to be ensured. In 2008, Željko Biloš, close to HDZ, bought the television acting upon a decision made by the leading figures in HDZ, who enabled a curiously fast acquisition of all necessary technical permits.³⁰ When Krešimir Bubalo, a member of the far right party HDSSB (a regional party formed by the dissatisfied members of HDZ in 2005), was elected Mayor of Osijek (2009-2013) and Vladimir Šišljagić was elected Head of County (2009), the marketing income decreased substantially.³¹ The

owner Željko Biloš was arrested in spring 2013 and accused of corruption.³² This example shows how politics still plays a major role in local media, and the way they are entangled with local entrepreneurs, advertising agencies, administrative bodies etc.

In terms of formal state ownership, according to the register available on the web site of the AEM, local authorities (boroughs, cities and counties) hold shares in only four of the 21 local and regional television station (Table 2).³³

Table 2 STATE OWNERSHIP IN LOCAL AND REGIONAL TELEVISION STATIONS

LOCAL AND REGIONAL TELEVISION	STATE OWNERSHIP (LOCAL AUTHORITIES)
KANAL RI	CITY OF RIJEKA 23.16% PRIMORSKO GORANSKA COUNTY 29.65%
VTV	VUKOVARSKO-SRIJEMSKA COUNTY 20.50% CITY OF VINKOVCI 20.50%
NOVA TV	ISTRA COUNTY 5% CITY OF PULA 8.05% CITY OF ROVINJ 8.08%
NEZAVISNA TELEVIZIJA	BOROUGH LIPOVLJANI 2.64%

Source: Agency for Electronic Media.³⁴

However, as obvious from the examples above, formal ownership does not reveal the structural connections between networks of actors involved in various social domains.

2.3.2

RADIO

There are around 150 registered radio stations in Croatia.³⁵ Six of these have a national broadcast licence: three PSB stations – *HR 1*, *HR 2*, *HR 3*, and three commercial – *Hrvatski katolički radio*, *Narodni radio*, *Otvoreni radio* (Table 3).

Table 3 OWNERSHIP STRUCTURE OF COMMERCIAL RADIO STATIONS WITH NATIONAL COVERAGE

NARODNI RADIO	RADIO CROATIA. OWNED BY NARODNI FM 100%
OTVORENI RADIO	ADRIMEX 25% MEDIA PLAN 75%
HRVATSKI KATOLIČKI RADIO	CROATIAN BISHOPS CONFERENCE 100%

Source: Agency for Electronic Media.³⁶

Radio is important on local levels, since this is one of the main sources of information for local media users. The radio stations with the highest daily reach are all commercial – the two already mentioned – *Narodni radio* and *Otvoreni radio*, and a regional *Radio*

Antena Zagreb owned by *Antena radio*. According to the study on the local radio market conducted by the NGO Gong,³⁷ the majority of radio outlets are privately owned (67.54 percent) while 25.52 percent are majority owned by local authorities or public bodies. The rest are in the ownership of religious organisations (1.98 percent), civil society organisations (1.98 percent) and universities (1.32 percent).

The research showed that of the 103 privately owned radio outlets, 32 are in the ownership of eight persons, which means that they own a third of the total private radio market in Croatia. Fifteen radio stations of the 32 above mentioned are part of four (out of five) regional and national networks. As pointed out in the research, program networks were for the first time established in 2010, and they enabled a type of alternative concentration since networking empowers local radio outlets and owners that dominate the radio market in several ways. Their reach is wider and comparable to that of national broadcasters, even though they don't have to comply to the rules and conditions stipulated in the legislative provisions concerning the level of reach (the larger the reach, the more expensive it is). It is also financially lucrative since an increased reach implies a larger audience and, in turn, more advertising. The study gives an example of the network *Totalni FM* which broadcasts nationwide; however the particular radio stations that form the network do not have a national licence and pay a lower fee to the AEM.

Another important finding is that the company Media Servis – a production company that has an important role in the radio market since it produces news for local and regional radio outlets – has 53 radio outlets as members that air its news program – which surely diminishes the diversity especially with regard to local communities.

Therefore, networks increase audience reach and consequently income via advertisers, and enable a bypass of broadcast licence fees defined according to the signal reach. It adds to that the results of EMA's monitoring³⁸ which show that some radio outlets do not fulfil their licence contract obligations, especially in the area of own production and provision of local information (*Radio Virovitica*, *Arena radio*, *Studio Minsk*, *Radio Centar* etc.), probably as a tactic employed to cut the expenses, one can only conclude that a closer monitoring of radio markets needs to be conducted, since radio proprietors increase their power while diversity of content has been diminishing.

2.3.3

THE PRESS

The press registration is the purview of the Croatian Chamber of Economy (CCE). Even though provisions regarding ownership data were introduced through the Media Act a decade ago, this still remains an obscure, petrified area. According to the fragmentary CCE

evidence, there are 865 registered newspapers and magazines: 598 of them submitted data on ownership structure and income for 2012 which makes 69.1 percent; however, the data is fragmentary and inaccurate.

In terms of the circulation and reach of top dailies, the Austrian company Styria dominates the market with *24 sata* and *Večernji list*, followed by EPH that publishes the daily *Jutarnji list*. However, even if Styria has found the formula for successful audience reach - with the tabloid *24 sata* which is the cheapest daily in Croatia, EPH is the dominant player in the market since it also publishes the daily *Slobodna Dalmacija*, the most successful women's weekly *Gloria*, the long-standing political weekly *Globus*, along with other weeklies and monthlies. Styria, on the other hand, via its subsidiary company Adria Media Zagreb, publishes several weeklies and monthlies such as *Cosmopolitan*, *Story*, *Roditelji*, *Sensaklub*. According to some estimates, EPH covers 60 percent of the press market, and Styria around 30 percent which together makes 90 percent of the total market in Croatia. However, data on circulation and reach vary depending on the source of information, and so do the estimates of market shares. In any case, it is clear that EPH and Styria form duopoly in the Croatian press market (Table 4).

Table 4 OWNERSHIP STRUCTURE OF DAILY NEWSPAPERS WITH HIGHEST CIRCULATION

24 SATA	24SATA D.O.O. STYRIA 100%
VEČERNJI LIST	VEČERNJI LIST D.O.O. STYRIA 100%
JUTARNJI LIST	EPH MEDIA (CHANGING OWNERSHIP)

Source: The Court register.³⁹

2.3.4

WEB PORTALS

According to the research conducted by GFK in September 2013, 64 percent of the population above age 15 use the Internet. Age is an important variable in this respect: the older the population, the smaller the level of usage.⁴⁰ The Internet is mainly used to read news (85 percent),⁴¹ meaning that this platform is increasingly important, with the population that is accustomed to this type of information gathering also growing.

There are 150 registered online publications at the Agency for Electronic Media. Alexa's ranking of information and news portals⁴² shows that the investigative portal *Index.hr* occupies the first position, followed by *Jutarnji.hr* and *24sata.hr*, which are online extensions of press outlets. If we look at the web portals that do not have their press counterparts, the three leading ones are the already mentioned *Index.hr*, *Net.hr*, and *Tportal.hr*.

Table 5 OWNERSHIP STRUCTURE OF THE TOP THREE INTERNET NEWS PORTALS THAT ARE NOT AN EXTENSION OF PRESS OUTLETS

INDEX.HR	INDEX PROMOCIJA
NET.HR	ADRIATIC MEDIA, PROFICIO
TPORTAL.HR	CROATIAN TELECOM, DEUTSCHE TELEKOM

Source: The Court register.⁴³

The top portals are all in private ownership and the first two companies face financial difficulties. The Adriatic Media (*net.hr*) has recently (in January 2014) launched a network in partnership with the Europa Digital (EPH) which will be in charge of the sales of advertising space. There are speculations in the media that this is a transaction that indicates that EPH has purchased Adriatic Media – this naturally opens up the question of how a concern that is undergoing a pre-bankruptcy settlement procedure can be a candidate to buy anything?⁴⁴ The answer lies in the fact that even though Europa Digital is a subsidiary company of EPH group, it is not included in the pre-bankruptcy settlement, and has thus the legal possibility to engage in transactions such as this even though the concern is in huge debts – which also indicates a distorted ways in which the media systems operate in contemporary societies.

The most popular portal *Index.hr* is published by the company Index portal which was, according to the data available, founded by Index Promocija in 2009 formally led by Vana Šalov, but the main person behind it is Matija Babić. This controversial portal is the leader in publishing investigative journalism articles. Index.hr is today facing financial difficulties, and the Ministry of Finance initiated a bankruptcy settlement due to tax debts (130,000 euro). A contextualisation of this case explains the timing chosen by the Ministry of Finances. As a matter of fact, Index.hr has revealed corruption in the Ministry of Finances implicating the assistant minister Branko Šegon. They have also frequently written about pre-bankruptcy settlements as a form of financial malversation, with the most recent one (February 2014) involving EPH.⁴⁵ EPH – on the other hand – has launched a war of words against the portal, which has even triggered a reaction of the Croatian Journalists Association, which pointed out the unprofessional conduct of *Jutarnji list* in this case.⁴⁶ In fact, while there is no doubt that the portal is in debts, the question remains why these two media outlets both facing bankruptcy have received completely different treatments by the state?⁴⁷

Perhaps the reason is well explained in a statement by Žarko Puhovski, a retired university professor and political analyst, who claims that ever since 2000, the state leaders have had an “intimate relationship” with the EPH:

*All premiers had it. Perhaps Jadranka Kosor the least of all, which is why she was most criticized by them. That has been a practice of the Government during the last 13 years. Freedom of the media is relativized and some media are privileged ... One only has to look at how many 'secrets' Jutarnji list has published, in order to know that what is involved there is not investigative journalism, but a form of government news bulletin. Compared to Sanader, Pavić is more servile to Milanović because he has serious financial problems and thus needs the Government.*⁴⁸

In contrast to EPH, the portal *Index.hr* has been more of a disturbance to the governments, which is why overt and covert mechanisms are invented to make it disappear.

2.4 THE CONTROL OF PRESS DISTRIBUTION AND ADVERTISING

A contemporary weak spot in media ownership and control is the press distribution. The concern Agrokor, owned by Ivica Todorić holds 54.1 percent shares in Tisak, which is the main press distribution company in addition to iNovine, owned by the Adris Group. They planned to merge, by which iNovine would hold 79.99 percent of Tisak with an income of approximately 500 million euro annually,⁴⁹ and would also have control over the products sold in the kiosks – of which the two most important are tobacco and newspapers. However, at the end of 2013 they withdrew their intention to merge. This probably occurred because it would be a clear case of monopoly, which has been explicitly problematized in the media ever since the announcement of their intention to merge.⁵⁰ Even though the merger did not take place, Todorić still controls the main channel of press distribution, which is one way to indirectly censor press media who are dependent on this distribution channel.

The control of press distribution is not the only power position of the owner of Agrokor – Ivica Todorić. Since Agrokor is also the largest advertiser in Croatia, all commercial media depend on its advertising which is why the coverage of the company in the media is completely marginal or, in rare cases when it appears, it is favourable. In addition, the advertising agency Unex Media is part of the Agrokor Concern,⁵¹ which makes Todorić the grey eminence of the Croatian media landscape. Another powerful marketing agency, which is also Agrokor's partner, is Digitel, which has a large list of clients. One of the members of the Digitel Group is the independent production company Ring Multimedija – which has had a continuous cooperation with the *Croatian Radiotelevision* – whose director is Robert Tomljenović. One problem that occurs here is the fact that Tomljenović has been elected a member of the Electronic Media Council, approved by the Parliament,⁵² a case which again shows a close and almost inevitable connection between the political structures and commercial players.

The issue of Agrokor's influence on media through marketing was frequently brought up by the journalists in the focus group discussions:

Marketing rules over everything ... it is normal everywhere. Instead of editors deciding what you are allowed to and what not, managers and marketing directors do it. I was under enormous pressures not to publish anything about Todoric. Not only negative things, but one is not allowed to mention him at all! His largest victory lies in the fact that the media made him invisible, as if he does not exist. That is the key thing. ... this was explicitly told to us. ... there are hundreds of examples of this. For example, Aljoša Roksanidc, and Digitel and the other marketing agency of Todoric [Unex] ... there were a few topics about some of them, and somehow they found out before it was printed. As if they were Tudman or Sanader! They called our newspaper and said that we cannot publish that or they will withdraw all the ads, they are actually monopolists in dealing advertisements from the largest firms, the corporations ... (focus group NPM).

The main problem of the media ownership in Croatia is the concentration of power held by a few main commercial players. Large media are predominantly in foreign ownership – this is true for the television market (*RTL, Nova*), press (*WAZ, Styria*), and partly the internet market (*Deutsche Telecom*), while the radio market is mainly in domestic ownership. Press distribution and advertising that keeps all commercial media alive is mainly controlled by the domestic concern Agrokor. Strong economic players, whether in foreign or domestic ownership, are tied to political structures that either ensure a legal framework favouring private economic interests, or ignore the implementation of the existing legal framework by turning a blind eye in cases of breach. This enables the strong media players to engage in risky businesses (as in the case of *EPH*), or to ignore the licence contracts, workers' rights or any other rule, if they choose to do so, knowing that they are untouchable.

Media concentration occurs in semi-legal ways, by using the grey areas that are not properly regulated. This manifests itself in business expansion to areas unrelated to the media (*EPH, Agrokor*). In addition, new innovative ways of concentration are found in order to diminish the costs and increase power (such as in the case of radio networks). The old-school political pressure is mainly dominant in local media where entrance is allowed to individuals loyal to the political option in power.

2.5 MEDIA OWNERSHIP AND THE PROMOTION OF PARTICULAR INTERESTS

Privatisation and commercialisation of media has brought about negative trends that have an important impact on the media. First and foremost because media owners are market players and naturally promote this type of social relations as the best possible. Private media ownership makes it possible for the owners to promote their interests and

even to engage in covert advertising, which is especially threatening if they are engaged in various types of businesses that are not linked to media production.

A case of apparent usage of media outlets to promote the interest of the proprietor is the case of EPH. In 2013, *Jutarnji list* and *Globus* (EPH outlets) published a series of articles defaming the public Croatian Health Insurance Fund. As Hrvoje Jurić claims, *Jutarnji list* and *Globus* engaged in a

*...total war against public good, the interest of the people, democracy, politics in the real sense, as well as against common sense ... the continuous and persistent publishing of articles against the Croatian Health Insurance Fund in Jutarnji list, has the aim of convincing the people that the main problem of the Croatian health system is that it is in the hands of the state, which is, in the perspective of EPH, a bad owner, and to prepare them for the soon coming commercialisation and privatisation of the health system.*⁵³

A vivid example of the character of these texts in *Jutarnji list* was the article entitled “The whole truth about the collapse of the Croatian Health Insurance Fund: The Croatian health system is in collapse and it is dangerous for the health of the citizens.”⁵⁴ The article is a clear advocacy for the “real liberalisation of health services and the acceptance of market principles,” which is not surprising knowing that EPH engaged in two projects in the field of health insurance business (*dosi.hr* and *dodo.hr*).⁵⁵

The continuous attacks on the public sector and a parallel opting for private, commercial enterprises are also visible in the coverage of education. From 2008 onwards, the student movement fighting against commercialisation of education has been strong in Croatia, as a reaction to the severe and fast changes in the higher education system that have resulted in bureaucratisation, commercialisation and lowering of standards. *Jutarnji list* frequently engaged in a discursive war against left-leaning social activist groups critical towards these changes. The main strategy to besmirch their activities was to depict their ideas as a childish, idealist, detached from reality, and this was mainly done by quoting “neutral experts” who would give their “detached” and “objective” vision of the matter. For instance, they published the opinion of an expert who spent considerable time teaching at American universities, now working in Croatia:

*Dr. Ana Munk is surprised by the immaturity of the students who refuse to enter into the world of the economically responsible, for them so abhorrent adults, as if they are trying to prolong their childhood in which parents, the state and tax payers are obliged to resolve all their problems while they, for example, read Capital.*⁵⁶

While this is only one example, there were enough articles published in *Jutarnji list* to organize a whole exhibition – which the students involved in the movement (*Slobodni filozofski*) actually did, in April 2010. The exhibition called *Jutarnji Attacks Again* includ-

ed around 30 chosen articles that clearly demonstrate the above stated agenda and their engagement in this “ideological war.”⁵⁷

It should also be mentioned that in this attempt to advocate for the commercialisation of education, the interests of EPH were again in the foreground, since they had been attempting to enter the higher education market for years. EPH offered to open the Journalist Academy in Split as part of the contract in the obscure purchase of the daily *Slobodna Dalmacija* in 2005. After a few years of negotiations and inactivity, the name was changed to Media University and was granted permission in 2009.⁵⁸ The permission was sold by EPH in 2012 under suspicious circumstances and the school is now a part of the newly formed public North University. The whole case has been anonymously reported to the Office for the Prevention of Corruption and Organized Crime and will probably be investigated further.⁵⁹

2.6

GOOD PRACTICES

The small steps made by the Agency for Electronic Media to improve their website, and hence to improve access to information, have to be recognized. However, further, more profound actions are needed to ensure ownership transparency.

2.7

CONCLUSIONS

A decade ago Stjepan Malović wrote about the media system in Croatia – meaning at the time when the new media legislation raised the expectations that transparency of media ownership in Croatia would increase. He pointed out that the main problem was that “the public does not know who the real owners of the media are” (Malović 2004). Unfortunately, the same could be claimed a decade later.

Nevertheless, some things have changed. While a decade ago the general foe of the quality independent media was the state, it can be argued that strong, commercial players are the main threat to media independence a decade later: the power is concentrated in the hands of a few actors who have penetrated so many social fields that they take key positions in the social networks. This makes the whole system dependent on them – as in the case of EPH and Agrokor – who have become untouchable. What makes commercial media more powerful is also that regardless of platform, all media with top audience reach are private: the press, web portals, national and local televisions, top radio stations.

A decade ago Malović (2004) urged the government to get rid of media ownership – something that has to a certain extent actualized: of the large, structurally important organisations in the field of media, the state owns the *Croatian Radiotelevision*, the Transmitters and Communications that provides professional services in the field of electronic communications, the public press agency *HINA*, and is a majority owner of the

printing house Vjesnik.⁶⁰ *HRT*, *HINA* and Vjesnik are all facing major financial difficulties and are undergoing restructuring with an unclear outcome. Put differently, the state/public ownership of the media has formally almost completely disappeared or is quite fragile, and with it the possibility to argue for and demand quality media that work in the interest of the public (i.e. the owners).

3. MEDIA FINANCES

It is now one decade since The Media Act which ensures transparency of media finances was passed. It obliges all media outlets and distributors to provide financial data to the Croatian Chamber of Economy (Article 34).⁶¹ However, public access to this data is not ensured, and moreover, *CCE* seems more inclined to point out their inability to meet requests for access than to change the conditions and try to meet the requirements.⁶² The *CCE* has in the last decade claimed that there are difficulties in the categorisation and data collection and inconsistencies in the Media Act which prevent both the media organisations and other interested parties from fulfilling the obligations stipulated. As an example, the way the average viewership is counted is not clearly defined, which makes the range of possible actions upon this request very wide and, of course, incomparable. However, in the mentioned period the *CCE* has not done much to change this, and it is during the process of developing the media strategy within the Ministry of Culture in the last two years that certain questions have been raised and changes initiated – however it remains to be seen what type of results will come out of it.

The *CCE* is in charge of the register of press outlets. Of the 865 registered newspapers and magazines, the *CCE* did not manage to reach 218 press outlets and they suspect that they are not active anymore, but due to the imprecise stipulations in the Media Act, the *CCE* cannot automatically erase them from records. Another problem is the lack of a classification of press outlets according to content which results in the fact that media organisations cannot consistently calculate their market share (average sold copies and advertising market) even though they are obliged to do so according to the Media Act. Thus a better methodology of data collection is urgently needed in order to be able to make some reliable conclusions about the press market.

Article 34 also stipulates that media organisations have to publish their financial data in their respective media,⁶³ but nobody monitors this. A short glance at the web sites of the biggest media operating in Croatia shows that in the case when some data is provided to the public, it is scarce, non-standardized, incomplete and not easily found. In addition, data that exists on web sites of some media outlets look more like advertising than reliable data.

A comparison of the data given by the CCE and the data given by particular press outlets on their websites shows that the circulation figures are arbitrary and regularly inflated by the media organisations compared to what they declare to the CCE and compared to the real figures. For example, Styria Media Group AG has the following data on their web site: the daily *Večernji list* has a readership of 562.400, while the number of sold copies is 96.806.⁶⁴ According to the data collected by CCE,⁶⁵ *Večernji list* has around 62,494 sold copies, and the question is what the real figures are and how these figures are reached. To sum up, this still remains an obscure, petrified area which makes it difficult to access the data needed to analyze the media markets in Croatia. Public regulators usually outsource this task: the commercial market research agencies Ipsos Puls, MediaHub and AGB Nielsen⁶⁶ conduct analyses of the television markets for the Electronic Media Council. Here, too, there were some difficulties as pointed out in the research, since most of the local and regional television channels do not meet technical standards that would enable collection of data on viewership – which severely limits the possibility of obtaining reliable data. As a result, commercial market agencies are most likely to have data on various markets, but access is subject to payment.

3.1 MAIN MODES OF FINANCING – STATE SUBSIDIES

The state still has an important role in financing the media in several ways: directly via funds such as the Fund for Pluralism dedicated to financing local and regional broadcast media, through programs developed within the Ministry of Culture or the National Foundation for Civil Society Development, through local government programs, but also indirectly via VAT policy, advertising and of course through the crucial role of ensuring public funding for public service media.

The media that benefit most from state funding (in addition to PSB media) are local and regional television and radio stations. The largest fund earmarked for these media in particular is the Fund for Pluralism regulated by the Electronic Media Act (Article 64) and the Croatian Radiotelevision Act (Article 35) which stipulates that 3 percent of the PSB monthly licence fee income has to be allocated to the Fund. The Fund allocates around 32 million kuna (approx. 4,180,600 euro) annually⁶⁷ (for radio and television, electronic media were only recently introduced, in 2013) via their tenders open to television and radio operating on local and regional levels, as well as audiovisual and radio programs of non-profit media (since 2013 the Fund is also open to online publications i.e. – news portals). The Fund only supports public interest content (explicitly not entertainment content, Article 64.3) as well as the employment of workers with higher education in these media. In this way, electronic media are partially financially supported by public funding regardless of their ownership structure (commercial, non-profit, public).

One of the most important problems in the area of local and regional television and radio is that many receivers of financial support through the Fund do not adhere to the proposed program plan based on which they obtained a broadcast licence and the financial support, and the monitoring of the media in this respect is not conducted consistently by the Agency for Electronic Media. The content analysis research on local television programs conducted by Ipsos Puls for the AEM clearly showed that they mainly included content that was not local at all. A large number of local television stations have less than 20 percent of local content which brings into question the justification not only of the funds allocated to these media, but also of their broadcast licences, since these are public assets. The same is obviously true for radio stations operating on the local level – this was clearly brought up in the focus group research:

... The Fund for Pluralism is nicely organized, however the large amounts of money they distribute, it is roughly 35, sometimes 40 million kuna annually – are not controlled. There is not one radio station in Croatia that does not steal the money allocated to it. The money comes from the PSB, hence from tax payers. So, facts – we give money to private [owners] – I am talking about commercial radio stations – ... in the case of electronic media there is a need for a more firm regulation ... but this is not done ... (focus group NPM).

Another type of support to local and regional electronic media is through advertising. According to the Electronic Media Act, state administrative bodies and legal entities predominantly owned by the state need to allocate annually 15 percent of the amount of advertising funds to local and regional television programs (EMA, Article 33). They need to report their activities to the regulator, the Electronic Media Council (EMC), by the end of March every year. However, if they do not fulfil this obligation, there are no repercussions since there are no enforcement measures given to the Electronic Media Council via EMA. In 2012, only 42 percent of state administrative bodies and legal entities predominantly owned by the state placed advertisements in the media. The amount allocated for advertising in 2012 was 4,356,746.65 kuna (approx. 569,178 euro) which is 5 percent less than in 2011 (4,585,246.47 kuna or 599,030 euro). According to the EMC, the legal entities who do advertise often spend less than 15 percent of their budget, and here too, there are no enforcement measures available to the EMC/AEM.⁶⁸

The new, previously mentioned financial support initiated by the Ministry of Culture aims at non-profit media. The 3 percent of the lottery funds which means around 3,000,000 kuna (approx. 392,000 euro) annually, was in 2013 distributed to fourteen media organisations (11 already established and three new).⁶⁹

3.2

MAIN MODES OF FINANCING – ADVERTISING

Even if the state has an important role in media financing, since most of the media in Croatia are commercial, advertising plays a huge role in the financial sustainability of the media.⁷⁰

Advertising has been declining since 2008. The fragmentation of the audiences as a consequence of technology changes and the proliferation of multiple channels makes the total sum of advertising expenditure divided into smaller pieces, so the amount is the same, but the number of potential beneficiaries is bigger.

Table 6 shows that advertising expenditure has been decreasing, creating problems for most of the media platforms, except the Internet, where the advertising income has increased compared to the previous years. Nevertheless, even if online advertising is on the rise, the total advertising expenditure is still the lowest compared to other media. Television still generates the highest advertising income, followed by the press, radio, out of home (outdoor advertising), and the Internet.

Table 6: ADVERTISING EXPENDITURE (NET AMOUNTS)

YEAR	TV	RADIO	PRESS	OOH (OUT OF HOME)	OTHER	INTERNET	TOTAL
2010 (IN MILLION KUNA)	770	213	545	151	20	36	1.735
2010 (APPROX. MILLION EURO)	100	27.83	71.20	19.70	2.60	4.70	226.70
2011 (MILLION KUNA)	765	190	457	140	15	83	1.650
2011 (APPROX. MILLION EURO)	99.94	24.80	59.70	18.29	1.96	10.84	215.56
2011 VS. 2010	-1%	-11%	-16%	-7%	-25%	131%	-5%
2012 (MILLION KUNA)	702	163	384	135	12	90	1484
2012 (APPROX. MILLION EURO)	91.70	21.30	50.16	17.64	1.57	11.75	193.87
2012 VS. 2011	-8%	-14%	-16%	-4%	-20%	8%	-10%

Source: MediaPuls, AGB Nielsen, Media agency HURA.⁷¹

The ten biggest advertising companies on the national television market are Agrokor, Henkel, T-HT, VIP, L'Oreal, Procter & Gamble, Podravka Grupa, Ferrero, Reckitt Benckiser, The Coca-Cola Company. As is evident from the list, the sector of consumer goods is the largest advertiser, followed by telecommunication and pharmaceutical industry, thus the media largely depend on them (Jelavić 2013).

In a liberal market economy in which advertising is the main source of income to the majority of the media, the public role of media is distorted, since the primary strategy that guides the media is to remain sustainable on the market. The connections among advertisers, the intermediaries (advertising agencies) and the media are structurally determined, and it is difficult to harmonize two goals – profit making and public interest. This is particularly worrying in the cases of small and/or critical media catering for a small niche which regularly have difficulties with attracting advertisers, and/or in cases where advertising power is limited to but a few companies, as the previously mentioned example of Agrokor shows. As one of the journalists in the focus group pointed out:

... The most absurd thing is that advertisers in Croatia function according to corrupt principles. Because it is not important how many clicks you get [on your website] – if you don't have a contract with Unex, you are out of money. You are forced to submit to a 'market' that does not respect the fact that someone is successful on the market. So you are stuck in a trap ... (focus group CM).

3.3 THE UNTOUCHABILITY OF LARGE MEDIA

Media are financed from a few sources depending on the ownership structure: advertising and sponsorship, state subsidies (various levels: local, regional, state), donations, product sales/circulation, and indirectly via VAT policies. The financial crisis in Croatia emerged not only as a result of the global crisis in 2008, but also as a result of social, political and economic processes that were part of the transition – which included incompetent policies and inefficient economic strategies accompanied by corruption on all levels. The media are in a difficult position since their sources of income have decreased on all levels. This creates problems in the whole media landscape, since one element in the structure can induce fatal changes in the whole structure. This co-dependence is especially dangerous in large media that control a considerable portion of the media market and employ a large number of journalists. Such a case is the current position of EPH – the financial crises has affected its business conduct, and financial risks linked to ventures in fields other than media has brought the concern to the verge of collapse. At the pre-bankruptcy settlement meeting (in February 2014) in which the financial plan and restructuring process was defined, the director of EPH Peter Walter Imberg addressed the creditors by saying that the voting that occurs is not only in order to save EPH, but to “... save 800 Croatian jobs, 800 Croatian families, but also democracy in Croatia”⁷² – a statement that in a simplified manner says it all. How this type of dependencies can “save democracy” is another question, but in this case democracy is, as so often observed in public discourses, a signifier used to justify many grotesque anomalies of our social system. When a private enterprise grows to such an extent, the state seems to be powerless. The printing house Vjesnik, predominantly owned by the state – which prints

almost all of EPH's press and consequently depends on EPH for 60 percent of its income – is currently in a pre-bankruptcy settlement. The state accepted the restructuring of the printing company *Vjesnik* and lowered the VAT for daily newspapers to five percent by which it loses around 24 million kuna annually (approx. 3,135,000 euro) while beneficiaries are commercial market players – in this case the main one is EPH (*Jutarnji list, Slobodna Dalmacija, Sportske novosti*). The extra profit of the dailies will mainly be used to return debts, hence the general public will not benefit in any way (in terms of better quality of the press) from this “favour” made by the state nor will it benefit from the previously mentioned pre-bankruptcy agreement by which the state had to write off a considerable part of EPH debts to the state i.e. the public.⁷³

3.4 GOOD PRACTICES

Media legislation obviously does not seem to affect much the media conduct in the Croatian media landscape, since its implementation is vague. It seems that carrot-and-stick approach manifested through indirect and direct media funding strategies developed by the state is much more effective. This is visible in the case of media self-regulation, i.e. the previously mentioned case of media statutes: for years the majority of media outlets ignored the clearly stipulated provision that media organisations had to have a statute. However, the situation abruptly changed once the statute was made the main requirement for the dailies if they wanted to be entitled to the lower VAT and for broadcast media applying for finances from the Fund for Pluralism. This indicates that similar mechanisms should be applied in other cases as well.

3.5 CONCLUSIONS

As visible from the above, advertising revenues and state budgets are reduced which creates an environment that is challenging for media. The imperative of media is to lower the production costs, which has a negative impact on content – this is particularly visible in broadcast media that often do not fulfil the obligations stated in their licence contracts. Both advertising and state subsidies create various kinds of media dependence on commercial and political actors, which has negative impacts on the way media operate and on their public function.

In addition, international donors that played an important role in the media landscape in Croatia in the nineties, now have a marginal role in the media sector financing. The case of *Feral Tribune* is a good example of the battle that independent media had to cope with in a post-socialist context, in which structural changes have had serious repercussions for the operation of media. In the early 2000s, when international organisations that

financially supported independent media withdrew from the region, the media were left at the mercy of the new rules of market competition that they could not possibly cope with. *Feral Tribune* closed down in 2008 – it was not killed by the regime, but eventually by financial difficulties caused by lawsuits and a boycott from advertisers. An indicator of its important role in the media landscape in Croatia is that as early as the nineties their investigative journalists disclosed numerous corruption cases that remained ignored for years and have been addressed only recently, or, to be more precise, much too late.

In the contemporary media landscape the critical voices and public interest advocates mainly come from small media enterprises to a large extent financed through the state budget from various programs of the Ministry of Culture. Such are the press outlets like *Zarez*, a biweekly magazine focusing on culture in a broad sense, *Le Monde Diplomatique*, refurbished in January 2013, a rare example of a press outlet covering international news and topics, and the weekly *Novosti*, financed through the state budget as a press outlet of the Serbian minority.

While one of the main values of a pluralist market economy is competition, diversity and individual choice, the question is whether the greater number of media outlets increases diversity and whether the newly available choices are viewed as relevant and recognized by the audiences. The current trend indicates the opposite – a uniformity of content due to commercial interests. Therefore, this twofold way of referring to the media – as public institutions that operate within a specific legislative framework, and as private/commercial businesses, creates a situation in which double and often incompatible standards are applied. Media financing is crucial for the sustainability of an organisation, and the public role of media cannot be fulfilled if the media content is treated as a commodity and journalists as producers of commodities ready for an exchange on the market.

4. THE PUBLIC SERVICE BROADCASTING IN CROATIA

The *Croatian Radiotelevision (HRT)* is currently facing a major crisis affecting its organisational structure, finances and programming. With the change of government at the end of 2011, new amendments were added to the Croatian Radiotelevision Act (CRTA) and a new management appointed, which was expected to initiate a process of serious restructuring of the institution in order to resolve accumulated problems. However, the expectations of a positive change were not met. Instead, old problems are still unresolved, and the few new changes that were initiated seem to bring about more confusion than resolution. The restructuring process is too slow and without a clear vision for the future.

4.1

ORGANISATIONAL STRUCTURE

The current Croatian Radiotelevision Act regulates the Public Service Broadcaster. It regulates the content and function of public service media, and the regulatory bodies in charge of it. The new CRTA that was passed at the end of 2010 introduced important changes in the operation of the PSB: a five-year contract between the PSB and the Croatian Government by which the program principles and the budget are defined (Article 13); a clear separation of public and commercial activities (public income are licence fees and EU funds, while commercial income includes commercial activities); the primetime advertising on general program channels (*HRT1* and *HRT 2*) has been decreased from 9 minutes to 4, while advertising is completely banned on specialized program channels (*HRT 3* and *HRT 4*), which naturally decreased the annual income of the PSB.

The amendments introduced in 2012 (by the new “left” coalition) changed the management structure of the PSB – it was argued that the current CRTA was inefficient since many functions of its various bodies overlapped and thus hindered the necessary implementation of the provisions stated in the law. Thus, the new changes mainly concerned the organisational structure now consisting of four bodies⁷⁴ – the General Director, The Management Board, the Supervisory Board and the Program Council. With the changes, more power was allocated to the governing parties in the Parliament, which now directly appoints the General Director (and the majority members of the Management Board and the Program Council). At the same time, the position of the General Director was strengthened since he/she appoints all the editors in chief and the directors of the four organisational units, while the powers of the Program Council were diminished and transferred to the Supervisory Board, with the Program Council preserving only an advisory role.

The new organisational structure is obviously not functioning well. As previously mentioned, the General Director of *HRT* Goran Radman⁷⁵ appointed in October 2012, and supported by the governing parties from the Kukuriku Coalition, is still in position regardless of his involvement in numerous affairs.⁷⁶ This vividly shows that the ruling political parties solely decide on the management of the PSB. As one of the journalists employed at *HRT* puts it:

... Regarding the CRTA, it is scandalous that it is a unique act in Europe and probably in the world that places all the power in the hands of one person, and he becomes Almighty God who decides on everything. That is inadmissible, but unfortunately it has happened, and it is the result of this Government and their decision, we cannot change much here ... he decides on a large amount of money, and nobody can control him because the Supervisory Board is lacking two members, it is incomplete, and nobody cares about their opinion. He [General Director] simply came through political will, he is in a conflict of interests but nobody cares (focus group PSM).

The annual report submitted by the Program Council (PC) (for the period between 19 November 2012 and 31 December 2013) clearly shows that the communication between the Program Council (PC) and the Management Board (MB) is insufficient. According to the PC, they do not receive feedback on inputs and suggestions given to the MB. The PC also expressed dissatisfaction with the lack of transparency and timely submission of various materials and documents necessary for the PC to be able to fulfil its legal obligations.

The PC also pointed out that a commercialisation trend is visible, especially in the frequent appearance of formats such as sitcoms and soap opera, while quality television drama and movies were less present. According to the PC, HRT needs to initiate production of quality content. Special concerns were expressed regarding the television channel HTV 2, and radio channel HR 2 which did not have a clear public service agenda, while compliments were given to the specialized television channel HTV 3 and radio channel HR 3 for their quality content.

According to the PC, the ethical standards regarding the employees were inconsistent – while some breaches were radically and abruptly sanctioned, others did not produce any consequences for those who breached internal rules. It was also stated that some of the editors had excessive powers. The employees were not adequately engaged in projects – instead of using the internal resources of the institution, external foreign associates were frequently hired.⁷⁷

Since the instalment of the new General Director, the way of operating has included frequent change of duties, with the most recent (January 2014) being the dismissal of the Program Director Goran Rotim, who held that position for only eight months. So frequent are the changes that it is hard to keep up: some people resign, while others are removed from their positions. This is particularly true for the news and current affairs sections. Numerous current affairs programs have also been removed from the program, such as Spektra, Nulta točka, Horizonti etc.⁷⁸ The reason for this is not quite clear, but the consequences are surely an instable working environment that produces fear on the part of the employees, which has serious repercussions for the quality of programming, and thus for the audiences. As one of the employees argues:

... Politics imposes some persons upon the HTV ... in the last few years [but also previously] some people were thrust upon HTV without ever encountering television before except in their own homes ... we have a problem with the management, in the last few years eight editors in the news and current affairs program were replaced, in the last year five were replaced ... This network of functions ... no one knows who is responsible to whom ... (focus group PSM).

4.2

FINANCIAL CRISIS

HRT faces financial problems – at the end of 2012, the balance of accounts was negative: -28,935,850 kuna (-3,778,805 euro). The total income was 1,447,127,427 kuna (approx. 188,980,992 euro), but the expenditure reached the amount of 1,476,063,278 kuna (approx. 192,759,720 euro). The material costs (39.62 percent of the expenditure) and the personnel costs (31.49 percent) were the largest categories.⁷⁹ *HRT* has 3,390 employees and a huge number of external associates.⁸⁰ The licence fees make around 80 percent of the total income of *HRT*⁸¹ enabling a form of stability, but the advertising income is decreasing. In 2010 the income from advertising was 220 million kuna (approx. 28,729,891 euro), while in 2012 only 110 million kuna (approx. 14,364,945 euro).⁸² This is partially caused by the fact that the total amount of advertising in the media landscape has reduced, but also due to the fact that the audience share is declining. As mentioned above, the new Croatian Radiotelevision Act (2010) considerably reduced the number of minutes allowed for advertising. The advertising share of televisions with national licences is now distributed in the following way: *Nova TV* holds 45 percent of the total number of ads on the television market, followed by *RTL* with 33 percent, while *HRT* only holds 21 percent share.⁸³

Table 7 THE MAIN INCOME SOURCES OF THE CROATIAN RADIOTELEVISION IN 2012

SOURCE OF INCOME	AMOUNT (IN EURO)	SHARE IN THE REVENUE	SHARE IN THE TOTAL REVENUE*
LICENCE FEE	154.324.330.19	89.15%	81.66%
ADVERTISING	17.711.004.09	10.23%	9.37%
SOLD SATELLITE CARDS	1.068.698.39	0.62%	0.54%
TOTAL	173.104.032.80	100.00%	91.60%

Source: *Croatian Radiotelevision*.

Note: *The additional 8.40 percent is categorized as "other commercial income" (94,943,204 kuna which is approx. 12,398,672 euro or 6.56 percent) and "financial income" (26,634,900 kuna which is 3,478,263 euro or 1.84 percent).

The decrease in income from advertising is probably one of the reasons why the breaches of legislation conducted by *HRT* are mainly related to advertising stipulations. According to the annual report of the Electronic Media Council (EMC),⁸⁴ television operators received a total of 12 warnings based on their monitoring, of which 5 applied to *HRT*: three were linked to advertising (the extension of advertising time above the limit, marketing content or sponsorship that was not announced), one was connected to defamation, and one linked to biased reporting. Of the ten minor offence notices sent to the television operators, five concerned *HRT* – all five were linked to breaches concerning advertising, sponsorship and product placement.⁸⁵

Financial cuts suggested by the management seem to be made in the wrong places. The most recent case (January 2014) that provoked huge dissatisfaction in the public was linked to the plan to terminate 11 local⁸⁶ news correspondent desks in Croatia⁸⁷ by mid-2014. This will decrease the pluralism of sources and further centralize the PSB system. This is especially problematic because small regional news correspondents produce program that is not available on other commercial television channels with national reach, which gives the PSB a comparative advantage. This decision triggered numerous critiques coming from individuals and/or organisations

Branko Vukšić, the Head of the Parliamentary Committee on Information, Computerisation and the Media claims:

*Croatian Radiotelevision has to begin to operate in a rational way but that does not mean they have to abolish news correspondents because in such a case there is no reason for the Croatian Radio-television to exist – if it will only cover Zagreb and whatever is visible from its cathedral, and Split, Rijeka and Osijek. What about other places!? Why are they not covered in the programs of the Croatian Radiotelevision?*⁸⁸

In the official response given by HRT it was claimed that this was only a part of the restructuring process which includes numerous organisational changes. The aim is to “ensure efficient business conduct in order to limit the costs of operational activities to 95 percent of the total income, and to enable a sustainable development...”⁸⁹ As they claim, the activities of the local news correspondent offices will not be abolished, but the organisation of work will be improved and the positions will be offered to individuals capable of fulfilling tasks in compliance with new multimedia technology. This will, as they claim, not affect the quality of information offered on national, regional and local levels.⁹⁰

The statement given by the General Director in the central news bulletin *Dnevnik* was the following:

*The formal abolishment of news correspondent offices does not mean that our presence on the field will be abolished. We think that the Croatian Radiotelevision generates a very good and referent content with its presence, with news correspondence in the field across Croatia, and we will not only keep that, but will also attempt to enhance it.*⁹¹

It is not quite clear how they attempt to remain in the field if they formally abolished the news correspondents.

The way funds are allocated and distributed is non-transparent, and questions have frequently been raised concerning dubious contract award procedures and biddings, legal advice, tourist agency services etc. This problem particularly applies to the outsourcing of different projects, and non-transparent agreements on co-producers and independent producers. HRT is obliged to allocate 15 percent of the annual program budget for European audiovisual work of independent producers of which half of the budget has to

be allocated to domestic production (in Croatian language) (Article 11); this has been conducted in dubious ways – from extremely high expenses of particular contracts to the way the contracting applicants are chosen. At the same time, the internal staff resources are not adequately utilized, it can even be argued that they are slowly wrecked – this is especially applicable to the documentary program.

4.3

GOOD PRACTICES

The licence fee is charged to television and radio set owners and the amount is set as 1.5 percent of the average net salary in the previous year which means that the figure depends on the economic indicators in the country, even though it also means that everyone pays the same amount, regardless of the monthly income. In any case, this enables a financial stability of *HRT*. One positive example of the allocation of funds is the newly established television channel *HRT 3* specialized in culture (in a broad sense). Another example is the radio channel *HR 3*. Both significantly contribute to diversity of content offered by the media in Croatia.

4.4

CONCLUSIONS

The *Croatian Radiotelevision* is facing serious problems: organisational, programming, and financial. The process of restructuring is slow and the steps taken seem to have worsened the situation rather than resolving it. Constant changes in leading positions create chaos and instability that surely result in a sense of fear among the employees.

The legislative framework has strengthened the political control of *HRT*. The current case of the General Director clearly shows that political support enables leading figures to stay in position regardless of the evident breach of legislative provisions or incompetent actions. It also shows the persistent and continuous influence that political power has in the operation of *HRT*.

In order to cope with the competition, *HRT* has – to a certain extent and despite its public service role – resorted to mechanisms similar to those used by commercial TV (in terms of format change, trivialisation of content, sensationalism etc.). However, *HRT* is, as expected, in the lead in fulfilling the public role of media. The share of news programs in the total program of television channels with national reach shows that the PSB offers the highest percentage of news programs.⁹² Research shows that the coverage of civil society activities, children and youth, disabled people, retired citizens, national minorities, non-governmental organisations, asylum seekers, gender rights, sexual minorities rights – are most frequently covered by *HRT*.⁹³ Thus, *HRT* is an institution with a long tradition of quality production, and specific content that is not available elsewhere can be found there. It also has a stable financial frame (compared to other type of media) due to licence fees and should thus make use of it.

5.

JOURNALISTS

Journalism as a practice developed out of literary circles in the 19 century in Croatia. As a profession learned through formal education, it was first in the seventies that the first journalism study program entered the university. Journalism has always been closely tied to the domain of politics, and until a decade or two ago, journalism as a profession enjoyed a high social status since its role was closely connected to that of public intellectuals. Today, the status of this profession has eroded significantly. The explanation for this needs to be linked to complex changes in the social structure and various trends affecting the field of media productions. Some of the possible reasons are commercialisation and privatisation of media, which transform news and producers into commodities; unpreparedness of the journalists to cope with the fast changing conditions concerning their professional situation on the labour market; technological changes that have enabled a wider number of people to participate not only in news consumption but in production processes as well, which have changed the skill requirements in this profession; relatively short tradition of educational institutions specializing in the field of media and journalism. In short, while the position of journalists varies depending on media platform and position in the hierarchical structure, in general, being an average journalist in contemporary Croatia implies a precarious working position, with a low level of autonomy and engagement in production processes often reduced to technical skills.

5.1 PROFESSIONAL CAPACITIES OF JOURNALISM

As previously mentioned, the first journalism study program was offered at the Faculty of Political Science (University of Zagreb) established in 1971 (undergraduate and graduate level). The changes to the educational system and the introduction of Bologna principles along with the commercialisation of higher education initiated the emergence of several programs in journalism: the Department for Tourism and Communication Sciences (University of Zadar) established the program Journalism and Public Relations in 2007 (graduate level); the Journalism program (BA level) and Public Relations program (MA level) established in 2012 now forms a part of the North University in Koprivnica; and the privately owned University of Applied Sciences Vern (undergraduate level) launched in 2007. There are also shorter programs for journalist education such as the International Centre for Education of Journalists – ICEJ. The question is what kind of education and training enhances the professional conduct in media organisations? Namely, journalism is peculiar in that it requires concrete skills needed in the practical conduct in the working environment, as well as a broad knowledge based in social sciences and humanities that enables a wider understanding of different processes - social, political, economic, cultural – which guide stability

and change in society. This theoretical knowledge also enables journalists to situate themselves in the social structure, which is important in order for them to be able to critically evaluate their own position and to obtain a bird's eye view. While the latter type of knowledge is readily available at universities, it is questionable whether they can (and should) provide the skills necessary to master the fast changing conditions in the newsrooms and in that way offer market-ready journalists. Learning the skills was previously a part of the employment process, not the formal education process, however in a "market society" (Slater and Tonkiss, 2001) – in which the principles of the market dominate society and not, as previously, only the field of economy – the expectations from higher education institutions are changing. "Applicability", "flexibility", "efficiency" become the main signifiers. As one of the journalist participating in the focus group discussion put it:

[Today there is a demand for] *multipractic journalists, and idea that goes hand in hand with the idea of life-long learning, but [I am not thinking of it] as a positive idea, but as a constant adjustment to the demands of the market, adjustment to new working conditions* (focus group NPM).

The journalists participating in the focus group discussions all had a similar view on the (un)usefulness of formal journalist higher education. They claimed that formal education was not so important in order to be a good journalist, especially since formal education did not necessarily guarantee well educated people:

Some of the best journalist ever in Croatia don't have a diploma, so I think it is completely irrelevant, except for getting a better [employment] contract. I have a formal education in journalism, but after two days at work, I realized that I knew nothing (focus group CM).

This indicates the low quality and prestige of institutions offering journalist education in Croatia, even though there is a constant high interest for enrolment in this program.

The focus group participants pointed out that formal education was important in general for the quality of journalist practice, however the formal degree did not necessarily have to be in journalism.

I think that a faculty degree as such is good and important; in general ... education is surely important (focus group CM).

The journalists participating in the focus group discussions were asked to name up to five journalists they considered to be the top in the profession. They singled out 43 different names of which the majority appeared once or twice.⁹⁴ Four names received more than two "votes:" Ladislav Tomičić (4), working for the daily newspaper *Novi list*, Slavica Lukić (4), working for the daily newspaper *Jutarnji list*, Ilko Ćimić (3), working for the online news portal *Index.hr*, and Nataša Škaričić (3) working for the daily newspaper *Slobodna Dalmacija*.⁹⁵ It seems that formal training in journalism is not perceived as being relevant in order to be a good journalist, and perhaps formally receiving a diploma as the final stage

of studying is not that important, but the experience and knowledge gained in the process of studying in any field seem to be important for quality journalism.

5.2 PROFESSIONAL SELF-ORGANISATION OF JOURNALISTS

The most prominent and active association is the Croatian Journalists Association (CJA) that aims to fulfil the professional interests of journalists and ensure their material and social protection. They have a Code of Honour and the strongest measure is a moral condemnation for its violation. The data available from the CJA regarding their membership shows that at the end of 2012, they had 2,797 members, which means that around 50 percent of the total numbers of journalists in Croatia are members of CJA. More than 65 percent of the members have a university degree (BA, MA, and PhD), while around 1000 members have only secondary level education. The membership structure also shows that middle-aged members are in the majority – the average age is 52.

A comparison with 2009 when CJA had 3,185 members shows that the membership has been decreasing. The evaluation of the work of the CJA by the journalists participating in the focus group discussions may explain the reasons. They all pointed out that the activities of the CJA were not sufficient. It was heavily criticized for being inert, playing by the rules of the powerful, and always compromising between different political and economic interest groups. It was also claimed that it only managed to involve retired journalists while its current leaders have done nothing to attract young people to the association. The actions they organize were claimed to be of little use – since they were reduced to writing and publishing of notices. They did not react sufficiently to the breach of ethical standards, and the people leading the association were seen as keeping a cosy position in pursuit of their self-interests and benefits and engaging in a type of “politics of compromise,” instead of being more active in the creation of media policy. It was also suggested that people with more energy should lead the CJA.

However, the current president of the CJA, Zdenko Duka, points out the importance of the organisation and evaluates the role of the association in the Croatian context in the following way:

We are talking about 23 years, and I think that it had a significant role during the whole period. In the first decade, it managed to protect the profession in the period when it was hard, because there was a lot of political pressure. I think that the association was led by people whose priority was the preservation of the profession in all periods. There are few countries, especially in the area of ex-Yugoslavia, that have such an association. CJU was established in 1990, followed by the foundation of the journalist union. This is the only association where there were no political fragmentations. ... it had an educational role during one period through ICEJ, but I have to admit this is bygone. Besides the Journalists Honour Council

within the CJA, the only self-regulatory body is the Croatian Media Council established two years ago. This is the only place where one can file a complaint regarding journalists' conduct, and where every admonition, every complaint is reviewed ... So, the role is significant.

Regardless of the critiques by the focus group participants, the CJA has continuously been the most publicly visible association concerned with the media in Croatia. It is concerned with professional standards, and is the only institution that overlooks journalists' ethical performance.

While CJA ensures visibility of issues concerning the profession, the articulation of problems does not necessarily result in their solutions, thus a more firm and dynamic approach would be needed in order to be able to deal with relations and practices which lower journalistic professional standards.

The Croatian Media Council (CMC) was established at the end of 2011. It is a self-regulatory mechanism that aims at the enhancement of media performance in Croatia. It monitors and sanctions the breach of journalist ethics. It consists of eight representatives of the CJA and eight representatives of large media organisations and associations.⁹⁶ Thus, the idea is to bring both representatives of employers and employees to the table. However, while any form of defence of journalistic professional standards is welcome, it is unclear how they will differ from the CJA's Journalists Honour Council, since the cases of breach only apply to the members of the CMC, who must publish a notice in their respective media in such cases. For now, its performance still seems to be weak, and the question is whether it will survive at all. One of the problems is that the members are employed elsewhere and their engagement is voluntary. Considering the tasks ahead of the CMC, it urges for a full-time engagement.

5.3 JOB SECURITY AND WAGES

The 2011 census shows that there are 4,923 employed journalists – however this figure includes all types of employment. On the other hand, there is no reliable data on the number of journalists working for particular types of media or on the position they occupy in the hierarchical structure of an organisation, nor reliable data on public relation journalism. The Croatian Public Relation Association estimates that the 700 members of the association make around 90 percent of experts working in public relations, of which 30-40 percent are former journalists. There is also no reliable and transparent data on the wages of journalists and editors in Croatia, but the differences between the wages of top editors and journalists of big media outlets and those of other editors and journalists are large. According to the investigative portal *index.hr*, the highest wage in the press daily *Jutarnji list*, which is a part of the EPH concern, is that of the deputy editor in chief and

amounts to 69,401.25 kuna (approx. 9,066.74 euro) while the editor in chief has 53,901.25 kuna (approx. 7,041.78 euro).⁹⁷

The unemployment rate among journalists has considerably increased, especially since 2010. According to the data of the Croatian Employment Service, the number of unemployed journalists in 2013 was 729 (Table 8). This poses the question as to why new private and public journalism programs are given green light, when the labour market is obviously satiated and the current cuts of the budget in the field of higher education create difficulties in the implementation of all the currently running programs.

Table 8 UNEMPLOYED JOURNALISTS 2004-2013

YEAR	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
TOTAL NUMBER OF UNEMPLOYED JOURNALISTS	236	251	271	256	218	264	385	491	599	729

Source: Croatian Employment Service.

The Croatian Journalists Union⁹⁸ (CJU) was founded in 1990. According to their website,⁹⁹ they estimate the number of journalists to be approximately 4000 of which around 70 percent are members of the CJU. They have 11 collective agreements signed with media organisations but the main organizing principle is to form union branches within media organisations – there are 74 branches, and they also have individual members in almost all media.¹⁰⁰ CJU is trying to reach a collective agreement for journalists and media workers on a national level, in order to protect all workers, especially the ones working in small local media as well as precarious part-time associates. They give free of charge legal advice in labour disputes between media owners and journalists. They have raised issues on the worsening of the position of journalists in Croatia who are increasingly subjected to precarious work, with short term contracts that constantly keep them in a position of fear and insecurity.

A particular problem is the so-called RPO (Registar poreznih obveznika/ Register of taxpayers) contracts concluded between media organisations and “self-employed” journalists that include obligations similar to those of regular employees, in terms of exclusivity, regular attendance in the office etc., while their rights and security of position are diminished.¹⁰¹ This type of contract also enables tax evasion on the part of media owners, and in the long run creates an insecure, precarious position of journalists on the labour market. According to some estimates, there are at least 400 journalists in the Register, while the state loses 20 million kuna (approx. 2,612,857 euro) annually.¹⁰² This has serious repercussions for the quality of journalists’ work and media performance in general.

Even though the Media Act stipulates that all media outlets are required to have a Statute that regulates the relations between media proprietor, editor in chief and journalists, this was completely ignored by media proprietors for years. It was only when the Government “blackmailed” press media proprietors by demanding that media organisations had to have a statute in order to reduce VAT to 5 percent, and the statute became a necessary condition for eligibility to apply for the Fund for Pluralism support, that a hyper-production of Statutes began. Predictably, this does not necessarily imply that the provisions are meant to be followed. According to the experience of the focus group members, there were considerable problems in the processes of enactment within some media organisations.¹⁰³

The [new] VAT act initiated the adoption of Statutes. It was enacted ... I don't even know when it was enacted for the first time, but nobody did anything. Then, when it finally arrived, due to money matters ... in [the media organisation] 24 sata, nobody said a word, nobody did anything. And then comes Friday, the last deadline. They [the journalists] came to work and were told to vote for the Statute. So, some colleagues said 'well I have no clue about the content of the Statute, how can I vote for it? And the answer was 'go to the secretary and have a look'. So, one of my colleagues went to the secretary, who said that she was not allowed to show it to anyone. Then, some of the journalists expressed dissatisfaction and claimed that perhaps this was not right. At the same time, that same day, people were dismissed so there was a fuss about that, and then at some point we had to vote. The majority voted for it ... it passed, and the formal conditions were fulfilled. Nobody still knows what is written in the Statute, nor if it will ever concern them. So, any type of media regulation is an empty story when the practice is completely different (focus group NPM).

A statute should be adopted in every newsroom, the relationships would be much more ordered ... I think it would enhance quality journalism ... but in commercial media ... but I know that in our organisation [Nova TV], concretely, any attempt to establish something like this is smothered. The same goes for union organizing (focus group CM).

As visible from the examples above, there seems to be a sharp division between managerial and editorial staff and journalists within media organisations. In the focus group discussions editors were depicted as figures that were often professionally incompetent and worked in the interest of the owner and/or other powerful actors, juxtaposed against conventional professional standards. The incompetence of editors was, among other things, viewed as a result of the fact that (before the already mentioned changes in the regulation of statutes within media organisations) journalists did not have an impact on the election of editors. The above mentioned problems were especially linked to corporate media, in which journalists that demanded their rights and were more apt to protest, were frequently marginalized. However, public service media, especially television, were also

criticized in this respect, while the only type of media that was excluded from this pattern was civil society media.

Surely, this type of hierarchical relations depends on several key factors such as the source of income which defines the function and aim of the media (public, private or civil society media), the size of the media organisation (smaller media outlets are more likely to have a more horizontal organisational structure), and the type of media platform (television, press, internet, radio).

5.5 STRUCTURAL RELATIONS DISTORTING COMMUNICATION: INDIRECT SILENCING OF JOURNALISTS

In the contemporary media landscape new, more covert modes of silencing are present. In a context in which commercial media depend on advertisers, there is naturally a limit to what can be published, firstly because advertisers do not want to be negatively depicted in the media, and secondly they don't want their product to be situated in any type of unfavourable context. In the focus group discussions, the large advertising agencies were depicted as the main source of pressure on commercial press and television platforms – which are, consequently, most (self)censored. According to their testimonies, the advertisers and their marketing agencies overtly threaten to withdraw their ads if something they consider inconvenient is published, while the media engage in self-censoring practices in order to keep the profit running.

Another new trend that has considerably changed journalist practices and represents a way of distorting communication in the interest of the public derives from the emergence of public relation communications, since it includes prepared, controlled and usually written materials and diminishes the possibility of engaging in oral, direct communication. In the focus group discussions this problem was particularly associated with the field of political communication where the materials were often published intact, without questioning their content.

An important point made in the focus group discussion was the distortion of information through information trading. This takes place on two levels – the first, more subtle, manifests itself in practices in which politicians are treated as a reliable source of information without questioning their statements, and the second, more direct level is one where journalists are bribed by powerful actors in order to write and frame a story in a particular way. It was also pointed out that journalists, especially those covering the area of economy, were often indirectly bribed through gifts, suppers, travels etc. On a broader level it was pointed out that the media engaged in a form of “racketeering” – where media owners and editors negotiate and trade information depending on current particular interests as a way to defame competitive interest groups.

Naturally, such an environment is not favourable for the flourishing of investigative journalism; firstly because this sort of journalistic practice requires considerable time and financial stability, and secondly because the topics elaborated - such as high level corruption, crime etc. - are attempted to be covered up, rather than disclosed to the public. Thus, investigative articles that target the sources of power are most likely to be published in online media (h-alter.org, index.hr, lupiga.com etc.) or in non-commercial press outlets (*Novosti*). One of the problems that emerge here, which was raised by the CJA, is the provisions in the Penal Code, by which insult, shame and libel are penalized. This restriction results in self-censorship of journalists, because even truthful information is easily penalized, and also because media proprietors often refuse to cover the legal expenses and the compensations in the case of lost lawsuits, which is a quite new practice.¹⁰⁴

This problem was also pointed out in the focus group discussions – several examples were given in which individual journalists or whole media organisations were destroyed financially for the above mentioned reasons. It was suggested that a fund for legal help for journalists not protected by a media organisation needs to be established. It was also pointed out that a change in legislation was necessary, one that would ensure that journalists will receive financial compensation in cases where the information published was proved to be right eventually (even in a later stage). Big corporative media were pointed out as positive in this respect, since they had strong legal teams at the disposal of employed journalists, while smaller media – which were often much more critical and thus more inclined to publish such content – did not have this legal background.

5.6

GOOD PRACTICES

While the overall crisis of the profession has produced many problems, one good outcome is that it seems to have managed to homogenize journalists to a certain extent. One rather unexpected sign of solidarity among media outlets was clearly visible in a case when all media decided to boycott the press conference of the initiative “In the Name of the Family.” The initiators of the referendum banned several media from accessing their headquarters on the day of the referendum (1 December 2013), which was condemned by the Croatian Journalists Association who invited all the media to boycott their press conference after the referendum – and they did. Another positive indicator is the start-up of many new civil society media projects (non-profit media), initiatives that are now, at least to a small extent, supported by the state.

5.7

CONCLUSIONS

The journalism profession is changing. On the one hand, journalists are increasingly subjected to precarious work, with short term contracts that keep them in a constant

position of fear and insecurity. This has serious repercussions for the quality of journalist work and media performance in general. On the other, they too often uncritically engage in social practices that further perpetuate their unfavourable status. Thus, the education of journalist should aim to develop critical and analytical abilities, while the professional organisations should invent mechanisms to enhance solidarity and homogeneity of the members. Unfortunately, the trends point in the opposite direction.

6. MEDIA AND JOURNALISTIC PRACTICES

New contemporary trends - such as fast technological developments, audience fragmentation, hyper-commercialisation, make the media landscape, and consequently media practices, elusive and shifting.

Perhaps the most important changes, including media privatisation and commercialisation, have most severely changed media practices. In a complex constellation, media production is driven by profit interests and sustainability of media outlets that find expression in the battle for audiences and advertisers. In this respect, independent, alternative and critical discourses are hard to maintain. Instead, light entertainment in the form of tabloids, infotainment, celebrities and the spectacle are the main narrative forms of contemporary media. In addition, violent narratives, representation of crime and the emphasis on risk and insecurity permeate the dominant media. This low level of performance is often justified by producers with the simplified “argument” that they “only give the audience what they want.”

6.1 IDENTIFIED ETHICAL BREACHES IN THE MEDIA

Breaches of legislative provisions stipulated in the Electronic Media Act are monitored by the Electronic Media Council (EMC). In 2012 they received and processed 145 cases of citizens' complaints¹⁰⁵ and based on these cases, the EMC issued 60 caveats in 2012.¹⁰⁶ The major breaches concerned advertising and sponsorship that were not in accordance with the legal provisions in the Electronic Media Act (22 cases). Several cases concerned the program scheme, based on which the licences were given, that were not properly implemented (13 cases).¹⁰⁷ In addition, twelve cases concerned the protection of minors, as the most vulnerable population. Finally, seven cases were related to hate speech, while the rest (six) were linked to the mode of reporting (human dignity, balanced reporting, unbiased reporting, truthful reporting). Thus, more than half of the cases of breach were directly (ads) or indirectly (licence contract breach) motivated by profit, while the other cases were indicators of unprofessional modes of conduct.

Breach of professional ethics is in the domain of the Croatian Journalists Association. In the period between January and October, 2012¹⁰⁸ the Journalists Honour Council (JHC) within the CJA received 80 cases of complaints, of which more than half (41) were dismissed as ungrounded. As they claim, this is an indicator that people submitting the reports lack sufficient knowledge about journalism ethics in general.

Of the 39 cases,¹⁰⁹ the majority were related to modes of reporting that included biased reporting, inaccurate reporting, defamation and sensationalism. Other cases concerned the breach of children's rights,¹¹⁰ privacy right and authorial rights. Two negative trends were identified in the report: covert advertising and a continuation of breach of the provision regarding right-to-reply.¹¹¹ More than half of them aimed at editors, which the JHC claimed to be the actors most responsible for the adverse state of journalism ethics in the Croatian media.

6.1.1

CASE 1: INSTIGATION ON THE WEB

Misconduct and breach of professional standards by editors and journalists are quite common on the web portal *Dnevno.hr* established in 2010. The coverage frequently includes attacks, insults, instigations and even hate speech aimed at social actors of different ideological positions.¹¹² Their attack is aimed not only at different minorities such as sexual minorities, Serbs, Jews etc., but also at individuals and organisations that they view as their opposition. The portal has on several occasions been warned by other media outlets and by the Croatian Journalists Association for ethical breach. Interestingly, although being extreme right positioned, the portal *Dnevno.hr* has also been established in Serbia and Bosnia and Hercegovina. They all have the same logo and write in the same instigating style. The Croatian Journalists Association warned them several times during the year, and demanded that they should apply professional journalist standards in their mode of operation.¹¹³ One of their reactions concerned the “fascistic and insulting texts” entitled “In the land of Catholics four main officials are not baptized – Croatia is the land of apes?” They stated that “the desirable type of politician in Croatia is a non-Croat, unbeliever and ape”- aiming at the president, the prime minister and two other ministers.

6.1.2

CASE 2: MEDIA AND THE FIELD OF POLITICS

Politics as a specific social domain is the most covered field in the media.¹¹⁴ The media in Croatia carry some characteristics of what Hallin and Mancini (2004) label “the polarized-pluralist model” in that the media outlets can be divided according to party politics and ideological positions. This divisions were clearly visible in the already mentioned case when the initiative In the Name of the Family, led by Željka Markić and supported by rigid conservative political actors, especially the Catholic Church, pushed for a referendum

on the question of whether the definition of marriage as a union between man and woman should be implemented in the Croatian constitution. This was a way to further petrify the already limited rights of sexual minorities. The media labelled it “the referendum that divided Croatia” and it was for days the main topic in the public debates. On the day of the referendum (1 December 2013) the initiative banned some media from attending their press conference since the “media coverage of the referendum was unprofessional” (i.e. against the suggested change in the Constitution). This “selection” of media outlets reflected the division between the liberal and the conservative – the media that were banned were the *Croatian Radiotelevision*, all EPH press outlets, the daily *Novi list*, and the portals *index.hr*, *t-portal* and *net.hr*. These are, of course, the media with relatively high audience reach, which is why they were explicitly targeted (there are numerous other media that could be in this category as well). In the search for left-positioned media with a more radical discourse, one has to look hard in the Croatian media landscape since they seem to have vanished with the dissolution of the socialist political system. A few portals, one weekly, and one monthly with very small reach are the only few ones left.

6.1.3

CASE 3: SENSATIONALISM, TRIVIALISATION AND NECROPHILIA

The “dumbing down” of media content is clearly visible in all the media regardless of the type of platform. Sensationalist reporting, tabloidisation, scandal, crime, celebrity, entertainment and advertising are the signifiers that best describe the media content in contemporary Croatia, regardless of the platform.

One of the perhaps most disturbing changes visible in the media is the growing number of crime and disaster stories in which ethics is completely erased from the *modus operandi* of the media. One case in point was the death of Dolores Lambaša – a 32 year old Croatian actress who died in a car accident on 23 October 2013. The media coverage stirred heated public debate about media and ethics. Namely, all the media covered the news of her death as top news, but the information provided did not only concern facts about the car accident, but also included sensationalist reporting and morbid details about the accident as well as details of her private life (such as SMS and Facebook messages, disturbing photos from the place of the accident etc.). Instead of protecting the dignity of people that are protagonists of such tragic events, the media usually choose to exploit this in order to attract the audiences.

This example was also frequently mentioned in the focus group discussions with journalists who were asked to point out what they considered to be a case in point of ethical breach in Croatian media. The most frequently mentioned cases were linked to the exploitation of death, illness, and crime as a way to attract the audiences regardless of the con-

sequences for those involved. The case of Dolores Lambaša was mentioned several times and described in the following way:

...*We are supposed to be a serious news portal [t-portal], but when Dolores Lambaša died, we raised the number of clicks by [exploiting] her tragedy – we put her on the main page. This should not happen! Of course it deserves an important place [on the site] but it cannot take the main position in a supposedly serious media – a tragic accident of an actress! ... Everyone reported it as top news, but it is wrong. And then, I got some emails, that some people celebrated in their news rooms – ‘wow, so many clicks – we will beat the record!’ We cease to be humans in that moment. It does not matter [who it is] Dolores Lambaša or Zoran Milanović [the Prime Minister]! I don’t care. The person is dead. I cannot celebrate the number of clicks based on someone’s death* (focus group CM).

6.2

GOOD PRACTICES

A positive example is the *Croatian Radiotelevision* third program launched in 2012, that offers different, quality content completely free of advertising. *Novosti* is also an interesting case emerging as a weekly newspaper of the Serbian minority financed through the state budget which gathered some of the sharp and critically inclined journalists previously working for the weekly *Feral Tribune* that was closed down in 2008 due to financial issues (VAT debts, constant lawsuits). *Zarez*, a biweekly, and the monthly *Le Monde Diplomatique* are examples of quality press, albeit specialized in specific social domains. In the last decade, web portals that are either initiated by civil society associations (like *H-Alter*) or are privately owned (such as *Index.hr*) have been emerging; they are also contributing to the media landscape in Croatia. The already mentioned public radio station *HR3* provides quality news and information programs while the internet radio *808* and the local *Radio Student* provide alternative content in terms of music and thus enhance pluralism of content in the Croatian media landscape.

6.3

CONCLUSIONS

There is no broadsheet newspaper in Croatia any more, since the only one – the daily *Vjesnik* – faced bankruptcy and was shut down in 2012, as a decision of the Government. The leading daily, *24 sata*, is a tabloid, and *Večernji list* and *Jutarnji list* are half-tabloids. Media content and form has changed, especially in the last decade, and includes sensationalist reporting, crime stories, celebrity coverage, and advertising to a large extent.¹¹⁵ Academic research shows that professional standards in the media are low.¹¹⁶

In terms of viewership and visibility, commercial large mainstream media dominate the media landscape. It is quite clear that the mentioned examples of media outlets that provide quality content and fulfil the public role of the media, mainly have the privilege

not to depend on advertisers and the market – thus the structural position of media will to a certain extent determine what type of content they provide. Obviously, constant battles for profit and financial sustainability set aside the public interests that are crucial for quality journalism, i.e. content that the media, as important social institutions are obliged to guarantee to the audiences.

Having in mind the dominant content in the Croatian media, it is not surprising (and is perhaps even comforting to know) that according to the marketing research agency GfK,¹¹⁷ in 2012 only 18 percent of the population trusted the media, while 60 percent did not trust the media. The average grade given to this institution on a scale from one to seven was 3.1.

This complex and fast changing environment forces the actors involved in the media practices to simultaneously juggle multiple challenges on various levels, which consequently lowers the ethical norms of the profession and diminishes the democratic role of the media.

7

GENERAL CONCLUSIONS

The change of the political system in the early nineties and the introduction of market competition still have noticeable repercussions for the performance of the media in Croatia. Along with the frequent adjustment to European regulation, the media landscape is still struggling with problems linked to path dependent issues associated with the transition. This, most notably, included the processes by which former state-controlled media were transformed to public media, or alternatively subjugated to the rules of the market. The “polarized-pluralist countries” – the term referring to the Mediterranean countries in south Europe, as identified by Hallin and Mancini (2004) – show some similarities that are applicable to South East European media systems as well, and they point to enduring social structures and cultural peculiarities that are not easily moulded by media policy regulation and mechanisms imported in accordance with European standards. It also points to the various external aspects relevant to media systems, such as the size of the market, economic figures and standards, the rate of literacy (not to mention media literacy), political culture, the functioning of political institutions etc.

While some characteristics seem to be enduring in time, it is also true that the profound changes that have been introduced affect the media system and its mode of operation in a way that perpetuates the existence of a “grey zone” of conduct, which enables corruptive practices to flourish. This also makes the analysis of the media system extremely complex, since the nature of the object/structure analyzed is frequently in flux. Change seems to be constant: frequent legislative and rule changes (different programs, funding rules etc.), technology changes and adjustments, restructuring of media organisations

(especially in the case of PSB media), changes of staff in the regulatory bodies and leading positions in large media organisations, the emergence and disappearance of media, and changes in the ownership structure – all of which makes it extremely difficult to monitor this field and to grasp it as a system in which all the elements should be brought together in order to be able to make sense of it.

Some problems can be tied to the peculiarities of the post-socialist region, while others can be viewed as much broader trends that have swept across Europe in the last few decades, such as the retreat of the welfare state and cutbacks in the public sector, commercialisation, concentration of power, lack of political participation, and – directly regarding the media (including mass media) – the dumbing down of content, tabloidisation, trivialisation, domination of crime and violence, rise of celebrity culture, the centrality of image and branding in communication.

The main problem visible in the media landscape is the proliferation of commercial media that are first and foremost defined as market players while their public role is pushed aside. This results in the “dumbing down” of media content as the main concern is financial sustainability and profit. The advertising industry has become the major fuel for the media industry, a factor that, to a large extent, shapes the type of content created for the audiences viewed as a market niche. This has structurally affected the whole media landscape, including public and community media competing for the audiences. It also affects the role of the media to provide spaces of debates. Censorship and self-censorship guide the media organisations’ editorial policies, embedded in a complex setting of profit interests, sustainability of media outlets and connections with the political and economic power structures. In this respect, independent, alternative and critical discourses are hard to maintain. In addition, the concentration of economic power in the hands of a few actors, which may or may not be directly linked to media production, enables them to remain untouchable. These trends are dangerous for the system as a whole, since the stability of the social system largely depends on them.

It urges us to think of a model in which news media would be clearly separated from other types of organisations on the market, and treated as institutions of public good rather than a commodity. Thus, more profound changes, not only in the media landscape but wider structural changes, are needed in order to cope with the problems that plague contemporary societies – it urges for the invention of a quite different system.

MEDIA POLICY

- (1) A new Media Act should be formulated, since the current law has several setbacks.
- It applies to all media in one part, and specifically to the press in the other. However, this distinction is often blurred and it requires a careful reading to estimate what applies to the press and what applies to all media, so these ambiguities should be eliminated and the provisions clearly defined.
 - The Media Act stipulates that the institution managing the Register of press media outlets and distributors in Croatia is the Croatian Chamber of Economy (CCE) - an independent professional organisation with compulsory membership of every company registered with the Commercial Court. This institution should not be in charge of the Register, nor should the print media be separated from other type of media. Rather, they should be integrated and be the purview of one regulatory body that would be in charge of all news media – television, radio, web portals, and the press.
 - All media outlets are obliged to provide the CCE with data on media ownership and this data has to be published in the *Official Gazette* annually. However, the data is only searchable for individual media outlets and since there is no special issue published by the *Official Gazette* that would include all the annual changes, this search is complex and long-lasting. The data should be more easily available to interested parties.
 - A new Media Act should include a provision that enables the regulator to erase from the Register the media that do not fulfil the provisions stipulated in the Media Act and do not respond to requests to do so (within a reasonable deadline).
 - The annual financial data that media organisations have to submit to the CCE and publish in their own media are meagre, un-standardized, incomplete and not easily found. The regulatory body should define a standardized form that would be easily accessible via the web sites of all the media outlets.
- (2) The capacities of the regulatory bodies should be strengthened in order for them to be able to monitor the media landscape in accordance with legislation. They should also connect more with public research institutions in performing these tasks.
- (3) The work of the regulatory bodies should be more carefully monitored and they should be held liable in the case of breach and/or inefficiency.
- (4) The conduct of media owners should be consistently monitored and, in the case of breach of the rules, penalized in accordance with the legislative provisions.

- (5) Commercial actors that indirectly influence media operations such as advertisers, marketing agencies, public relations agencies, as well as banks involved in media business should become a part of regulatory provisions in a way that limits their impact.

MEDIA OWNERSHIP

- (1) Further limits on media concentration (including vertical and horizontal) should be introduced.
- (2) Clear and consistent database on ownership structure should be provided on the web page of the regulator, with a user-friendly interface for easy access and identification of connected persons.
- (3) News media should be granted specific status (differentiating them from other organisations operating on the market) tied to restrictions on the broadening of ownership to the fields other than media-related (news media cannot be just another commodity).

MEDIA FINANCES

- (1) The Fund for Pluralism should be restructured and all news media should be enabled to apply for resources, regardless of the platform (as long as they produce public service content).
- (2) More sustainability programs should be set up for non-profit media, not only in terms of direct funding but also organisational support (premises etc.).
- (3) Higher VAT rate should be applicable to entertainment content in news media.

PUBLIC SERVICE BROADCASTING

- (1) The transparency of the PSB finances and programming should be ensured. All relevant documents should be available on their website.
- (2) Expenses of the PSB should be streamlined but in a way that would not affect the public role of the PSB in ensuring quality content.
- (3) News programs should be improved; these should not mimic commercial television but insist on news according to professional standards rather than pursuing audience share goals (more international news, less soft news etc.)

JOURNALISTS

- (1) The head of the newly established Press Council should be full-time employed; voluntary work is inadequate because it may affect the order of priorities.
- (2) The Croatian Journalist Association (CJA) should make the membership more restricted in the sense that being a member implies that ethical standards are followed. A

breach of professional standards should be penalized. Homogenisation of journalists via different mechanisms should be one of the tasks of the CJA.

- (3) Legal support should be provided to journalists who do not have this type of support through a media organisation.

MEDIA AND JOURNALISTIC PRACTICES

- (1) Media practices and content should be consistently monitored by a public research institution (clearly defined methodology, consistent monitoring and creating an archive) financed by the Ministry of Culture/State, in order to be able to allocate funds from the budget to media that operate in accordance with their public role.

ENDNOTES

- 1 The focus group discussions were conducted during November 2013, in the premises of the Centre for Investigative Journalism in Zagreb, Croatia. The focus groups were loosely organized according to type of media for which the participants worked: 1. small critically oriented media (mainly but not limited to non-profit media – *NPM*), 2. commercial media (*CM*), and 3. public service media (*PSM*). However, two limitations to a strict categorisation into the above mentioned groups need to be pointed out: one arises from the fact that journalists are increasingly subjected to precarious work, with short term contracts that keep them in a constant position of insecurity (or to use a euphemism, they work under “flexible conditions”) and the overall changes in the labour market - migration of journalists from one media organisation to another is common; the other is related to the fact that the number of freelance journalists who simultaneously cooperate with several media organisations is increasing. The first focus group discussion (*NPM*) conducted on 9 November 2013, included seven participants (two females, five males); the second focus group (*CM*) conducted on 22 November 2013, included six participants (one male, five females); the third focus group discussion (*PSM*) conducted on 26 November 2013, included five participants (three females, two males). Prior to the discussion, the participants filled a short questionnaire including data on age, education, specialisation in journalism studies, professional status, media organisation affiliations, membership in professional associations, length of working experience, and a list of specialisation topics. They were also asked to name five journalists in Croatia they regarded as top professional and to give examples of breach in ethics regarding journalism. The topics covered in the focus group discussion broadly focused on the following issues: evaluation of the contemporary media landscape in Croatia; ethics in journalism (internal aspects), media practices in a wider social context (external influences), media and the state/policy regulation and media content.
- 2 The current Head of the Media Department at the Ministry of Culture, Milan Živković (*SDP*); the former State Secretary responsible for media at the Ministry of Culture during the reign of HDZ, Nina Obuljen Koržinek; media expert and Associate Professor at the University Center for Croatian Studies, Nada Zgrabljčić Rotar; the President of the Croatian Journalists Association, Zdenko Duka.
- 3 Attempts were made to conduct an interview with the Director General of *HRT* Goran Radman, or with the Program Director Marija Nemčić, but the Director General did not respond to our calls, while the Program Director first required to review the questions in advance, but then, upon receiving them, directed us to contact the *PR* department.
- 4 “Left” is here in quotes since political orientations are contextual. The research carried out by Henjak (2005) shows that ideological positioning of the “left” and the “right” in Croatia is first and foremost defined by traditional values, the attitude towards the Catholic church, visions about gender roles and national minorities. Accordingly, people with traditional values, with a positive attitude towards the Catholic Church, intolerant towards ethnic minorities, and with a conservative view on the role of women, identify themselves as “right-leaning.” The opposite is true for “left-leaning.” The economy, as the research showed, did not turn out as relevant in this respect. Hence, it is obvious that the division between “left” and “right” has less to do with classes and/or the economy and more to do with identity politics. Thus, in the assessment of political positioning, a division between conservative and liberal is more applicable, since identity politics – including ethnic minorities, women’s rights, *LGBT* rights – is what differentiate political actors, otherwise there is not a substantial difference between them – and this division is applicable to the majority of the electorate, the political parties and the media.
- 5 After the elections in 2011, the newly established officials in the Ministry of Culture started to work on a media strategy. It is now (24 February) in its final stage, however the results remain to be seen.
- 6 Nina Obuljen Koržinek has been one of the key figures in the Ministry of Culture during the reign of HDZ. From 2008 to 2011 she was the State Secretary at the Ministry of Culture responsible for

- the field of culture and media and had an active role in the EU accession processes, especially in the harmonisation of legislation with the EU legislative framework. From 2006 to 2008 she was the Assistant Minister in the Ministry of Culture. In the period between 1998 and 2000, she was the head of Cabinet of the Minister of Culture.
- 7 He is the Head of Media Department at the Ministry of Culture and a member of the Social Democrat Party; a theatre director who previously worked in the field of public relations and advertising.
 - 8 This is a committee within the Croatian Parliament, which participates in the enactment of legislation in the field of media, and monitors the implementation of media policy. See: <http://www.sabor.hr/Default.aspx?sec=2665>. Accessed 20 September 2013.
 - 9 Nada Zgrabljčić Rotar has held several positions important for media policy development; she was a member of the Government Working Group drafting the HRT Act in 2000, the President of the Program Council of the HRT, the external member of the Parliamentary Committee on Information, Computerisation and the Media, and the Vice-President of the Governing Council of the Croatian press agency HINA.
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 - 11 Lasić, I., "Slamka spasa za medijske kapitalce" [Media capitals saved in the nick of time], *Novosti*, 15 March 2013.
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 - 14 Source available at: <http://www.min-kulture.hr/>. Accessed 29 October 2013.
 - 15 Source available at: <http://www.min-kulture.hr/default.aspx?id=9730>. Accessed 4 January 2014.
 - 16 According to Article 56, the penalty for breach is from 100,000 to 1,000,000 kuna (approx. 13,000 to 130,000 euro).
 - 17 Source available at: <http://www.e-mediji.hr/novosti/obavijest-za-nakladnike-radija-i-televizije-vezana-uz-prijavu-vlasnicke-strukture-na-portal-pruzatelja-medijskih-usluga/>. Accessed 12 January 2014.
 - 18 Source available at: http://www1.biznet.hr/HgkWeb/do/language?lang=en_GB. Accessed 10 December 2013.
 - 19 Č. I., "Fašizam se razbuktava: Portal *Dnevno.hr* nakon Srba i gayeva krenuo i na Židove" [Fascism flares up: the portal *Dnevno.hr* attacked Serbs and gays, and is now after Jews], *Index.hr*, 6 December 2013. Available at: <http://www.index.hr/vijesti/clanak/fasizam-se-razbuktava-portal-dnevno-nakon-srba-i-gayeva-krenuo-i-na-zidove/715161.aspx>. Accessed 28 January 2014.
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 - 21 Ibid.
 - 22 Ibid.
 - 23 This figure varies according to different sources.
 - 24 "Predstečajna za EPH: banke 'za' država 'protiv'" [Pre-bankruptcy settlement for EPH: the banks vote for it, the state against it], *Tportal.hr*, 26 February 2014. Available at: <http://www.tportal.hr/vijesti/biznis/318114/Predstečajna-za-EPH-banke-za-drzava-protiv.html>. Accessed 27 February 2014.
 - 25 Pavelić, B., "Former Croatian TV Anchor Arrested Over Fraud Case," *BalkanInsight*, 11 March 2013.
 - 26 According to the Agency for Electronic Media, there are 31 channels in Croatia, of which 10 have a national licence (terrestrial platform) - *HRT 1* (PSB, general), *HRT 2* (PSB, general), *HRT3* (PSB, specialized in culture, launched in autumn 2012), *HRT 4* (PSB, specialized in news, launched at the end of 2012), *Sportska televizija* (specialized in sports), *Doma TV* (commercial, specialized in entertainment), *Nova TV* (commercial, general), *RTL*

- 2 (commercial, specialized) and *RTL TV* (commercial, general), *Croatian Music Channel-CMC* (specialized in music). In addition, there are 20 channels with local or regional licences.
- 27 This only includes the four main channels that cover 70.28 percent of the share (whole day). The other four channels with national reach (*Doma TV*, *RTL 2*, *Croatian Music Channel* and *Sportska televizija*) make additional 10.88 percent of the share (the new programs of the PSB were not included in this research since they were launched in 2012); alternative television platforms have 18.22 percent of the share. Source: Research conducted by Ipsos Puls, MediaHUB and AGB Nielsen for the Agency for Electronic Media *Analiza TV tržišta* [Analysis of the TV market], AEM, 2013.
- 28 For *Nova TV*, source available at: <https://pmu.e-mediji.hr/Public/PregledDetalji.aspx?id=173&pmu=122>; for *RTL televizija*, source available at: <https://pmu.e-mediji.hr/Public/PregledDetalji.aspx?id=177&pmu=228>. Accessed 28 January 2014. The owner of *Nova TV* indicated in the AEM database, CME Media Enterprises, is partly owned by Time Warner (34.4 percent since 2011).
- 29 Ipsos Puls, MediaHUB and AGB Nielsen, *Analiza TV tržišta* [Analysis of the TV market], AEM, 2013.
- 30 Pavelić, B., "Suđenje za Fimi mediju: O Osječkoj TV odlučivalo se u Šeksovu kabinetu i HDZ-u" [The Fimi Media Trial: Decisions on Osječka TV made in Šeks's cabinet and HDZ], *Glas Slavonije*, 22 January 2013.
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- 32 J.C. I.M., "Velika akcija Uskoka: Jozo Petrović pušten nakon ispitivanja, na razgovoru u policiji bio i Zoran Gobac!" [Huge Action of the Office for the Prevention of Corruption and Organized Crime: Jozo Petrović released after questioning, Zoran Gobac also questioned by the police!], *Index.hr*, 21 March 2013. Available at: <http://www.index.hr/vijesti/clanak/priveden-vlasnik-osjecketelevizije-zeljko-bilos/668670.aspx>. Accessed 20 December 2013.
- 33 This does not include state owned companies.
- 34 Source available at: <https://pmu.e-mediji.hr/Public/PregledTvNakladnici.aspx>. Accessed 09 January 2014.
- 35 Source available at: http://www.e-mediji.hr/nakladnici/radijski_nakladnici.php. Accessed 10 February 2014.
- 36 Source available at: <https://pmu.e-mediji.hr/Public/PregledRadioNakladnici.aspx>. Accessed 08 January 2014.
- 37 Mirković, N. and Žagar, D., *Pluralizam i vlasništvo medija u Hrvatskoj – slučaj tržišta lokalnih radija. Uska grla lokalnih radija u Hrvatskoj* [Pluralism and ownership of media in Croatia – the case of local radio markets. The bottlenecks of local radio in Croatia], Gong, 2013.
- 38 Source available at: http://www.e-mediji.hr/nakladnici/radijski_nakladnici.php. Accessed 9 December 2013.
- 39 Source available at: <https://sudreg.pravosudje.hr/registar/>. Accessed 28 January 2014.
- 40 Source available at: http://www.gfk.hr/public_relations/press/press_articles/011221/index.hr.html. Accessed 16 January 2014.
- 41 Pavičić, S., "Čak 40 posto građana u Hrvatskoj ne pristupa internetu" [As much as 40 percent of citizens in Croatia do not access the internet], *Novi list*, 25 November 2013.
- 42 Source available at: <http://www.alex.com/topsites/countries/o/hr>. Accessed 12 October 2013.
- 43 Source available at: <https://sudreg.pravosudje.hr/registar/>. Accessed 28 January 2014.
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- 66 *Analiza TV tržišta*, [Analysis of the TV market], AEM, 2013.
- 67 In 2012, the Electronic Media Council opened up two tenders and allocated 3,621,125.09 kuna (approx. 473,100 euro) for 1,446 programs.
- 68 *Izvješće Hrvatskom saboru o radu Vijeća za Elektroničke medije i Agencije za elektroničke medije u razdoblju od 1. siječnja do 31. prosinca 2012* [Report to the Croatian Parliament on the work of the Electronic Media Council and the Agency for Electronic Media from 1 January until 31 December 2012].
- 69 More information available at: <http://mediaobservatory.net/radar/flash-report-2-croatia>. Accessed 27 March 2014.
- 70 The analysis of television market in Croatia conducted in 2013 by Ipsos Puls for the Agency for Electronic Media estimated the television market in Croatia to be worth 731.3 million kuna (approx. 95,500,000 euro). This estimate includes advertising income and sponsorship only – not PSB licence fees, donations, other business income or state subventions. The total annual expenditure on advertising on the national televisions has decreased 9.5 percent in the last few years. The analysis particularly focused on local and regional television – since the AEM finances them via the Fund for Pluralism. The value of local and regional television markets in 2012 was estimated to be 96.4 million kuna (approx. 12.6 million euro). The income from advertising makes around 50 percent of their total income, while state subsidies make a fifth of the total income.
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- 74 PSB Bodies: The Croatian Parliament appoints the General Director who is responsible to the Parliament and the Supervisory Board. The Management Board consists of the General Director and four directors of the four organisation units of HRT defined by their Statute: the Program Director, Production Director, Technology Director and Director of Commerce. They are all appointed by the General Director (HRT Statute, Article 22). The supervisory board has 5 members, four are appointed by the Parliament while one is the representative of the employees. Their term in office is 4 years. They submit annual reports on their activities to the Croatian Parliament, the Electronic Media Council and the Program Council of HRT. The Program Council has 11 members – nine are appointed by the Croatian Parliament, while two are appointed by the employees of HRT. The PC monitors the program content and its compliance with the legislative obligations of HRT but it has only an advisory role. It appoints the Commissioner for the HRT Users, who serves as a link between the PSB and citizens.
- 75 The former director of Microsoft Croatia; from 1987-1990 he was the director of *Television Zagreb* in former Yugoslavia.
- 76 In 2013, Radman was accused by the Conflict of Interests Committee of withholding information about his assets, which he is obliged to report transparently. He has been accused of editorial interference and irregularities in the appointment of the management staff and editors in chief. Upon his appointment, Radman nominated seven managerial/editorial members within HRT (out of 18) regardless of the fact that the employees did not support them. A few of the appointed editors/managers did not meet the formal criteria and were proved to be completely inadequate – either

- as a result of faking their biography (in this case, the appointed editor resigned in May due to the pressure from the media) or having insufficient working experience or being in a conflict of interests. Bajto, N., "Kadrovi iz filma strave: glavni urednik prvog programa HTV-a Željko Rogošić lažirao životopis" ["Scenes from a horror movie: Editor in Chief of the HTV 1 program Željko Rogošić fakes his CV"], *Novosti*, 3 May 2013.
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- 79 Document: *Notes on foundational financial reports*, HRT, 31 December 2012.
- 80 *HRT pored 3.390 zaposlenih angažirao još 3.700 vanjskih suradnika?* [With 3 390 employees, HRT hires additional 3 700 stringers?], 7 January 2013. Source available at: <http://www.poslovni.hr/hrvatska/hrt-pored-3390-zaposlenih-angazirao-jos-3700-vanjskih-suradnika-226518>. Accessed 10 January 2014.
- 81 The licence fee is defined in the Croatian Radio-television Act: a maximum 1.5 percent of the average net salary of employees in Croatia based on the census data for the previous year (Article 37).
- 82 *Analiza TV tržišta* [Analysis of the TV market], AEM, 2013.
- 83 Mehulj, M., "Pad tržišta oglašavanja u RH" [The advertising market shrinks in Croatia], *Teve.ba*, 3 January 2013.
- 84 They regulate and monitor the implementation of the legislative provisions that apply to electronic media, with regard to advertising practices, internal production, informative content etc.
- 85 *Izvešće Hrvatskom saboru o radu Vijeća za elektroničke medije i Agencije za elektroničke medije u razdoblju od 1. siječnja do 31. prosinca 2012.* [Report of the Electronic Media Council and the Agency for Electronic Media in the period of 1 January until 31 December 2012 submitted to the Croatian Parliament], available at: <http://www.e-mediji.hr/>. Accessed 22 January 2014.
- 86 In the cities: Karlovac, Koprivnica, Nova Gradiška, Sisak, Virovitica, Metković, Požega, Slavonski Brod, Županj, Gospić and Krapina.
- 87 HINA, "Hrg pozvao Radmana da preispita odluku o ukidanju 11 dopisništava HRT-a" [Hrg invited Radman to reconsider the decision on the abolishment of 11 correspondent desks of HRT], 12 January 2014. Available at: <http://www.index.hr/vijesti/clanak/hrg-pozvao-radmana-da-preispita-odluku-o-ukidanju-11-dopisnistava-hrt/721187.aspx>. Accessed 13 January 2014.
- 88 The central news bulletin Dnevnik HRT 1, 14 January 2014.
- 89 Čimić, I., "Ovo je kraj Hrvatske radiotelevizije kakve znamo: Ukida se 11 dopisništava u Hrvatskoj!" [This is the end of the Croatian Radiotelevision as we know it: 11 correspondents desks in Croatia abolished!], *Index.hr*, 9 January 2014.
- 90 Ibid.
- 91 The central news bulletin Dnevnik at HRT 1, 14 January 2014.
- 92 HTV 1 has 26.62 percent, HTV 2, 3.21 percent, Nova TV, 13.50 percent and RTL 12.78 percent.
- 93 The time devoted to these issues: HTV 1 – 16.85 percent; HTV 2 – 15.10 percent, followed by Nova TV – 6.21 percent and lastly RTL TV – 3.36 percent. Source: *Analiza TV tržišta* [Analysis of the TV market], AEM, 2013.
- 94 In September 2013, the agencies Presscut and MediaNet conducted a telephone survey on a representative sample of 1000 respondents, which included open ended questions regarding the perception of the best journalist in Croatia. In the listing of best journalists, 151 names emerged, that were listed 913 times. The names mainly included television journalists (733 or 59 percent), then newspaper journalists (38 percent), radio journalists (19 percent) and lastly online journalists (3 percent). Interestingly, 55 percent of the respondents could not single out one journalist by name without assistance. According to this research, the journalists who are most popular among general population work for television: Mislav Bago,

- Aleksandar Stanković, Goran Milić, Zoran Šprajc and Denis Latin. Source: http://www2.presscut.hr/hr/presscut_i_medianet_predstavili_anketu_o_najpopularnijim_novinarima_i_istrazivanje_o_krizi_medija_173/, accessed 15 December 2013. It is interesting to compare the results of the internal voting conducted by the journalists in the focus groups (i.e. professionals) and the voting of the general population. While the general audiences mainly recognize television journalists, since television is the most popular media, the professionals participating in the focus group discussion mainly singled out newspaper journalists (3) and one web portal journalist, which indicates that quality journalism is still perceived as residing in the press.
- 95 All four had considerable experience of studying but not necessarily in journalism. Two of them studied but never completed their studies (one studied economy, then journalism, the other studied political sciences) while one of them graduated in social pedagogy and then enrolled in journalism studies but never graduated. The fourth studied philosophy and is pursuing a PhD in the field.
- 96 The Croatian Journalist Association, Association of Press Publishers, Croatian Association of Radio and Press, National Association of Television, *Croatian Radiotelevision*, *Nova TV*, *RTL televizija*, Association for Interactive Marketing.
- 97 H.A., "Pljačka stoljeća: Pavić dužan 1,8 milijardi, kupio *Net.hr* portal, a Butkoviću daje 70 tisuća kuna mjesečno!" [The robbery of the century: Pavić owes 1.8 billion, bought the portal *Net.hr*, while he gives Butković 70 thousand kuna monthly!], 05 February 2014, <http://www.index.hr/vijesti/clanak/pljacka-stoljeca-pavic-duzan-18-milijardi-kupio-nethr-portal-a-butkovicu-daje-70-tisuca-kuna-mjesečno/724332.aspx>. Accessed 06 February 2014.
- 98 The Croatian Journalists Union was contacted via email three times during this project with questions regarding statistical data on their membership etc. However they did not reply to any of them.
- 99 Updated in 2012.
- 100 Source available at: <http://www.snh.hr/index.php?jezik=hr&idMenu=1>. Accessed 11 December 2013.
- 101 Zec, Miroslav, *Registar poniznih poslušnika [The register of servile servants]*, 5 November 2011, <http://www.novosti.com/2011/11/registar-poniznih-poslusnika/>. Accessed 10 September 2013.
- 102 Dragojević, R., "Javnost u javnoj raspravi? Hvala, van!" [The public in a public debate? Thanks, but no thanks!], *Novosti*, 14 December 2012.
- 103 I.Č., "Nakladnici guraju svoje novinare u kršenje zakona kako bi se domogli manjeg pdv-a od pet posto!?" [Publishers push their journalists towards legislative breach in order to seize lower taxes of 5 percent!], 27 June 2013, <http://www.index.hr/vijesti/clanak/nakladnici-guraju-svoje-novinare-u-kršenje-zakona-kako-bi-se-domogli-manjeg-pdva-od-pet-posto/685678.aspx>. Accessed 5 November 2013.
- 104 Source available at: <http://www.hnd.hr/hr/arhiva/show/67290/>. Accessed 8 January 2014.
- 105 The highest number (36) concerned the PSB television channels 1, 2 and 3. The same amount of complaints aimed at the commercial television channels *Nova TV* (20) and *RTL* (20). Nine complaints concerned radio stations, and 30 regarded electronic publications i.e. portals.
- 106 19 were issued based on citizens' complaints and 41 based on the monitoring and analysis issued by EMC.
- 107 Mainly linked to internal production and lack of local information (13 cases).
- 108 From 27 January to 29 October 2012.
- 109 They issued 11 notices, 17 caveats and 11 final caveats – but the question is what consequence the media outlets face in these cases?
- 110 These were also the cases in which the JCH mainly issued final caveats.
- 111 2012 Annual report of the Journalist Honor Council: Report and statistics of the JHC for 2012.
- 112 Source available at: <http://www.hnd.hr/hr/arhiva/show/67229/>. Accessed 4 January 2014.
- 113 Source available at: <http://www.hnd.hr/hr/homepage/priopcenje/67229>. Accessed 4 January 2014.
- 114 For press content, look at Elezović (2012), for television, *Analiza TV tržišta [Analysis of the TV market]*, AEM, 2013.
- 115 The previously mentioned content analysis conducted by Elezović (2012) showed that of the total amount of analyzed front pages (1014) more than 50 percent had advertisements on the front page.

The highest number of ads on the front page was identified with *Jutarnji list* (29.10 percent of the total number), followed by *24 sata* (25.50), *Večernji list* (17.30), *Novi list* (16.70) and *Slobodna Dalmacija* (10.90 percent). The daily with least ads was *Vjesnik* (0.40 percent), the only broadsheet in Croatia was destroyed in 2012 (Elezović 2012). It is also common that pages two and three include advertisement only – the space that was previously reserved for the most important events.

- 116 Research conducted by Vilović (2010), Majstorović (2010), Vlainić (2012), Benković and Balabanić (2010).
- 117 The research was conducted on a representative sample (N=1,000) including respondents above age 15. Available at: http://www.gfk.com/gfkcroatia/ht-docs/public_relations/press/press_articles/010315/index.hr.html. Accessed 6 January 2014.

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Zdenko Duka, President of the Croatian Journalists Association, 5 November 2013.

FOCUS GROUP DISCUSSIONS

7-member focus group discussion with journalists from non-profit media, 9 November 2013.

6-member focus group discussion with journalists from commercial media, 22 November 2013.

5-member focus group with journalists from public service media, 26 November 2013.

LIST OF INTERVIEWS

Milan Živković, Head of the Media Department at the Ministry of Culture, 27 September 2013.

Nina Obuljen Koržinek, former State Secretary responsible for media at the Ministry of Culture during the reign of HDZ, 30 September 2013.

Nada Zgrabljic Rotar, media expert and Associate Professor at the University Center for Croatian Studies, 2 October 2013.

MACEDONIA

Snežana Trpevska and Igor Micevski

INTRODUCTION

This analysis tries to provide answers to the key research questions related to the media system in Macedonia: (1) whether and in which way institutional corruption and political clientelism were manifested in the media system in Macedonia¹ and (2) whether these phenomena have prevented the media from performing their basic democratic role – to serve the public interest and citizens.

The analysis of the Macedonian media system shows that the convergence – or homogenisation – thesis of Hallin and Mancini (2004; 2012) could not be confirmed in the Macedonian context. The two scholars argued that the process of European integration, the decline of traditional mass political parties, the American model of professional journalism and the commercialisation of the media market might be pushing the young European democracies toward the liberal political and media model. While it is true that such processes took place during the first decade of the political development of Macedonian society and that the media system was fully built on the foundations of the western liberal model, the direction that the development of the political system in Macedonia took in the last decade confirms that this model could not easily take roots in the media system of a “transitional democracy” due to structural anomalies in the political system.

The first chapter focuses on the various stages of *media policy* development in Macedonia and describes the main risks and obstacles that prevented the creation of a coherent media system based on respect for media freedom, independence and pluralism. The main contradiction underlying its development is that throughout the process of harmonisation with the European media model, the media legislation was flawless but its practical implementation has steadily deteriorated over the years.

Media ownership is analysed in the second chapter, where several types of ownership patterns were identified based on two criteria: who the owner is and what the interplay between the media owner and political or business actors is. The analysis shows how specific patterns emerged and how they changed during different stages of the political and media system development: when the media sector was ruled by individual owners, when the Government took control and established hegemony over the traditional media, and during the rise of the online public sphere where the journalists established their own space.

The third chapter proves that the integrity of media is grounded in the structure of their *financing*. It shows how state advertising created even more robust political-clientelistic and corrupt links between the government, owners and the media. The concepts of institutional corruption and economy of dependence can be empirically traced by in-

investigating thoroughly the connections between the regular state advertising and political advertising during election campaigns.

In the fourth chapter, we analyze briefly the managerial structures and editorial policy of the *public service* as a consequence of the broader processes. We critically assess the legislative and the practical aspects of the work of managerial bodies with respect to the risks related to the fulfilment of the public interest mission of the Macedonian Radio and Television. We also examine the longstanding problem of unstable and insufficient funding of the public service.

The fifth chapter presents the developments within *journalism as a profession* resulting from the given relations between the media, business and politics. It answers how the clientelistic ties between political actors, business players and media owners are actually reflected within journalistic practices and ethics. It also describes how this web-like setting undermines the substance of the democratic function of journalism as a defender of the public interest.

Finally, in the chapter entitled General Conclusions, we try to explain these findings and put them in a theoretical perspective using the framework developed by Hallin and Mancini (2004; 2012). We categorize the current Macedonian media system as the Mediterranean model, but we make an adaptation to encompass the structural differences in the Macedonian political and media system and we name this subcategory Polarized Hegemonic Pluralism.

The research was conducted from August 2013 to the end of February 2014. Several qualitative methods for data collection and analysis were applied: in-depth interviews with media institutions representatives, academics, experts, journalists, media professionals and NGO representatives; focus groups with journalists working for broadcast, print and online media; the analysis of secondary data collected from various official sources; the qualitative analysis of many legal acts, by-laws, policy documents, as well as other research studies and publications.

1 MEDIA POLICY: GOOD LEGISLATION, POOR IMPLEMENTATION

The development of media policy in Macedonia is characterized by a paradox: media freedoms were broader under the restrictive media legislation and vice versa, once the legislation was fully harmonized with the fundamental European standards, media became much more dependable on various interests and journalism fully degraded and unprofessional. However, this thesis seems paradoxical only at first glance. The complex issue of the actual degree of media freedom in a democratic system cannot be reduced to

an unequivocal explanation of the relationship between the normative system and media practice. The analysis presented in this section shows how the webs of influences spun by both political and economic actors have expanded over the three stages of development and implementation of media policy in Macedonia.²

1.1 FIRST STAGE: THE CONSTITUTION OF THE DEMOCRATIC MEDIA SYSTEM AND A CONSENSUS OVER THE PUBLIC INTEREST GOALS

At the outset of Macedonia's independence, the belief that there was no need for the adoption of any media legislation prevailed. This view was defended by certain policy makers on the grounds that freedoms were guaranteed by the 1991 Constitution. The development of media policy started in 1996/1997 when the first Broadcast Law was drafted. The Law was not preceded by any strategic policy document but it incorporated elements characteristic of pluralistic media systems: it encompassed the creation of an independent regulatory body; a Public Broadcasting Service with a clear mission and independent funding; a system of granting licences (concessions) to private broadcasters; the protection of media pluralism and program diversity etc.

Representatives of the civil society sector,³ the academic community and the international organisations⁴ took part in the shaping of legislation and future media policies. A general assessment of this period is that among all actors "... enthusiasm prevailed for the values of the pluralistic media system and the public sphere as a space for expression of diverse views and opinions."⁵ The private sector was still developing and its main interests mainly coincided with the interests of the public at large. With the hindsight, the journalists assessed this period (1997 to 2005) as a time characterized by a greater degree of pluralism and open and critical debate in the public sphere. "The freedom at that time cannot be compared with the non-freedom of today ... as an editor in chief ... I did have contacts with politicians ... but, no guidance at all ... not a word on that."⁶ Similarly, "... political debate was present in the media at that time, the editors and journalists had freedom to decide independently on the content of the news ... we cannot imagine this today ..."⁷

During this period, there were some forms of pressure on the regulator which were intensified when the ruling party began to lose power.⁸ Also, over the years, the media owners became increasingly aware of the power of media pressure in swaying the government and promoting their business and political interests. Hence they started influencing both the institutions and the editorial policy of their media outlets. The case of *A1 TV* was widely debated. Its owner, Velija Ramkovski, initially supported its neutral-critical position but later his political appetites, combined with his business interests, brought the television and its newsroom into direct conflict with the VMRO-DPMNE Government, which in turn launched the "Pajazina" scandal related to the tax evasion by companies owned by Ramkovski. A

journalist who took part in a focus group described this period as follows: "... There had always been pressure....but, as time passed, the mechanisms of control over the media have become refined... We were lucky in the '90s, *A1 TV* appeared which was somehow an opposition to the Government but not siding with the opposition [parties], and it created an atmosphere of critical journalism ... which continued later when *SDSM* fell from power ... and when *A1 TV* collapsed everything went three to four steps backward."⁹

1.2 SECOND STAGE: THE GAP BETWEEN THE NORMATIVE AND ACTUAL INDEPENDENCE OF THE REGULATOR

The initiative for the new Broadcasting Law was started and coordinated by the civil society sector already in 2003 and the process of drafting lasted almost a year and a half before the legal text reached the Parliament.¹⁰ The main intention was to overcome the weaknesses of the previous legislation and to incorporate mechanisms to prevent the influence of the government, political parties and media owners on the media and the regulatory body. For example, the procedure for the nomination and election of the Broadcasting Council members was carefully designed to ensure transparency and to minimize political influence. However, the expectations that the regulator would thus become more independent have not been fulfilled. It turned out that the political parties, through their channels of influence, could still affect the decisions of the authorized bodies. Professional competence of the candidates, their qualifications and experience in the field, although explicitly required in the law, were not taken as criteria in the nomination procedure. Also, the process of appointment was not sufficiently transparent and did not allow for public scrutiny as defined in the law.¹¹ The consequence was that "...we received such an incompetent structure, ... we all knew that they were proposed by a political party...those people then began to do a 'private trade' [to negotiate with the Government] ... so the reasons were not only party-political but also private interests ... the former president [of the Broadcasting Council ...] is a typical example of that."¹²

The *VMRO-DPMNE* party, which won the Parliamentary elections in June/July 2006, considered the members of the newly appointed regulator to be close to their political opponent *SDSM*. In March 2007, a new legislation was drafted with the aim to merge the two regulators. The argument was of "technological and regulatory nature," but the real intention was to achieve political dominance over the work of the regulators.¹³ The Government withdrew the proposed laws following public pressure and suggestions from the European Commission. Tensions between the Broadcasting Council and the Government continued in 2007, resulting in the refusal of the first Strategy drafted by the Broadcasting Council.

The pressure abated in 2008 with the allocation of 600.000 euro from the state budget to the Broadcasting Council for monitoring the media coverage of the elections. In

the same year, the Government was the second biggest advertiser in the television sector. Media experts¹⁴ and journalists warned that state advertising could stimulate unfair competition and could influence editorial policy "...punishing those who are disobedient by not publishing there its campaigns."¹⁵ The EC also reacted, warning that "public expenditure on state advertising ... is not sufficiently transparent and therefore has the potential to undermine editorial independence."¹⁶ Only the Broadcasting Council reacted ambiguously stating that "... there is no law that can prevent the Government from advertising in the media ..."¹⁷ In the opinion of one interviewee, such reaction was a consequence of the "...new connections between the regulator and the officials from the Government... in order to keep personal positions and not to be dismissed ..."¹⁸

The first Strategy for the Development of Broadcasting¹⁹ identified all major problems in the broadcast sector and laid down new directions for regulatory policy along with a scenario for digitalisation. However, ever since the beginning of 2008, the measures undertaken by the Broadcasting Council have been completely opposite to the strategic goals. For example, although the digitalisation process requires a new legislation, the Council has done nothing and has even held a position that such legislation is not necessary.²⁰ Furthermore, the sentence stating that "a moratorium on further allocation of analogue frequencies is to be introduced for terrestrial broadcasting" was literally deleted from the strategic document.²¹ This enabled the Council, in 2008 and 2009, to allocate new analogue licences in order to fulfil the promises given to new media owners.²² However, other influential owners (of *AI*, *Sitel* and *Kanal 5*) felt their positions jeopardized by the newcomers and put pressure on the regulator to issue additional national TV licences to all of them. Not being able to resist pressures, the Broadcasting Council in fact replicated the already existing ownership patterns and further increased the fragmentation of the media market.²³

For this study, the most indicative was the way in which the Council allocated the new licences in 2008. There were several breaches of the law, tendering documents and the rules set out in the Code of Conduct of the regulator.²⁴ Some applications submitted after the specified deadline were nevertheless taken into consideration; some applications were lacking, failing to include the required documentation (technical specifications, a financial plan, a document to guarantee the funding of the business plan, etc.); professional services of the regulator were ordered to fill new application forms for those applicants that didn't provide correct and complete information etc.²⁵

What were the reasons for such a proliferation of licences on the already fragmented TV and radio markets? First, the regulator was under strong pressure from business/political centres of power. Given the competences, political affiliations and personal/group interests of the Council members, it is no wonder that that Council succumbed to pressure.

One can probably find the most appropriate explanation for such behaviour in the local culture of political clientelism widely present in all forms of social life. According to the current President of the Broadcasting Council, “the reason ... was to intentionally make the media economically weak and therefore politically dependent on the political and economic centres of power.”²⁶ There is also a third explanation that the Council actually tended to increase the funds gathered from the licence fees (called broadcast fee in Macedonia) to secure its financial stability.²⁷

1.3 THIRD STAGE: THE WAVE OF POLITICAL COLONISATION OF THE MEDIA SPHERE AND THE FALL OF THE CONCEPT OF PUBLIC INTEREST IN MEDIA POLICY

After 2011, the confrontation between the two main opponents within the Macedonian political block gradually resulted in a complete political domination of the VMRO-DPMNE ruling party over the entire media sphere. The main lever used by the ruling party to accomplish its domination was its supremacy in the Parliament and the marginalisation of the political opposition which enabled it to adopt all legal solutions with ease. Therefore, “the period when VMRO-DPMNE came to power is characterized by a total abuse of the regulation ... due to their political ideology in which the media are key in achieving the political goals ... they are a means of mobilisation and not a means of information.”²⁸

Another mechanism for achieving dominance over the media sphere was state advertising which intensified after VMRO-DPMNE came to power in 2006. In the years that followed, public campaigns of the Government and its ministries accounted for a huge volume of the total advertising expenditure. This produced the private media’s continual dependence on the state budget and turned the competition among media owners into an unscrupulous struggle for state money. The (financial) dependence from the ruling politics opened the most efficient (direct and indirect) channels of influence on newsrooms and journalists. The management-appointed editors of the most influential media directly participated in the deployment and assignment of journalists and even in the redeployment of entire newsrooms from one to another “pro-governmental” media.²⁹

During the last ten years, civil society organisations and professional associations gained strength and today they represent an important corrector of public policies. This especially refers to the Association of Journalists (AJM) and the Independent Union of Journalists and Media Workers. But because of their critical role, they were systematically and continuously subject to various forms of pressure, ranging from the dismissals of trade union leaders through the publishing of a number of offensive and obscene texts in certain media to the encouragement of the creation of a parallel journalists association (Macedonian Association of Journalists – MAN) that is meant to take over the role of the

current AJM as a legitimate representative of the journalistic community.³⁰ In this connection, we should mention the events of 24 December 2012, when amidst political tensions in the Parliament the journalists were expelled from the gallery where they were following the debate about the budget and were prevented from witnessing the forcible removal of the opposition MPs from the conference hall.

Attempts at political influence over the work of the regulator were also evident when the number of the Council members was increased from 9 to 15.³¹ The justification was that these changes would make the work of the regulator more efficient and more transparent. However, the real reason behind it was to gain political majority within the Council in order to outvote other members (who were perceived as being close to the opposition) when deciding on the revocation of the licence of the “opposition” TV station *A1* and its second channel *A2*.³² The civil sector and media experts reacted by arguing that the Government’s intention was to impose control over the regulator so the move was perceived as its attempt to create a split within the regulatory body.³³ The representatives of the current Broadcasting Council commented that “...the reasons for the decision of the Parliament are much more complex... because certain remarks to the work of the PSB in 2011 were based on a report sent to Brussels, which was not adopted at all by the Broadcasting Council ...”³⁴

At the end of 2011, the Ministry of Transport and Communications started drafting a new law on media which apart from audiovisual media services also contained a proposal to regulate some aspects of the work of press media and electronic publications. The media community was divided regarding this initiative, fearing further interference of the Government in media freedom. Professional organisations and NGO’s at the national level published critical analyses and statements on the draft law³⁵ and opposed severely the inclusion of the print and online media in the law. Several international organisations³⁶ also conducted the analyses and issued statements emphasizing that the new legislation should be carefully reviewed so as not to further jeopardize media freedom. Following the remarks given by the Council of Europe and OSCE Representative on Freedom of the Media, the text of the law was split into two separate texts: the Law on Media and the Law on Audio and Audio-Visual Media Services. However, some of the crucial remarks submitted by the dominant part of the media community were not incorporated. The most important one was that the future Agency on Audio and Audio-Visual Media Services would have the authority to conduct the so-called administrative supervision over the work of the print media and online publications and to initiate misdemeanour procedures. This indeed raised a lot of concerns among independent media and journalists and among experts and academics that the future regulator will obtain “superpowers” and will impose control over the few critical voices that are now coming from the online news media.

As a result of this concern, the key media organisations (AJM, Trade Union and MIM) issued a public statement emphasizing that they would no longer take part in the public debate as the two laws did not actually result in qualitative improvements.

Despite this, the authorities announced that both laws would be submitted for parliamentary procedure in September 2013. The decision was, however, opposed by the political party of the ethnic Albanians called Democratic Union for Integration, a coalition partner in the Government. DUI blocked the adoption procedure arguing that they did not want to participate in the adoption of non-European laws. It should also be noted that these events coincided with the imprisonment of the journalist Kežarovski, who was in custody for several months for allegedly disclosing the identity of a protected witness. There had been no further information on whether the laws would be adopted until December 2013 when the President of the Association of Journalists of Macedonia at a joint press conference with the Minister of Information Society announced that they had reached an agreement that online media would not be subject to any regulation. The Minister also stated that the laws would be first adopted by the Parliament in the form in which they had been originally submitted (with online media included), and later amended through a very short procedure to exclude online media. The critical part of the journalistic community and experts saw this event as a disappointing solution and a kind of undeserved victory of the authorities that further weakened the position of independent media and critical journalism. Both laws were passed on 25 December 2013 and amended on 25 January 2014.

1.4

CONCLUSIONS

The root of all adverse conditions detected in the development of media policy is associated with the sudden and unrestrained development of the public sphere during the early stages of the transition and with the optimistic vision that democratisation would be quick and easy. The first broadcast legislation, although not perfect, laid the foundation for the liberal model of media policy which had the public interest in its focus. However, the political and economic development of society took a direction that led to an absolute dominance of the private interest. The privatisation of the social property and the interests of the new political and economic actors caused changes that contributed to ambivalent attitudes towards journalism as a profession. The political ideology that built on the new social and economic structures treated the media and journalism as a tool for achieving political and corporate interests of the emerging elites, instead of seeing them as a means for effective citizen participation. Despite the normative model that declaratively guaranteed the public interest in the media system, much different processes occurred in practice dragging the institutions away from their normatively defined function. The journalists

described these processes as regressive and as gradual sophistication of the mechanisms for control over the media by the political elites. Today, almost no one speaks about the public interest, although there is a deep concern and nostalgia among journalists for the lost professional values.

The NGO sector, despite making a progress over the last decades, still has quite a limited influence on public policies and consequently on the wider processes of good governance. Several civil society organisations conducted reliable and critical analyses of public policies, but the governments invariably ignored them. The same goes for NGO's and professional organisations' severe criticism of the draft media law – despite many objections to the draft text and transparency of the entire process, the Government simply circumvented the critics by accepting only selected or irrelevant amendments to the legal text.

The role of foreign actors, especially the Council of Europe and the European Commission was quite positive in the development of the first two broadcast laws. In addition, the series of seminars on the audio-visual policy run in the region between 2003 and 2005, encouraged a dialogue between policy making institutions, regulators, media experts and professional associations. Although certain activities continued within the EU Enlargement process, a more active role of the European Commission is needed in monitoring policy development and in encouraging dialogue among all stakeholders.

Some positive changes could be certainly detected in all these developments, although the disappointment, apathy and conformism are widespread sentiments among journalists. What is certainly worthy of emphasizing is the authentic and courageous work of the present leadership of the Association of Journalists and of the Independent Trade Unions of Journalists and Media Professionals. Also, the activities undertaken jointly by the AJM, the ITUMP and the Macedonian Institute for Media (for introducing self-regulation, debates on the draft media laws etc.) fuelled a very critical public debate about the main issues of concern within media policy.

2 GOVERNMENTS AND MEDIA OWNERS: A GAME OF THRONES

The analysis has identified several types of ownership patterns in the media sector in Macedonia. These were determined using two questions as criteria; 1) Who is the owner? 2) What is the interplay (covert or overt) between the media owner and political or business actors? These patterns transformed in the course of media system development, leaving us with the three more or less clean-cut stages of development: 1) stage one, during which the media (primarily the television sector) were ruled by individual owners who misused their outlets to exert pressure on the Government; 2) stage two, which began

when the Government gained control over the owners and established hegemony over the traditional media, and 3) stage three, which began when the online public sphere became established providing an opportunity for journalists to set up their own media and practice journalism with greater freedom.

The developments in the television sector in the 1990s had impact on all other media sectors. The local media moguls primarily fought for supremacy over the television sector because for many years television was the only influential media. They used their ownership both as a tool for political influence and to gain the economic power. The print sector came to the fore in the second part of the 1990s and it went through three stages of development: (1) in the first instance, individual journalists became the owners of print outlets; (2) the second stage began with the arrival of WAZ on the Macedonian media market – the corporation had bought the three biggest daily newspapers; and (3) the third stage was marked by WAZ's withdrawal, with the local companies close to the ruling party taking over its operations. The online media sector has begun to flourish only recently – however, the first problems are already visible. While it is indeed the only sector that nurtures critical journalism, the proliferation of pro-Governmental online outlets suggests that the Government has found a way to penetrate this sector too in an attempt to colonize this latest sanctuary of critical journalism. Our analysis is structured to cover the developments in all three media sectors as the ownership issues had a huge impact on freedom of expression and media integrity in the country. In the conclusion, we summarize the common characteristics of these ideal-types that can be used as analytical tools to understand how the media were progressively deprived of their capacity to serve the public interest.

2.1 OWNERSHIP TRANSPARENCY

For the purpose of understanding the media ownership context, we begin with a short overview of the ownership transparency in different media sectors.

Ever since 2005, ownership transparency has been a legal obligation only for the broadcast media (television and radio). All TV and radio stations are obliged to publish data on their ownership and sources of finance, and to provide additional data upon request of the Broadcasting Council. Also, they are obliged to announce every change in their ownership structure both in their broadcast programs and in the daily press. These obligations are monitored by the Broadcasting Council and, in general, most of the broadcasters comply with the legal provisions. All data are also published on the website of the regulator.³⁷ The same obligations for broadcasters are incorporated in the new Media Law adopted on 23 December 2013.³⁸ The fulfilment of this obligation will be monitored and sanctioned by the Agency on Audio and Audiovisual Media Services.

Some of the print media used to publish information related to ownership even before the adoption of the new Media Law. It was a common practice for the newspapers to publish data on the legal entity that owns the newspaper, as well as on the company that provides printing and distribution. However, with the new Media Law, the audiovisual regulator is authorized to pursue administrative supervision over the print media as well and to undertake measures against the print media outlets that do not comply with the provisions on media transparency.

There are only three news agencies, but information on ownership structure is not explicitly mentioned on their websites. The online media sector is the least transparent in terms of the ownership structure. Almost no online news outlet has its ownership structure publicly displayed. The electronic communication companies are not obliged to publish data on their ownership structure. However, the ownership data on all legal entities that are not legally obliged to be transparent in terms of their owners can be found in the Central Registry.

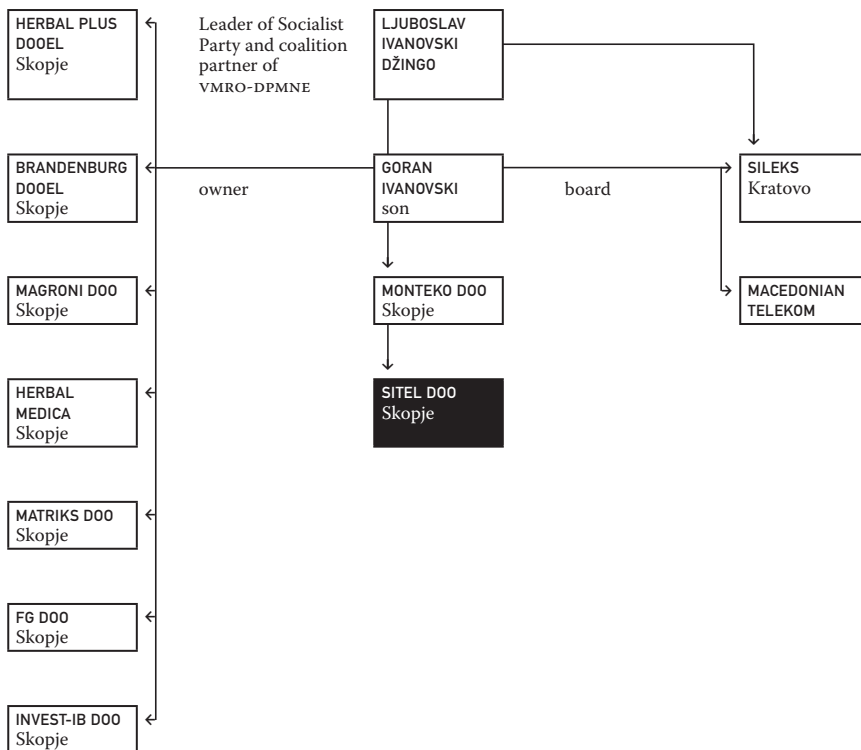
2.2 TV MOGULS AND THEIR QUEST FOR POWER

The media sector in Macedonia has been dominated by local media moguls (predominantly in the television sector) who perfected the methods of (mis)using their media in order to achieve their political and business interests. In so doing, during the past decade and a half media owners were continuously switching their political allegiances depending on who was in power and on whether their public policies served to the benefit of owners' specific businesses. During the first decade of independence, some of the influential media owners played a positive role in supporting the independent critical journalism and contributed towards creating a democratic public sphere. Their private interests happened to be in accord with the values of professional journalism – consequently, the media of the time played a role of detached watchdogs or even agents of critical social changes. However, the very moment the owners of the most influential media manifested greater political ambitions or their business appetites swelled or were jeopardized, they abandoned the role of “protector” of their newsrooms and demanded from journalists to defend the particular owner's interests which were often in collision with the public interest.

Until 2010, the highly fragmented television market had been a real “battlefield” as media owners were attempting to grab as much profit as possible from the scarce advertising resources. For example, in 2009 the three most influential private TV stations were *A1 TV* (19.2 percent average audience share), *Sitel TV* (14.3 percent) and *Kanal 5* (5.1 percent). *A1 TV* was owned by Velija Ramkovski whose main income came from his trade in fast-moving consumer goods. Ramkovski was at that time an ally of the Government,³⁹ but he split with the ruling coalition at the end of 2009 due to an argument over the business share

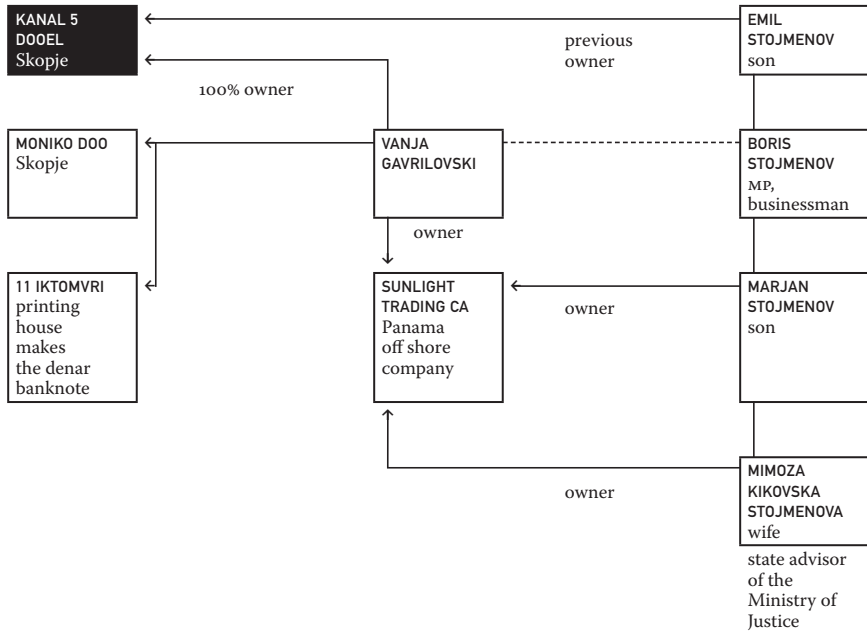
that he was to obtain from the Government's agricultural deals. Subsequently, he started to severely criticize the ruling party. Ramkovski at that time illegally owned three daily newspapers and was, therefore, accused by many competitors of distorting free market competition. Furthermore, *Sitel TV* was owned by Ljubisav Ivanov Džingo,⁴⁰ who ran diverse businesses (coal mines, mineral water factories, trading companies etc.) and who has been a leader of the Socialist Party ever since its establishment. This party has always been part of one or another ruling coalition. In 2009, the party was part of the VMRO-DPMNE coalition Government.

Chart 1 OWNERSHIP STRUCTURE OF SITES – TERRESTRIAL COMMERCIAL TV STATION AT STATE LEVEL



Kanal 5, the third TV station, was owned by Boris Stojmenov, whose main business was in the field of financial consultancy and who was a former minister in the VMRO-DPMNE Government. A few years later, he created a new political party VMRO-VMRO.⁴¹

Chart 2 OWNERSHIP STRUCTURE OF KANAL 5 – TERRESTRIAL COMMERCIAL TV STATION AT STATE LEVEL



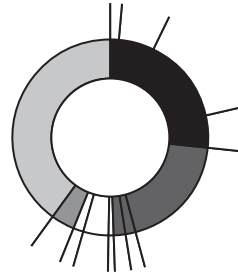
The clear ‘NO’ to the NATO accession at the Summit in Bucharest in 2008 brought many changes in how politics is exercised by the main ruling party VMRO-DPMNE. One such change was a tighter grip on media. The raise of state advertising prompted by that change transformed the market into a survival struggle which in turn increased media dependency on the Government. Those owners that continued to support Government’s policies grabbed the biggest slices by airing public campaigns on their TV stations, while those who were supporting journalism critical of the government were simply excluded from getting public money. Other patterns include a successful coercion of some media owners to comply with Government’s policies or abandon the business altogether, and a very small but unrelenting group of owners who successfully resist this pressure, such as the owners of *Telma TV*, *Alsati M TV* and *24 Vesti TV*.

The audience share figures for 2009 and 2012 demonstrate the structural changes on the TV market since the closure of *A1* and *A2*. In the charts below, the TV stations that are close to the ruling party are presented in black and the ones affiliated with the opposite political camp in dark grey. White-coloured are the media with national coverage that

broadcast in Albanian, and the light grey slice is the audience share of all local and regional TV stations in different languages.

Chart 3 AUDIENCE SHARE IN THE TELEVISION SECTOR IN 2009

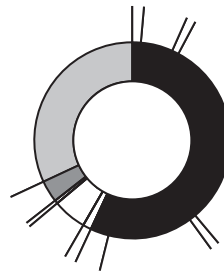
TV STATION	AUDIENCE SHARE
■ PARLIAMENTARY	1.4%
■ MTV 1	5.9%
■ SITEL	14.3%
■ KANAL 5	5.1%
■ A1	19.2%
■ A2	1.7%
■ ALFA	1.9%
□ MTV 2	0.9%
□ ALSAT M	4.3%
□ ERA	1.6%
■ TELMA	3.8%
■ OTHER	39.9%



Source: AGB Nielsen Media Research.

Chart 4 AUDIENCE SHARE IN THE TELEVISION SECTOR IN 2012

TV STATION	AUDIENCE SHARE
■ PARLIAMENTARY	1.4%
■ MTV 1	5.5%
■ SITEL 3	1.1%
■ SITEL	30.9%
■ KANAL 5+	1.2%
■ KANAL 5	13.9%
■ ALFA	3.2%
□ MTV 2	1.2%
□ ALSAT M	5.6%
□ ERA	0.7%
■ TELMA	3.5%
■ OTHER	31.8%



Source: AGB Nielsen Media Research.

In 2012, the situation on the market completely changed. The licence of *A1* was withdrawn following a liquidation procedure. The owner was prosecuted for tax evasion and all his companies involved in this affair were closed (including *A1* and the satellite *A2* station which started to broadcast in 2008). The three top private TV stations on the market, according to audience share, were *Sitel TV* (30.9 percent), *Kanal 5* (13.9 percent) and *Alsats*

M (5.6 percent)⁴². In late 2012, the only critical TV station was *Telma*, since *A1* and *A2* were closed and the *Alfa TV*, which started broadcasting in 2008 and was owned by a businessman close to the main opposition party SDSM, was sold to a Serbian company.⁴³

Chart 5 OWNERSHIP STRUCTURE OF ALFA TV – TERRESTRIAL COMMERCIAL TV STATION AT STATE LEVEL

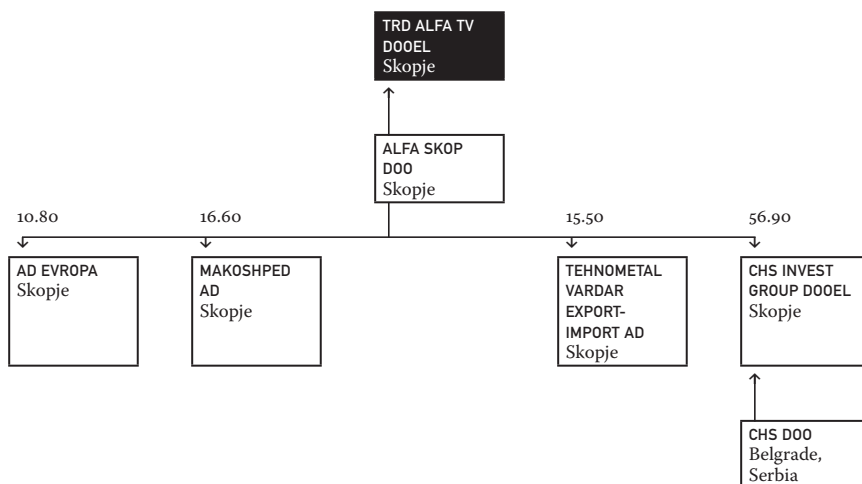
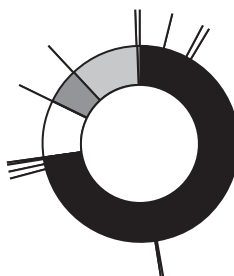


Chart 6 demonstrates that the struggle for political influence over the audiences was not the only motive of media owners. The figures for net advertising income show that profit was the real driving force behind the crude game on the television market. In 2011, when *A1* and *A2* were already closed, the biggest part of the advertising money was attracted by the TV stations affiliated with the ruling party.

The total amount of net advertising expenditure in 2011 was estimated at 1,480 million denars,⁴⁴ or 24.7 million euro. In the same year, political advertising accounted for 13 percent of the total income from advertising and state advertising for 2.56 percent. Among the top advertisers, the Government was ranked in fourth place.

Chart 6 NET ADVERTISING INCOME IN THE TELEVISION SECTOR IN 2012

TV STATION	NET ADVERTISING INCOME
■ NAŠA TV	58.97
■ ALFA	60.14
■ KANAL 5+	11.83
■ SITEL	572.01
■ SITEL 3	3.08
■ KANAL 5	343.31
■ AB KANAL	13.76
■ MTV	11.31
■ 24 NEWS	6.07
□ ALSAT M	139.39
■ TELMA	86.69
■ OTHER	165.41
■ PINK	8.11



Source: Broadcasting Council.

In December 2013, there were five commercial TV stations on the television market⁴⁵ broadcasting nationwide and three TV services of the public broadcaster.⁴⁶ Their services are distributed through the DTT operator which runs multiplexes across the country. In addition, there were five national TV stations licenced to reach the audience in Macedonia via a satellite platform.⁴⁷

Table 1 AUDIENCE SHARE AND OWNERSHIP OF THE FIVE TERRESTRIAL TV CHANNELS

MEDIA OUTLET	AUDIENCE SHARE (2012)	OWNER(S) AND SHARES IN 2003	OWNER(S) AND SHARES IN 2013	TYPE OF OWNERSHIP	TREND IN OWNERSHIP IN COMPARISON WITH 2003
SITEL	28.98	AD RIK SILEKS 100%	DRUŠTVO ZA TRGOVIJA MONTEKO DOOEL EXPORT IMPORT SKOPJE 100%	LOCAL	IN 2001, THE COMPANY MONTEKO ACQUIRED 100% SHARE.
KANAL 5	16.71	PEČATNICA BS 100% (owned by Emil Stojmenov and Marjan Stojmenov, sons of the politician Boris Stojmenov)	VANJA GAVRILOVSKI 100%	LOCAL	IN 2004, THE COMPANY METALSIVAS EXPORT IMPORT ENTERED, AND IN 2007 EMIL STOJME NOV ACQUIRED 100% SHARE.
ALSAT M	5.97	Did not exist in 2003. Licence granted in 2004. First owner: VEBI VELIJA 100%	FERIK VELIJA (1%). MIRA MEKSI (FROM TIRANA, 8%). INTERNATIONAL ENERGY ENGINEERING PETROLEUM CONSULTING (46%). VEVE GROUP DOOEL (45%)	MIXED	NA
TELMA	3.19	MAKPETROL AD SKOPJE 100%	MAKPETROL AD SKOPJE 100%	LOCAL	NO CHANGE
ALFA	3.13	Did not broadcast nationwide	ALFA SKOP DOO EXPORT IMPORT SKOPJE	LOCAL	NA

Source: AGB Nielsen Media Research and Broadcasting Council.

The diachronic description of the print media development enables the extrapolation of ownership patterns characteristic of this sector. Until 1996, only the newspapers published by the state owned print media company (NIP) had been available on the market.⁴⁸ After the unsuccessful attempt to privatize this company, it was finally liquidated in October 2003. Because of NIP's monopoly over printing and print distribution during the early 1990s, privately owned print media appeared relatively late after the country gained independence.

The first private newspaper to appear on the market was *Dnevnik* – at that time it caused a revolution of a sort. It began to be published in March 1996 at a time when the liberalized market had a great need for new and alternative media content. There was a revolutionary novelty in this event. Firstly, *Dnevnik* was founded by a group of journalists⁴⁹ – the concept of professionals-owners had been unknown until that point. Secondly, it posed a serious competition and later even dominated the market not only because of the higher professional standards and its editorial independence, but also because its price was three times lower than the price of the state owned newspapers. Thirdly, *Dnevnik* had an unprecedented circulation of 80,000 sold copies. This business approach in which media were owned by professionals in journalism was later employed by other newspapers such as *Fakti*⁵⁰ (1998), *Makedonija Denes* and *Utrinski vesnik* (1999), *Vest* (2000), *Roma Times* (2001)⁵¹, *Vreme* (2004) etc.

What, however, followed in the 2000s was the emergence of new trends in the print media ownership: the newspapers that had been owned and developed by professional journalists were sold to international media corporations or to individual businessmen – *gazdas*.

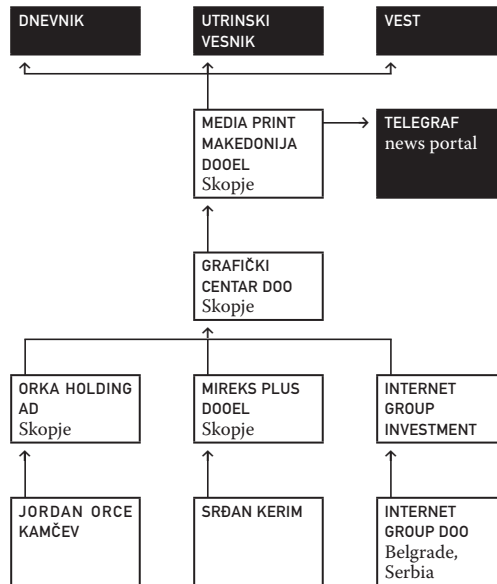
- (1) Firstly, in the autumn of 2003, the German media corporation WAZ bought the majority stakes in three leading newspapers in the country: *Dnevnik*, *Vest* and *Utrinski vesnik*. This was a major market change as the three newspapers accounted for 80-90 percent of the total print market income. This opened the issue of the WAZ monopoly (its company MPM Media Print Macedonia) and the possible negative consequences for the quality of these papers and their editorial independence. The Competition Protection Commission analysed this case and in 2004 finally decided to approve the merger of these three companies. In the meantime, new strong newspapers emerged on the market.⁵²
- (2) Secondly, the brands *Nova Makedonija* and *Večer* that were part of the state owned NIP were privatized in 2000 and 2004 respectively and were eventually sold to individual owners. In 2006, the *Večer* daily was bought by the Macedonian businessman Bojo Andrevski⁵³ who also owns a private university, a private health organisation, a chain of automobile repair services, and several smaller companies. In 2011, the ownership of this newspaper was transferred to one of Bojo Andrevski's relatives. *Nova Makedonija*

is today owned by Repro Print DOEL which is owned by Repro One Limited which is fully owned by the Macedonian businessman Minčo Jordanov. Jordanov is a leading businessman in the steel industry and construction.

- (3) The same pattern of ownership transfer from professional journalists to individual gazdas can also be seen in the *Vreme* newspaper. *Vreme*, founded by two journalists, established a “strategic” cooperation with the national *A1 TV*. The paper shared the commercial packages with the TV station which helped it to reach a higher circulation. Apart from spelling the beginning of media concentration, it also sparked a new competition on the market between two major competitors, MPM and Velija Ramkovski (the owner of *A1 TV*). After WAZ entered the print market, Ramkovski, apart from secretly entering *Vreme*, also bought the Albanian language newspaper *Koha* and founded the *Špic* newspaper in 2006. By 2011, the competition on the market became brutal – the two media groups started to use their newspapers to attack each other.

In the early 2010s, a new type of ownership emerged – collaboration between domestic individual *gazdas* and regional media corporations. In January 2012, the German-owned WAZ conglomerate⁵⁴ sold the three daily newspapers (*Dnevnik*, *Utrinski vesnik* and *Vest*). The buyer of the package was Orka Holding, a company owned by the Macedonian businessman Jordan Orce Kamčev who is believed to be close to the ruling VMRO-DPMNE party. In August of the same year, Orka Holding issued a statement announcing its decision to sell 50 percent of its shares in the papers to Internet Group Investment – a Serbian company that owns the biggest internet portal in that country (*Telegraf.rs*).⁵⁵ Orka Holding has additionally started a new online news platform *Telegraf.mk*.⁵⁶ Internet Group Investment is owned by the Serbian businessman Veselin Jevrosimović whose main operations include trade in computer equipment. Jevrosimović’s Comtrade company has in the past several years established business relations with the largest mobile operator in Macedonia and with the Macedonian Information Ministry.⁵⁷ In October 2012, it was announced that Jevrosimović had become the new owner of *Alfa TV*.⁵⁸ In January 2013, the ownership structure of Media Print Macedonia changed again – in addition to Orka Holding and Internet Group Investment, a third company bought part of the shares: Mireks Plus which is owned by Srđan Kerim.⁵⁹ The three companies hold 33.3 percent of the shares each.⁶⁰

Chart 7 OWNERSHIP STRUCTURE OF THE THREE DAILIES UTRINSKI VESNIK, DNEVNIK, VEST AND ONLINE NEWS PORTAL TELEGRAF



Recently, a donor-driven type of domestic media ownership emerged. In October 2013, with the financial aid from the Open Society Institute, a new company was founded and a new newspaper emerged on the market – *Sloboden pečat*. It was founded by Branko Geroski, one of the founders of *Dnevnik*, and a former editor in chief for *Vreme* and *Špic*.

Businessmen from the Albanian community in Macedonia were not interested in investing in the media over the past two decades. The print media in Albanian have therefore always been owned by professional journalists whose primary business is media. *Koha* daily is owned by the journalists Lirim Dulovi and Arben Ratkoceri; *Lajm* daily is owned by Fejzi Ajdari. *Lajm* is considered to be closer to the DPA opposition party, and *Koha* is supportive of the governmental Albanian party DUI.

In conclusion, the following patterns of ownership can be identified within the print media sector: (1) the first pattern was characteristic of the early stages of pluralisation when the state had stakes in the media and still held monopoly on the market; (2) the second pattern can be described as “ownership by professional journalists;” it emerged when journalists became media entrepreneurs and this period can be described as the golden age of print media

journalism in Macedonia; (3) the third pattern is “foreign corporate ownership”, which coincides with the period when WAZ was present on the print media market; (4) the fourth, “domestic/foreign co-ownership” involves the co-ownership of big domestic owner(s) and a foreign company; (5) finally, the donor generated ownership is the latest pattern that could be described as a type of “ownership by professional journalists.”

Table 2 OWNERSHIP OF THE DAILY NEWSPAPERS IN MACEDONIA

DAILY NEWSPAPER	OWNER(S) AND SHARES IN 2003	OWNER(S) AND SHARES IN 2013	TYPE OF OWNERSHIP	TREND IN OWNERSHIP IN COMPARISON WITH 2003
UTRINSKI VESNIK	OST HOLDING 51,16% GOFI DOOEL 24,33% FIVE INDIVIDUALS 24,51%	ORKA HOLDING 33,3% INTERNET GROUP INVESTMENT 33,3%	MIXED	OST HOLDING (WAZ) WITHDREW FROM THE PRINT SECTOR IN THE BEGINNING OF 2010. THE THREE DAILIES ARE NOW OWNED BY TWO LOCAL AND ONE FOREIGN COMPANY (SERBIA).
DNEVNIK	OST HOLDING 93,8% FIVE INDIVIDUALS 6,2%	MIREKS PLUS 33,3%		
VEST	OST HOLDING 51,06% GOFI DOOEL 24,05% AD FERSPED 14,83% TWO INDIVIDUALS 10,06%			
NOVA MAKEDONIJA	ZONIK ZORAN DOOEL 100%	REPRO PRINT DOEL 100%	LOCAL	NA
VEČER	DID NOT EXIST	SAŠO BOGDANOVSKI ⁶¹ 100%	LOCAL	NA
SLOBODEN PEČAT	DID NOT EXIST	BRANKO GEROSKI	LOCAL	NA
KOHA (ALBANIAN)	DID NOT EXIST	LIRIM DULOVI 50% ARBEN RATKOCERI 50%	LOCAL	NA
LAJM (ALBANIAN)	DID NOT EXIST	FEJZI AJDARI 100%	LOCAL	NA

Source: Central Registry of RM.

2.4 ONLINE MEDIA: THE LAST SANCTUARY FOR CRITICAL JOURNALISM?

The first online media in Macedonia appeared after 2000. Their most visible progress however occurred in 2005 when the prices for internet access and the broadband connection dropped considerably. This crucially contributed to the increase in online media audience. Even though access to the Internet increased, the development of online journalism did not progress at the same pace – especially not in terms of the quality of content. The rare analyses of this sphere have revealed that in Macedonia the level of professional standards in online media is quite low.⁶²

In December 2013, there were around 18 news and information online media – 15 in Macedonian and 3 in Albanian. There are measurements of the readership of online media in Macedonia,⁶³ but the service is adapted to the needs of the marketing agencies that are mostly interested in measuring the websites offering entertainment. On the other side, the data for average number of visitors provided by some web traffic measurement services cannot be considered reliable. Therefore, these data are not presented in the analysis to

avoid giving a biased picture of the ranking of online news media. Instead, they are listed in the table by alphabetical order.

Most of the online media are owned by individual professional journalists. An exception is *Telegraf.mk* which is a separate digital publication, published by the Media Print Macedonia – MPM, the same publishing company that publishes the three Macedonian newspapers (*Dnevnik*, *Utrinski vesnik* and *Vest*).⁶⁴

The findings of the research on online media content show that most of the critical journalism in Macedonia – especially concerning the Government – is practiced on the Internet. These online outlets were founded by individual journalists who were in the past associated with the traditional critical media. Once the Government put a grip on those sectors, they migrated online. However, recent years have seen the proliferation of pro-governmental online outlets. The content published in some of these online media shows extreme bias towards the biggest ruling party. The online outlets *Kurir.mk*, *Netpress.mk*, *Republika.mk* produce content aimed to construct a negative campaign against the opposition.

Table 3 OWNERSHIP OF SEVERAL ONLINE NEWS AND INFORMATION PORTALS IN MACEDONIA

ONLINE INFORMATIVE MEDIA ⁶⁵	OWNER(S) 2013	TYPE OF OWNERSHIP
A1 ON – DRUŠTVO ZA DIGITALNI MEDIUM ONLAJN MEDIA DOOEL SKOPJE	PREDRAG PETROVIĆ	LOCAL
BRIEF – DRUŠTVO ZA DIGITALNI MEDIUM BABINSKI DOOEL SKOPJE	ILIN NIKOLOVSKI	LOCAL
KURIR – EM MEDIA DOOEL SKOPJE	ACO MISAJLOVSKI	LOCAL
MKD.MK – DRUŠTVO ZA IZDAVANJE NA ELEKTRONSKI PUBLIKACII PORTAL NJUZ DOO SKOPJE	PETAR PEJOVIĆ, NIKOLA BOGOJEVSKI, IGOR KRSTEVSKI, ROBERT ATANASOVSKI, ALEKSANDAR RISTOV, ZLATKO KRSTEVSKI, EMIL ZAFIROVSKI	LOCAL
NOVA TV – VIDEO VEB PRODUKCIJA DOO	BILJANA SEKULOVSKA, BORJAN JOVANOVSKI	LOCAL
NETPRES – DRUŠTVO ZA TRGOVIJA I USLUGI FINZI DOOEL SKOPJE ⁶⁶	FINZI DOO (REGISTERED IN USA)	FOREIGN
PLUS INFO – ZDRUŽENIE NA GRAGJANI ZA ODBRANA NA SLOBODATA NA GOVOROT I NA JAVNOTO IZRAŽUVANJE ČLEN 16 SKOPJE ⁶⁷	BRANISLAV GEROSKI	LOCAL
TELEGRAF – IZDAVAŠTVO TELEGRAF DOOEL SKOPJE ⁶⁸	DRUŠTVO ZA USLUGI MEDIA PRINT MAKEDONIJA DOOEL SKOPJE	MIXED
REPUBLIKA - PRVA REPUBLIKA DOOEL	THE OWNER IS NOT KNOWN ⁶⁹	NOT KNOWN

Source: Central Registry of RM.

Another new trend in the ownership structure is clandestine ownership (Republika.mk) or semi-clandestine ownership of multiple interconnected online outlets. This has a direct impact on the coverage as the “networked” outlets frequently quote each other – therefore if a negative campaign is to be launched, one of the media outlets will publish an unsubstantiated claim which is then quoted as a fact by other outlets. A journalistic research on the ownership background of online outlets has recently revealed that *Kurir.mk* is founded by EM Media DOOEL – a company formally owned by an individual who is close to the ruling party.⁷⁰ This company is associated with several other online outlets through the same individual who either performs marketing or administrative tasks for these online portals.⁷¹ From the content on *Kurir.mk* but also on other online and traditional media, it is quite evident that recently the ruling party has very well synchronized the dissemination of information with similar party-political messages whose author or editor can be very easily recognized. There is also one critical online portal whose owners are close to politicians that belong to opposition parties.⁷²

The online outlets in Albanian are still in a rudimentary phase. The most relevant online outlets are still the ones that have a print outlet such as *Koha* and *Lajm*.

The ownership patterns that could be identified in the online sector are indicative of two processes – (1) the process of real pluralisation which strives to create strong critical journalism that in time would develop high professional standards, and (2) the mushrooming of clandestine outlets that are creating a “hyper-real” effect – a strategy by which the truth is supposed to be blurred in plenty. These processes seem to be mutually exclusive and at this point it is impossible to predict which one would prevail.

2.5

CONCLUSIONS

Several conclusions can be drawn from the analytical description of ownership patterns identified in the specific media sectors.

The first type of ownership pattern is “*Professional Journalist – Owner*.” It appears when one journalist, or a small group of journalists with experience in print or broadcast media establishes a print (newspaper) or an online media outlet. A specific feature of this type of ownership is that the owners, possessing the knowledge of professional journalism, knowing the process of production and having democratizing attitude, are not motivated solely by profits. In this setting, the quest for profit is balanced with the need for a social impact and freedom of expression, meaning that it serves the public interest. This pattern was characteristic of the print media in the mid 1990s and it re-emerged with the advent of online media, especially after 2005 when some critical traditional media were shut down and several groups of journalists migrated to “safer” zones. Within the print

media sector, this pattern dissolved when the market was “conquered” by big media corporations and when the journalists-owners decided to opt for capitalisation. Knowing the goals of political actors, it could be said that at many points in time media owned by journalists pursued quite independent editorial policies.

The second ownership pattern is “*Individual businessman – Small Owner*.” It is typical of the local broadcast sector. It emerged during the first decade of liberalisation in the 1990s, and it is still present today. It emerged when many individuals with no idea of the social impact of media or the public interest grabbed the opportunity to earn a good income by owning a local broadcaster. The main source of profit was local advertisers – the new class of small media owners did not invest much in the technical development of their media and the quality of programming was low. Their primary interest being profit, they are largely susceptible to influences coming from local political and business actors. In cases when these individual owners have other small local businesses, they use their media outlets to advertise them. In addition, they quickly switch their allegiances, going along with whoever is in power in their municipality.

The third type of ownership structure is “*Individual businessman – Big Owner*.” This type had emerged in the national television sector and had significantly proliferated by the late 1990s. It continues to be the dominant type to the present day. Similar to the “*Individual businessman – Small Owner*,” the only motive for engaging in the media business is profit. However, this type of ownership is also characterized by the idea that the media that broadcast nationally can be utilized to advance their business and other interests. Until 2006, this had been achieved by either pressuring the Government or by playing along with or within the Government. With the inauguration of the VMRO-DPMNE led Government, the process took a different turn and these media succumbed to the Government pressure.

The fourth type is “*Corporate Media Ownership*.” It has been especially characteristic of the print sector since 2003, i.e. since the entrance of the German media corporation WAZ. It is still dominant in this sector at present. This type of ownership is moderately present in the TV sector since a domestic corporation owns only one national TV station, and few smaller companies own local and regional TV stations. However, corporate ownership has recently begun to enter the online sector. Apart from WAZ whose primary business is media, all other corporations pursued other lines of business. WAZ entered the market for profit primarily. However, almost all other corporations had other motives as well when entering the market. The media were a means of a political influence – the Government played through them to advance its own policies.

3 PARTY-POLITICAL CAMPAIGNING WITH PUBLIC MONEY

The integrity of media in Macedonia is directly related to the structure of their financing. For years, the public service broadcaster (PSB) has suffered from the lack of institutional autonomy and has been directly financially dependent on the state budget. This is due to the fact that various structures of power did not allow its stable and consistent funding with taxpayers money. Although the broadcasting tax collection (in Macedonia, the broadcasting tax corresponds to licence fee) has been stabilized in the last few years, the PSB is still faced with the lack of editorial independence and integrity. The small capacity of the advertising market could never meet the needs of far too many media outlets. This has in turn created an unhealthy competition among media owners. Their marketing strategies have not been driven by the market logic, which has produced disastrous effects on the whole sector: unrealistically high advertising prices, huge discounts; the coaxing of large advertisers into advertising only with “our media outlet”; false book-keeping entries to show lower advertising prices and thus avoid higher taxes etc. State advertising in Macedonia was intensified after 2008. This has in turn prompted media owners to fight for a bigger slice of the public money which has created even more robust political-clientelistic and corrupt links between the government and the media. In January 2014, the Macedonian public had a chance to see how these links work in practice when the political opposition initiated two media scandals. The first revealed the relationship between political advertising during elections and Government’s public campaigns. The second involved two editors working for the private TV station *Sitel* which is explicitly close to the Government. Their alleged scams over the past several years included a contract for the purchase of medical equipment worth millions of euro which was signed between the Ministry of Health and the private company of a notorious pro-government journalist.

3.1 TRANSPARENCY OF DATA ON FINANCIAL SOURCES OF MEDIA COMPANIES

The adoption of the 2005 Broadcasting Law brought significant improvements in terms of the reliability of data about the broadcasting media market and media’s sources of financing. The broadcast media were legally obliged to provide any financial or other data related to their operations upon request of the Broadcasting Council – the regulatory body. On the basis of these data, the regulator conducted comprehensive annual analysis on the broadcast market and published it on its website.⁷³ These analyses contain a range of relevant data on different sectors of the radio and television industries: number of licences, revenues, costs, number of employees, audience measurements data, advertising expenditure data etc. All data is gathered and verified by the regulator itself using reliable and comprehensive methodology. For the media that fail to provide the required data,

there are sanctions envisaged in the legislation. However, the number of these sanctions so far has been relatively insignificant.⁷⁴ The same obligations concerning transparency and provision of financial data remained in the newly adopted Law on Audio and Audio-visual Media Services (December 2013). The print and online media, like all the other private entities, are obliged to provide data on their finances upon request of the Commission for Protection of Competition.

In December 2013, in addition to the Law on Audio and Audiovisual media Services, the Parliament also adopted a general Media Law. It was in fact the first time that the print media became subject to any kind of regulation in the country. According to this Law, the print media are obliged to provide data on their finances to the new regulator - The Agency for Audio and Audiovisual Media Services. The online media were also included in the first draft of the Media Law and would have had the same obligations but for the amendments to the Media Law a month later by which the online media were excluded from the legislation.⁷⁵

There is no reliable data on the circulation of print media, and there is no data available on the number of sold copies. All of the print outlets declare their circulation but these figures are not trustworthy. One research agency regularly gathers data on radio audience and readership of the print and online media⁷⁶ while another agency conducts TV audience measurements.⁷⁷ Data on advertising expenditure exist only for televisions and print media. There are only estimates for the other sectors. There is no self-organised body that would control or verify advertising expenditure or any other data on the media market.

3.2

ADVERTISING MARKET

There are no reliable data on the overall advertising expenditure across media sectors. There are two research agencies⁷⁸ that conduct monitoring of the television sector and then make estimates of the television advertising expenditures. However, these figures show only the gross TV advertising expenditure which is estimated by multiplying the aired time with the prices declared in official pricelists of the media. In developed countries, gross expenditure is 2-3 times higher than net expenditure as a result of regular discounts given to advertisers. In contrast, in Macedonia the gross advertising expenditure is 10-12 times higher than the net figure (the real amount of money paid to broadcasters by the advertisers). The reasons are various, but what is most important - it implies institutional corruption given that a huge part of the advertising share is in fact Government's advertising. Even though it is very difficult to determine the exact reasons for this phenomenon, certain conclusions present themselves: the prices are unrealistically high, so discounts offered go as high as 90 percent; TV stations air programs made by independent producers who themselves sell the advertising slots within their shows;

multiple ownership – the media owners are also owners of other businesses and they use their media to advertise the products of their other companies at a low price which in turn enables media owners to pay lower taxes.

A rough idea about the advertising stakes can be obtained by looking at the general data for the television and radio sector. The data is gathered and verified by the Broadcasting Council, since the broadcasters are obliged to give their annual balance sheets to the regulator. If they do not comply with this provision, they face sanctions, so most of them regularly provide all the requested data on financing.

Table 4 TV MARKET IN 2012

	AUDIENCE SHARE (%)	TOTAL REVENUES (MILLION DENARS)	ADVERTISING REVENUES (MILLION DENARS)	SHARE IN ADVERTISING REVENUES (%)
MTV1, MTV2, PARLIAMENTARY	8.37	1069.08	54.29	3.67
SITEL	28.98	587.16	586.61	39.69
KANAL 5	16.71	361.42	276.78	18.73
TELMA	3.19	113.17	77.1	5.22
ALSAT M	5.97	148.40	144.87	9.80
SATELLITE TV STATIONS	14.3	184.99	181.2	12.26
REGIONAL TV STATIONS		57.54	31.88	2.16
LOCAL TV STATIONS		145.70	125.29	8.48
TOTAL	77.52	2,667.46	1,478.02	100

Source: AGB Nielsen Media Research and Market Analyses of the Broadcasting Council.

Table 5 RADIO MARKET IN 2012

	TOTAL REVENUES (MILLION DENARS)	ADVERTISING REVENUES (MILLION DENARS)	SHARE IN ADVERTISING REVENUES (%)
MACEDONIAN RADIO	339.16	1.04	0.81
ANTENA 5	29.93	29.23	22.67
KANAL 77	24.09	15.63	12.12
METROPOLIS	2.00	2.01	1.56
REGIONAL RADIO STATIONS	55.83	49.15	38.13
LOCAL RADIO STATIONS	34.95	31.85	24.71
TOTAL	485.96	128.91	100

Source: Market Analyses of the Broadcasting Council.

The data show that the total net advertising expenditure in the television sector in 2012 was 1,478.02 million denars (24.3 million euro) compared to 128.91 million denars (2.1 million euro) in the radio sector. Television is certainly still the most interesting media for advertisers, while radio and print media are much weaker and less attractive. Unfortunately, there are no reliable figures for online media advertising.

Advertising is the main source of income for the television sector. Most of the advertising agencies that make regular media advertising plans use audience measurement data as a reliable basis for planning advertising campaigns. However, the money coming from the state for advertising is not allocated on the basis of audience measurement figures – rather the political eligibility criteria are used. There are examples of TV shows with a very low number of viewers that get significant amount of TV ads. Also, there are many newly launched online news portals with plenty banners on the Government's achievements while the critical ones (with high number of page views) do not have such ads at all.⁷⁹

The biggest advertising agencies are not commissioned to design public campaigns for state institutions. Although formally covered by public procurement procedures, most of the tenders of state institutions for public campaigns or for other communication activities have been won by marketing agencies that are close to one of the political parties in the Government.⁸⁰ Some of the journalists that investigated these cases wrote that since 2008, 7 million euro have flown to the account of the Republica agency intended solely for advertisements for state institutions. They have also clearly identified the interconnection of state advertising and the critical stance of the media: "As, for example, when the now defunct *A1* television intensified its critical tone towards Gruevski, the advertisements were suspended. When *Alfa TV* reduced its criticism, the Government's ads began to flow."⁸¹ The following is a statement given by a representative of the advertising agency Republica for the weekly magazine *Focus*: "The distribution of ads is very clean. When it comes to electronic media, we go by ratings. Once they closed *A1*, *Sitel* came on top, followed by *Kanal 5*. As far as Internet portals are concerned, we expect the emergence of a regulatory body for the internet sphere to investigate the level of website visitors ... As for newspapers, now, in cases where there are no figures to judge by, we act according to our individual judgments. In a year time, everything will be much clearer. The Government will install its own people-meters ... because the existing people-meters are not credible."⁸² Certain advertising professionals who insisted on anonymity stated in interviews that the practice of using media planning agency has been abandoned since recently and the Government began to make direct contracts with the media outlets when airing public campaigns.⁸³ Also, the Government has itself publicly stated that in the last year and a half it has allocated money for public campaigns to all national, regional and local media,⁸⁴ although the specific amounts have nev-

er been published. In the end, it has to be noted that there are public campaigns that are broadcast by commercial television stations free of charge.

Professionals from some commercial media⁸⁵ state that these campaigns are usually accompanied with a request for a free of charge airing, although there is no legal basis for that. In addition, most of the public campaigns that are broadcast by commercial media are aired free of charge on the public television. Since advertising time on public service television is much more limited compared to that provided by commercial TV stations, these campaigns are labelled as "campaigns of public interest," because the Broadcast Law contains a provision that the public service can broadcast campaigns of public interest.

3.3 STATE ADVERTISING

State advertising in Macedonia became an issue when VMRO-DPMNE came to power in 2006. The ruling coalition intensified the so called public campaigns in the media in 2008. Political advertising funded by public money has also been going on outside election campaigns. From the table on the share of state advertising in the gross advertising expenditure in the TV sector it follows that from 2008 the Government allocated significant amounts of money from the state budget to advertising. In 2008, the Government was the second largest advertiser in the country. In the years that followed, with the exception of 2010, the Government was invariably among the five largest advertisers.

Table 6 THE SHARE OF STATE ADVERTISING IN THE GROSS ADVERTISING EXPENDITURE IN THE TV SECTOR

YEAR	POSITION ON THE LIST OF TOP 20 ADVERTISERS	TOTAL ADVERTISING ON TV	% OF	TOTAL AMOUNT OF GROSS TV ADVERTISING EXPENDITURE (MILLION EURO)
2008	2		4.45 %	389.0
2009	5		2.57 %	472.0
2010 ⁸⁶	18		1.23 %	579.0
2011	4		2.56 %	535.0
2012	1		4.03 %	392.4

Source: AGB Nielsen Media Research and Market Analyses of the Broadcasting Council.

One of the biggest problems with all the analyses of media finances conducted so far is that the data on the net income of media from individual advertisers is not gathered at all. The (net) amount spent from the state budget for public campaigns in 2013 is estimated at 20 million euro,⁸⁷ although no institution published or confirmed this figure. On the

other side, the analyses conducted by international organisations mention larger annual amounts – between 0.4 percent and 1.5 percent of the state budget, which is around 39 million euro.⁸⁸ Until very recently, the Government and public enterprises had never published the amounts of money allocated from the state budget to different media outlets and it is very difficult to collect these data. This was a topic treated in several journalistic investigative stories published by the few critical media in the country,⁸⁹ while the bigger media outlets that receive money from the state budget do not raise this issue at all. These stories prove that even when relying on legal provisions on free access to public information, journalists cannot always obtain the information requested: “Like all other citizens having the right to know where our money is spent, we asked the Government to answer where its advertisements have been aired. When the question was first asked, we received no response. When asked again, the answer was, ‘business secret!’”⁹⁰ Journalists have to wait for several months to receive a reply from an institution, although the law prescribes a deadline of 30 days, with an extension of 10 days if the request involves a huge amount of documents. The concept of proactive or routine publication of information by state institutions is completely unknown in the country, while the culture of secrecy surrounds “sensitive” data, like the amounts spent in the media. So, not only there are no transparency mechanisms applied by public institutions, but they even label this information “classified.”⁹¹

For the objectives of the Media Observatory research, in October 2013, formal requests for data on the amounts of state money spent for public campaigns in the media (from 2008 to 2013) were sent to the Government and other state institutions.⁹² However, only half of these institutions replied to the request and those that did stated mainly the titles of the print media to which they are subscribed or the media outlets where they prefer to publicize.⁹³ The criteria for the allocation of this money to various media in the past years were not known and this was considered as one of the biggest problems that interfered with editorial freedom and endangered integrity of the media. However, having in mind the fact that in 2012 the Government was the biggest advertiser on television, it is not difficult to deduce where the money from the budget ended. Public campaigns are aired only by national television stations and although there is no such data it is publicly known that the biggest portions of money are allocated to *Sitel TV* and *Kanal 5*, whose owners are very closely affiliated with the ruling party. The two television stations had the largest share of total advertising revenue in 2012 (*Sitel TV* – 39.69 percent and *Kanal 5* – 18.73 percent).

3.4 POLITICAL ADVERTISING DURING ELECTION CAMPAIGNS

There is a clear connection between state advertising in the media and political advertising during election campaigns. Concerns about this controversy have been recently

raised by the opposition SDSM party which accused the ruling party that 23 days before the local elections in 2013 it transferred 460.000 euro to *Sitel TV*.⁹⁴ Several other transfers were made later that year with the payments eventually amounting to one million in total in 2013. This affair raised many public debates about the corrupt processes that link the media and state institutions.⁹⁵ For the first time since the emergence of state advertising, the Government published an extensive press release explaining the purpose of the public campaigns in the media and describing these as "... activities to inform citizens about certain implemented projects so that the citizens would know the opportunities that are opening up for them through these projects."

Data from the financial reports of the political parties submitted to the State Electoral Commission, the State Commission for Prevention of Corruption and the State Audit Office for the elections in 2013 show that the broadcast media are the largest donors⁹⁶ to certain political parties. For instance, the Financial Report of the VMRO-DPMNE coalition contains a list of donors which includes 33 TV stations, 3 radio stations and the print media published by Media Print Macedonia. Of these, the three biggest donors are *Sitel TV* (9,870,000.00 denars or 160,489.00 euro), *Kanal 5* (8,900,000.00 denars or 144,715.00 euro) and *Alfa TV* (4,700,000.00 denars or 76,423,00 euro).⁹⁷ Also, it is to be emphasized that the only donor from the print media field appears to be Media Print Macedonia with the highest amount of 15,465,368 denars.⁹⁸ The lists of donors of other bigger parties (from the coalition led by SDSM, DUI and DPA) do not contain media outlets.

Although the data presented here indicate that there is connection between political advertising during the elections and state advertising, it is very difficult to explain and to document how this process actually works. According to some media representatives who took part in the interviews, during the election period some media give huge discounts (sometimes up to 90 percent off the regular prices), so they practically broadcast the party's political advertisements free of charge. Later, these discounts or unpaid debts are presented as donations on the electoral account of the political party. However, after the elections, these media would be on the list of the most favoured outlets for state advertising. Nevertheless, this was very difficult to prove within this project, because no data was provided by the state institutions on the amounts allocated in 2013 for public campaigns. Some conclusions can be indirectly made from the data on gross advertising expenditure, the lists of donors during the 2013 elections and the financial reports of the media for the local elections in 2013.⁹⁹

Table 7 TV STATIONS AND PRINT MEDIA – DONORS TO VMRO-DPMNE DURING LOCAL ELECTIONS 2013

TV STATIONS	VALUE OF THE DONATION (DENARS)
SITEL TV – NATIONAL TERRESTRIAL	9,870,000
KANAL 5 – NATIONAL TERRESTRIAL	8,900,000
ALFA TV – NATIONAL TERRESTRIAL	4,700,000
TV TERA – BITOLA	600,000
TV AMAZON – SKOPJE	85,000
NAŠA TV – SATELLITE	369,350
ŠUTEL TV – SKOPJE	138,000
EDO TV – SKOPJE	137,000
BTR – SKOPJE	319,000
VIZIJA - PRILEP	200,000
SVET - SVETI NIKOLE	100,000
KTV 41 - KAVADARCI	220,000
TV NOVA - KUMANOVO	250,000
KOBRA RADOVIŠ	100,000
TV NOVA - GEVGELIJA	61,500
KRT - KUMANOVO	141,216
BOEM - KIČEVO	88,310
TV KOČANI	100,000
ZDRAVKIN - VELES	206,500
TV STAR - ŠTIP	260,000
TV TIKVEŠIJA	140,000
IRIS - ŠTIP	270,000
INTEL - STRUMICA	180,000
TV MORIS - OHRID	80,000
NTV - OHRID	150,000
ZLATENKANAL	150,000
KANAL 21	100,000
VTV VALANDOVO	70,000
SPEKTRA LABUNISTA	85,000
PROTEL	100,000
MENADA	150,000
TV SONCE	120,000
D1 DELČEVO	100,000
PRINT MEDIA	
MPM (DNEVNIK)	15,465,358

Source: Financial Report of VMRO-DPMNE on the campaign during the local elections in 2013.¹⁰⁰

For instance, the unpaid debt of the VMRO-DPMNE coalition to *Sitel TV* arising from the local elections in 2013 was 6,554,769.00 denars (106,582 euro), to *Kanal 5* television

5,490,631.00 denars (89,278 euro), to *Večer Press* 1,230,000.00 denars (20,000 euro), and so on.¹⁰¹ The Democratic Union for Integration (DUI) also had unpaid debts: to *Alsat M* it owed 3,901,841 denars (63,445 euro), to *TV Koha* from Tetovo 644,931.00 denars (10,487 euro) and so on. In January 2014, after many public debates and criticism, the Electoral Code was amended so that the amount that the media can donate to a political party is limited to 50,000 euro although the media and journalists organisations argued that the media could not appear at all as donors to political parties. Another affair recently revealed by the political opposition¹⁰² raised numerous concerns about the corrupt links between the pro-governmental journalists and state institutions. The affair involved a million euro contract for the purchase of medical equipment signed between the Ministry of Health and Vizaris, a private trading company owned by the mother of a famous journalist working for the pro-governmental *Sitel TV*.¹⁰³ It should also be noted that the private company Vizaris, as well as several other advertising, marketing and consulting companies whose founders are the two famous journalists of *Sitel TV*, are all registered at the same address as *Sitel TV*.¹⁰⁴ The Minister of Health stated publicly that there was no conflict of interest because he signed a contract with a private company which after six months changed its ownership structure and "... if there is no violation of the procedure, but if there is a slightest reason to terminate the contract, [he] will do that."¹⁰⁵ A week later, the Minister of Health stated in the Parliament that he terminated the contract due to ethical reasons, although the legal procedure was not violated.¹⁰⁶

3.5 CONCLUSIONS

The advertising patterns used by the Government demonstrate most vividly how media lose their independence and subsequently their professional integrity. Media owners play the key role in this system of financial dependency. The media and the complete media landscape thus fall prey to the business interests of the owners and their clientelistic ties with politicians. This clientelism is corrupt and it largely defines the media and political culture in the country.

Political parties that hold power demonstrate an insufficient democratic capacity by willingly sacrificing the independence of the media in order to accumulate profit which is then used for elections or ends up as a private property of parts of the ruling political structures. It is ironic that when these same parties end up as the political opposition, they claim that they are disadvantaged because of this particular environment.

Successive governments in Macedonia perfected the methods of institutional corruption, reinforcing clientelistic dependencies and virtually coercing the media sector into compliance. This has in turn produced an atmosphere of low democratic capacity. The main mechanism used is the flow of money from the state budget. The system basically

adheres to the following pattern: the Government extracts money from the budget and channels it to advertising studios and media to produce and to broadcast their ads which often clearly resemble a full blown propaganda. The Government then justifies the spending as a public interest concern even though these ads are often negative campaigns against the opposition and campaigns to promote illiberal values. The media are in turn pumping the greater share of the money they get from the budget into the ruling political party for the purposes of the elections. In effect, this means the election campaigns of the ruling parties are financed by taxpayers' money.

4 A PUBLIC SERVICE BROADCASTER NEGLECTING ITS PUBLIC INTEREST MISSION

The Public Service Broadcaster in Macedonia has undergone two major normative transformations since Macedonia gained independence and a third one is underway with the new controversial¹⁰⁷ Law on Audio and Audiovisual Media Services adopted in December 2013. The history of these changes reveals that the legislative aspect of institutional autonomy and editorial independence has evolved over the years: (a) The 1997 Broadcasting Law and the 1998 Law on the Founding of the Public Company – *Macedonian Radio Television*, defined *MRT* as a public service. However, not all aspects of the definition of what public service entails were fully and clearly aligned with the COE basic documents; (b) The Law on Broadcasting activity from 2005 completed the legislative process and explicitly defined *MRT* as a public service, with clear provisions concerning its programming functions, editorial independence and institutional autonomy of its governing bodies: the *MRT* Council, the Managerial Board and the Executive Director. This change has accorded a greater role to the Council as the highest supervisory body (Articles 126-133) – some of its functions prior to 2005 were in the hands of the National Assembly. The new Law on Audio and Audiovisual Media Services adopted in December 2013 simplified the structure of the governing bodies of *MRT*. However, since this law is still not in the implementation phase our analysis focuses on the implementation of provisions on the public service as defined in the 2005 Law on the Broadcasting Activity. This article particularly scrutinizes the *MRT* Council and critically assesses the legislative and the practical aspects of its operation. It also discusses the role of the Managerial Board and the Executive Director¹⁰⁸ with respect to the risks involved in organisational and programming aspects of their respective functions in the *MRT*.

4.1

GOVERNING BODIES

Unfortunately, the neat legal arrangement has little to do with practice. And this was the case with all three governing bodies.

4.1.1

MRT COUNCIL

Even though the legislation by which the Council was to be appointed and work independently was in place, the practice demonstrated that it was not working in accordance with its purpose. The political influence on some of its members, the strategic undermining of the mechanisms of transparency and disregard for ethical and professional standards led to a conclusion that the Council did not defend the public interest.

The Council of the *MRT* was appointed by the National Assembly and it had 23 members, 18 of whom were nominated by representatives of the civil society. This suggests that the procedure of nomination was quite democratic. However, the practice has proven that the political parties in power always find a way to “smuggle” candidates that could advance their political interests in this body. Since the beginning of the implementation of the 2005 Broadcast Law, there have been several examples of elected members of the Council who were explicitly politically engaged. The most obvious attempt at political pressure over the *MRT* bodies was made in 2008 when the Law on Broadcasting Activity was amended in a completely non-transparent manner. The amendments, adopted by the Parliament in an ad hoc procedure on 19 August 2008, provided the option for the Public Service to go into bankruptcy and liquidation. At the meeting of the Committee for Stabilisation and Association in September 2008, the European Commission made a negative remark on these amendments. The EC stated that the amendments “are jeopardizing the independence of the *MRT* and they are a threat for the public broadcaster and the freedom of the media in the country”. The EC asked for these changes to be removed from the Law because “a bankruptcy and liquidation is not envisaged for the public broadcaster in any of the member states.”¹⁰⁹

One of the key roles of the Council was to ensure respect for the public interest in the programming of the public service. An interview conducted with a member of the Council suggests that the role of the Council was rather ceremonial: “And who takes care of the quality of the programs in this situation? The politics! The exponents of a particular political group in this unfortunate proto-democratic society have the opportunity to influence the public broadcaster. There is no guard against this – the Council cannot ensure this guard.”¹¹⁰ On the other side, the wording of the provisions in the Rules on Procedure of the Council was such that it threatened to undermine the transparency of its work. Article 3 of the Rules on Procedure stated that the “sessions of the Council are public, unless the Council decides otherwise.” This provision was in contradiction with the Law on

Broadcasting Activity which prescribes that all sessions of the Council are public.¹¹¹ Also, Rules on Procedure of the Council, its decisions, as well as the Operational Plan, Financial Plan and annual reports of *MRT* had to be published on its website. However, none of these documents have been published on the *MRT* website.¹¹²

The *de facto* political influence on the Council's composition and the lack of transparency in the process of decision making raised serious questions related to its key role regarding the *MRT* programming. The reason is that the Council was supposed to ensure respect for the public interest in programming and it was entitled to adopt the acts that define the "ethical and the professional standards in the creation of the programming." These standards were breached on many occasions but the Council either reacted inappropriately or did not react at all. Two paradigmatic cases can be mentioned in this connection. In 2012, the TV sector of *MRT* reported that a member of the Macedonian ethnic minority in Greece had been murdered and that the Greek authorities were covering up the case. The "Aleksandar Samardžiev case" was based on a statement by a Macedonian nationalist who had previously seen the information on *Facebook*. The information was originally published on the social network by an alleged cousin of the murdered person. The editorial board of the *MRT* did not double check the information but instantly made and interview with the secondary information source. The source stated that it was "in fact an act of war of Greece against Macedonia." The Council did not react immediately but it was called to respond by many CSOs and individuals. After its session, the Council ruled that there was no breach of ethical and professional standards in this case because, as it was put, the burden is carried by the source not by the media outlet that published it. Another case involved the coverage of a series of protests held in 2012 by young ethnic Macedonians and ethnic Albanians respectively. At one point in the coverage, the *MRT* editorial staff took footage of violence that occurred at one of the protests and placed it in the context of another protest. As the protests had ethnic background this was a potentially inflammatory decision. The Council did not react at all.

4.1.2

MRT MANAGERIAL BOARD

It can be concluded that in practice the Managerial Board was not always working in compliance with the law. The political allegiances of some of its members and the Government's *de facto* influence on its work disabled any possibility of independent decision making. Furthermore, disregard for decision making procedures made this body's operation non-transparent. Finally, since the Managerial Board was entitled to elect the executive body, the appointment of the latter could not be an unbiased decision.

The Managerial Board consisted of seven members who were elected by the *MRT* Council on the basis of a previously implemented public announcement procedure

(Article 134). It was also envisaged to be a non-political body. However, even though the Board was independent from the Government by law and was accountable to the Council that elected it, often the contrary was the case. In 2011, a decision was made to terminate the mandate of the 7 members of the Board, which demonstrated the extent to which this body was under political pressure. Even though the Law on Broadcasting Activity prescribes that the mandate of a member of the Managerial Board is 5 years and that a member can be dismissed only in the event of conflict of interest (Article 137), in July 2011 all the members of the Board were collectively dismissed by the Council. Some of the Board members issued a statement for the media claiming that their dismissal was illegal.¹¹³

An assessment of the work of the Board in 2013 described a situation in which the Board explicitly implemented Government's resolutions.¹¹⁴ The analysis of the minutes from a session of the Board revealed that the Board requested from the Executive Body to implement the conclusions of the Government and change the method of calculating advertising prices. This breach of Article 134 of the Law on Broadcasting Activity in fact demonstrates the subordinated position of the Board and the level of influence that the Government had on MRT's finances. The Board's transparency and accountability was also an issue. There were also reports of the situations in which the Board made an important financial decision but decided not to take minutes of the session and only verbally notified the executive body. This instance of malpractice demonstrated the lack of accountability and non-awareness of the importance of prescribed procedures, which opened a possibility for manipulation.

4.1.3

EXECUTIVE DIRECTORS

Almost all executive directors of *MRT* after 2005 were people close to one or another political power and they all failed to make any significant progress in transforming *MRT* as a public service.¹¹⁵

The executive body was in fact a team of four people elected by the Managerial Board, two of them executive directors and two deputies. Neither the Law on Broadcasting Activity nor the *MRT* Statute prescribed the decision making procedure for this body. This in essence means that both directors had equal say in decision making which created room for organisational parallelism. Every successive Government in Macedonia's two decades of independence installed its own people in the *PSB*. The work of the governing bodies of the *MRT* was influenced by the Government rather than by other institutions independent from it such as the *CSOs*, the academia or the Parliament.

One of the main reasons for the unsuccessful transformation of the Macedonian Radio and Television during the period following the adoption of the new Broadcasting Law in 2005 was "the appointment of inadequate staff to the management bodies. People without

any experience and knowledge in broadcasting were appointed to the managerial positions in *MRT*, even though they lacked reputation and public trust and were not dedicated to serving the public interest.¹¹⁶ Although the *Macedonian Radio and Television*, in accordance with the law, was accountable only to the legislative power (annual reports, financial plans, etc.), the practice of direct communication and informal “accountability” of the *MRT* management to the representatives of the executive branch of power, remained completely unchanged. This seriously undermined its institutional autonomy and editorial independence.

4.2

FINANCIAL (IN)DEPENDENCE

The Macedonian public broadcaster has been facing financial and organisational problems for many years now which generated a profound production-technological crisis resulting in the decline of the audience and erosion of its media identity. The financial instability of the *Macedonian Radio and Television* due to the inefficient broadcasting tax collection system (note that in Macedonia, the broadcasting tax corresponds to a licence fee) caused also its political dependence from the political parties in power. This is a problem with a long history and it is not related to one ruling party only. It started during the early 1990s, even before the adoption of the first Broadcasting Law in 1997, when the managerial team of *MRT* failed to develop a comprehensive and well-designed concept of transformation and neglected the importance of securing stable funding for the public broadcaster. The biggest problem was that the broadcasting tax collection model was brought into question due to the privatisation of the Electricity Distribution Company in 2001 – until then the broadcasting tax had been paid along with the electricity bill. The rate of broadcasting tax collection continuously declined and by the time the new Broadcasting Law was adopted in 2005 it declined to as little as 10 percent. The new funding model incorporated in the 2005 Broadcasting Law was indeed aligned with the European recommendations,¹¹⁷ but it came very late and needed almost five years to start functioning.

Since October 2009, the *MRT* management has made certain efforts to increase the percentage of collection, but the system collapsed due to several reasons: the register was not completely updated, many citizens refused to pay, the delivery of bills was not executed accurately, etc. In addition, when VMRO-DPMNE came to power it reduced the broadcasting tax to 130 denars (2.11 euro) monthly, because this was one of the promises given to citizens during the election campaign. These developments placed *MRT* in an extremely bad financial situation and made it completely dependent on the state budget funds. This issue raised a lot of concerns about the financial and editorial dependence of the public service and was many times stressed in the progress reports of the European Commission.

Table 8 MTV REVENUES FROM THE BROADCASTING TAX (LICENCE FEE) 2008-2012

YEAR	REVENUES FROM THE BROADCASTING TAX/ LICENCE FEE (IN MILLION DENARS)
2008	8,120
2009	39,730
2010	145,850
2011	232,090
2012	265,930

The financial consolidation of the PSB started in 2010 when the Parliament adopted amendments to the Broadcasting Law in order to establish a more efficient system of tax collection. The data presented in the market analysis of the Broadcasting Council for 2012 show that revenues of the *Macedonian Television* increased in the last three years, amounting to 265,930.000 denars in 2012. But despite this tendency, the regulator established that "...these funds are far from sufficient to ensure adequate funding of the public broadcasting service that would allow it to meet all its functions of public interest."¹¹⁸

Financial control over the work of the public service is executed by external and independent auditor and by the Parliament. If the Parliament, when reviewing the annual financial plan, identifies certain irregularities, it can request from *MRT* to submit a new annual financial plan within 60 days. The rules on state aid are implemented in the law, obliging *MRT* to keep separate accounting records for income from the broadcasting tax and from advertising and other commercial activities. The *MRT's* financial plans and annual reports are published only on the website of the Parliament and not on *MRT's* own website, as it is stated in the law.

Transparency of the *MRT* finances is indeed an issue of concern, especially with regard to its obligation to allocate at least 10 percent of its annual budget intended for new productions to programs made by independent producers. Indeed, in recent years, *MRT* commissioned and produced numerous new domestic programs, but the entire procedure of allocating the funds is not sufficiently transparent.

4.3 EDITORIAL ISSUES

The editorial independence of *MRT* is guaranteed by law. This, however, is not sufficient to ensure actual independence given the absence of independent funding over the years and insufficient independence of *MRT* management bodies.

The many decades long crisis at *MRT* induced by political influences, clientelistic ties, financial shortages and technological deficiency has left the PSB neglecting its obligation

to cultivate informational, political and cultural pluralism in its programs. A series of quantitative and qualitative research studies conducted by the School of Journalism and Public Relations between 2011 and 2013¹¹⁹ reveal that the programming completely disregards the public interest – serious breaches of ethical and professional journalistic standards were registered. It was established that the programming pertains solely to the interests of the Government or to the parties that occupy it; the research studies have shown that the journalists and editors are either under an immense pressure from the political and business elites or they themselves willingly serve their patrons. Only one example of the consequences of this situation for the programming will be mentioned on this occasion. In March/April 2013 Macedonia held local elections. In this democratic cycle, new municipal borders were put in place with the municipalities of Struga and Kichevo changing their ethno-demographic structure in favour of the ethnic Albanians. The will and the agenda of the political actors heavily influenced the coverage. The opposition was openly demonized – this was done in such a way that it resembled a fully formulated propaganda strategy. The ethnic divisions and the positioning of the Albanian and the Macedonian political parties were also reflected – hate speech was transmitted on air, *Channel One, MTV1* (in Macedonian) and *Channel Two, MTV2* (in Albanian) reported with no editorial consistency. Occasionally, the reports were spreading ethnic intolerance. However, the most specific trait of the election coverage was the enormous number of news items in which the ministers promoted the results of the Government's work and announced the construction of infrastructure and investments in industrial zones and a range of other projects. In the last ten days of the campaign, the information-providing function of the public broadcaster was almost entirely subordinated to the goals of the ruling party.

The television section of the PSB has three channels: *Channel One (MTV1)* broadcasts in the Macedonian language, *Channel Two (MTV2)* mostly in Albanian but also in the languages of *non-majority* ethnic groups, and *Channel Three (MTV3)* is a Parliamentary channel. This gives a false impression that the programming is pluralistic which, however, is dispelled when one analyses the coverage: there is an obvious neglect of the programs for smaller ethnic communities, other than Macedonian and Albanian. The number of employees in the Turkish, Roma, Serbian, Vlach and Bosniak sections of *Channel Two (MTV2)* has drastically reduced in the last years, whereas the time and the resources allocated to them do not enable them to successfully fulfil their informative and cultural function. The lack of unified and clearly defined principles of programming results in a coverage that promotes disintegration rather than interaction and inclusiveness. The lack of programming and production coordination and communication, both among newsrooms of ethnic communities and between the *Channel One* and *Two* program services, is of particular concern.

The issues that have been analyzed in this section reveal that *MRT* in essence has no organisational memory of independence. The political system prior to the 1990s accorded to the single party Government a direct stake in the *PSB*. Once the country gained independence, the situation changed formally but the Government's covert influence, which is both politically and ethnically determined, has been interwoven in the fabric of this media organisation. It is dominated by the "culture of dependence" sustained by both the governing bodies and production teams. This culture has nourished the widespread susceptibility to the political will of the contemporary power holders, the absence of financial and decision making transparency, unaccountability, disrespect for legislative procedures, a widespread disrespect for the ethical and professional principles of journalism, and auto-censorship.

Of course, the intensity and the overtness of this grip on the Public Service Broadcaster vary. In recent years, as research suggests and as several EC progress reports imply, the grip on the *PSB* has been tightening. The present management of *MRT* has improved the aesthetics of the programming; it introduced young staff, but this has not changed the political bias in the programming. In the past seven years, political bias and propaganda-like coverage has even become more energetic. The long-standing pressure on *MRT* resulted from its financial instability brought about by the dysfunctional broadcasting tax collection system. Budget funds were allocated annually to maintain its minimal operation, but it made the public broadcaster totally dependent on the state budget.

In the last two years (2011 and 2012), the collection of the tax began to improve due to the measures undertaken by the Public Tax Office. So, in the last two years, *MRT* began to strengthen and stabilize its financial and technological position. Nevertheless, the program still does not satisfy the functions of a public service and it has not gained the confidence of the public, in particular in terms of its key role – informing. The news and current affairs programs have been under the influence of the political structures for many years, so the public almost entirely lost confidence in their independence and impartiality. The audience research commissioned by the Broadcasting Council in 2013 confirms that the level of trust in the news program of the public broadcaster is quite low comparing to some commercial broadcasters: only 8.3 percent of the interviewed population (age 18+) stated that they trust mostly the *MTV* news program.

The first part of this chapter presents the current situation of the journalism profession in Macedonia: education and competences, labour rights, professional organisations, solidarity and the current state of investigative journalism. The second part is focused on the journalistic practices and ethics that are a reflection of the established clientelistic ties between political actors, business players and media owners. This web-like setting undermines the very core of the democratic function of journalism as a defender of the public interest. The analysis has pinpointed the dominant actors in these processes and has offered an interpretation of the ways each of these actors influence the process of the gathering, selection and framing of news.

5.1 JOURNALISTS AND THEIR ORGANISATIONS

Research on competencies, education and skills of journalists has not been conducted in Macedonia so far, but the general assessment is that the level of professional competences in journalism has quite declined over the last decade. Low salaries, insecurity and fear of losing the job contributed to journalism becoming one of the least desirable and least respected professions. In a situation where the media dominantly serve the party-political and private interests, professional journalism has almost disappeared. Numerous training courses for journalists have been organized in the past years and journalism can be studied at both public and private faculties. Unfortunately, even when journalists possess skills and competencies, these become irrelevant when confronted with real interests in the newsrooms. Very few journalists have the courage to stand up to the pressures coming from editors, owners or directly from representatives of political parties.

A positive trend in the past few years has been the strengthening of the Association of Journalists of Macedonia (AJM) and Independent Trade Union of Journalists and Media Workers (ITUJ). What is also worthy of mentioning is the initiative taken by the Macedonian Institute for Media and AJM in 2011, when the Mavrovo Action Plan¹²⁰ was adopted by editors in chief, journalists, media professionals, experts and other relevant actors. The Action Plan determined the biggest problems and priority topics to be debated with the Government over the next years. The three organisations (AJM, ITUJ and MIM) have also started other initiatives regarding journalist's working rights and the improvement of professional standards but most notably, they have been the key actors in the public debates on the draft media law. The success of the initiatives is still not assessed, but when it comes to the Media Law they have succeeded in persuading the government to decrease the level of regulation of the print media and not to engage in the regulation of online media.

The independent Union of Journalists was not established until 2010, but today it has over 700 members. Although very active, it is still a weak organisation that lacks stable resources. Joining the Trade Union is seen as unacceptable at many media outlets, forcing some journalists into secret membership. Owners of many private media actually see the existence of the Union as a direct threat to their direct control over the editorial policy of their media. More than 20 union members and activists, including its president, were fired,¹²¹ or are at risk of losing their jobs or being downgraded. In certain media there is a direct and in others an indirect ban on organizing workers unions.

Although the unemployment rate in the country is high, the number of journalists on the labour market is much higher than need to be. The media owners are exploiting the economic situation to decrease the journalist's labour price, to misuse them and set unfair employment/working conditions. There are no collective agreements signed between employers and employees in the private media sector. The minimal wage is not regulated. There are not any internal rules or statutes defining the rights and obligations of owners, editors and journalists. Associations of media employers do not exist. Therefore, the basic employment and social protection rights of journalists are not recognized or are significantly reduced. Most of the journalists are not paid well, have no employment contracts and are eventually dependent on media owners and managers. For example, the average wage of a journalist is about 250 euro and the average wage in the country 350 euro. Many journalists have no paid vacation, are not paid for overtime hours or when on sick leave, and have no insurance. There are even media that ask journalists to sign a resignation letter along with the work contract, and the former can be activated whenever the media owner finds it appropriate.

Real investigative journalism concerned with corruption and crime in politics and business is almost nonexistent in the country. In 2012, several political current-affairs shows were withdrawn from the programming of several TV stations ("Win-Win" and "ZborpoZbor" on *Alfa TV*, "Nie" on *Sitel TV*, "X/o" on *Kanal 5*, "Politiko" on *TV Naša* etc.). The explanation has never been openly stated in public, but the media community is aware that the reason is that editors and anchors of these programs were critical towards the institutions or public officials.¹²²

Two organisations that have been supporting investigative journalism for several years now are BIRN¹²³ and SKOOP.¹²⁴ Financial support for local journalists who produce investigative stories has also been provided by USAID. A weekly that has independently investigated various forms of crime and corruption in all spheres of society is *Focus*, but its editors and journalists have several times faced lawsuits for libel or slander.¹²⁵ The owner of *Focus* – Nikola Mladenov, was tragically killed in a car accident in March 2013, which

raised many controversial issues in public. The newspaper *Nova Makedonija* published several investigative stories on this topic, criticizing the authorities for slowness and the lack of transparency of the investigation process. A journalist who was the author of investigative stories was charged for allegedly disclosing the name of a protected witness in a trial that took place in 2008. The journalist was detained for several months, causing chain reactions across the journalistic community in the country and international organisations.

5.2 “PODOBNOST” AS A PERVASIVE PRACTICE

A dominant view among journalists is that the first level of the clientelistic nexus is the party-political “colonial pressure” on the media and journalists. It has been overwhelmingly argued that, while all governments since the inauguration of pluralism used a hegemonic strategy, the present coalition does that in such a way that it hinders dramatically freedom of expression. Nowadays “... there is a whole [top down] political engineering in the way the newsrooms are being cleaned up from real journalists, in the way in which media are being murdered, in the way parallel journalistic associations are being formed and in the way the journalists are being made irrelevant.”¹²⁶ Some of the journalists even claim that freedom of expression was greater during the 2001 conflict, and even during the last years of the former Yugoslavia.¹²⁷ This paradox can be explained by four modes of pressure used by the political actors:

(1) The culture of *podobnost* (eligibility) is still persistent in the relations between political actors and journalists. *Podobnost* was a term used in the socialist system when editors and journalists were directly selected by the ruling party on the counts of their eligibility i.e. compliance with the will of the party.¹²⁸ However, there is a difference between *podobnost* in a mono-party system and in a pluralist system. In political pluralism, *podobnost* is secured in two ways: (a) *Rotation of the entire groups of staff from one newsroom to another* as a type of the ruling party’s strategic organisational manoeuvre,¹²⁹ whereby a complex mechanism named a command structure becomes mobilized.¹³⁰ The political pressure for these manoeuvres is executed through both direct¹³¹ and indirect¹³² communication channels. (b) *Marginalisation of “ineligible reporters”* which is common in the public broadcaster: the ruling governments regularly replace the cluster of critical journalists with a new cluster that is politically “eligible.” The old cluster is not laid off but rather “passivized” and not given the opportunity to cover topics that could enable them to be critical of the government.¹³³

(2) The Government also makes use of the judicial system to maintain its grip on journalists: (a) the numerous lawsuits against journalists create a constant chilling effect regardless of their outcome; (b) the judicial system does not provide guarantees for the

protection of freedom of expression – journalists are being prosecuted and sentenced in contravention of Article 10 of the ECHR.¹³⁴

(3) Another mode of pressure is the one in which the political actors contact the editors. This includes direct “telephone calls of party communication officers to the editorial staff,”¹³⁵ with the editors serving as “brokers” in the clientelistic chain.

(4) There is a mode of direct pressure where political actors directly call journalists. In this instance, the journalist is in direct correspondence with the political actor taking instructions on what and how to cover.

5.3 THE “GAZDA” AND THE BUSINESS PRESSURES

Gazda is the term used by journalists and other media professionals to denote media owners. In the colloquial usage, the term denotes a person who owns a lot and whose possessions are at his absolute disposal. There is a common interpretation among journalists that the ideological-political inclination of the media in the past depended solely on the opportunistic speculations of *gazdas*.¹³⁶ Other views suggest that the sophistication of the methods of pressure have been mastered in recent years.¹³⁷ In other words, the opportunistic judgment of the owners to a great deal determines the fashion in which a topic is covered by the newsroom.¹³⁸

A distinctive stance expressed by journalists is that there is also a “tradition of cooperation” between the *gazdas* and the political actors, which explains why even the opposition parties never attack or criticize the media owners – “only the journalists are targeted.”¹³⁹ The choice of words: “tradition of cooperation”¹⁴⁰ is a key for the analysis of the role of owners in the clientelistic food-chain. Two patterns have been identified. In the first, the *gazda* plays the role of a broker – a mediator between the political actors as patrons and the editors/journalists as clients. This role is crucial for maintaining the clientelistic ties. The news production is to a great extent dependent on the owner and this mechanism makes the journalists expendable and the *gazdas* irreplaceable for any political establishment. It is this role of the owners that prevents politicians (opposition or government) from criticizing the *gazdas* and places the focus on journalists.¹⁴¹ The *gazda* can be both a protector of and a threat for journalism. Even the good examples imply that the behaviour of the newsroom depends on the *gazda* who may provide independence or hinder it.¹⁴² In the second pattern, the owner is a patron. This happens when the owner develops a political ambition in which case he attempts to utilize the media outlet for his political advancement.¹⁴³

The owner in both cases influences the production of news and the setting in which news are produced. There is an economic pressure on journalists which makes them insecure and expendable because their work is devalued and insecure.¹⁴⁴ The journalists argue that the media are transformed into a mere political billboard of the ruling party: “The

ideology is not a problem, the 'cashology' is. Kamčev, Kerim, or the Serbian partners, or Džingo, or Stojmenov – none of them has ever said to the staff that we are going to defend the ideological right or the left. It is purely lucrative personal interests of theirs that transformed their media into a billboard of the ruling party – there is no ideology here. However, I cannot rule out that some of the owners do that not because of a lucrative interest but because of some threat from the political party.¹⁴⁵

5.4 THE EDITORS AND THE 'BLACK MAMBA EFFECT'

There is a practice of subtle and direct pressures of political and business actors on journalists executed through the editors. Editors have a peculiar role in the clientelistic chain – they may participate willingly believing in the correctness of the interests of the owners or the political actors, or unwillingly – fearing that they would lose their job. This insecurity – despite the fact that editors in Macedonia are well paid – makes both the editors and the journalists susceptible to various forms of pressure. Editors in some newsrooms are said to be permanently in contact with political actors or the owner of the media outlet.¹⁴⁶

This has a direct impact on the process of news production. (1) The censoring of journalistic reports is a widespread practice known by the name "The Black Mamba Effect." Some of the editors even do not give any explanation as to why the report is not being broadcast. Another manner in which this is done is by banning the report from the prime-time news program. Often the editors would allow such a report to be broadcast when most of the audience do not watch TV. All of this creates a culture of mistrust between the journalists and the editors.¹⁴⁷ (2) Editors disregard the research done by journalists or the information they obtain and directly determine the choice of topics, content or the angle of the stories being covered – in coordination with the *gazda* or the political patron. The work of journalists in this kind of setting is redundant because regardless of the content of their reports, it all comes down to the political speculations made by the editors.¹⁴⁸ With this practice being all-pervasive, the journalists came to be seen as nothing more than microphone holders. For example, there is an interpretation that texts on workers' rights are more censored today than they were in 1997, indicating the presence of a strategy for inhibiting social mobilisation for workers' rights.¹⁴⁹ (3) The editors manipulate the process of advanced professional training for journalists. There is a perception that the culture of bad journalism is being reproduced and passed on to new generations of journalists.¹⁵⁰ (4) The editors are an instrument for the distribution and re-distribution of human resources across newsrooms. They ultimately decide which journalists will be engaged in the coverage of politically sensitive stories, which will be marginalized or transferred to another outlet, which will be punished and so on.¹⁵¹

In journalists' opinion, the "colonized" are to be blamed as much as the "colonizers." "If one hired [for an editorial position] a person who has strong values, who is certain in his abilities, who is not concerned whether he is going to be sacked and who knows that he always has other job opportunities, the situation would be different. The ones who are incapable are the ones who are holding on to their editorial position by any means possible – and that means disrespect for the professional standards, disrespect for the social function of the media, and the undermining of interpersonal relations in the newsroom."¹⁵² This testimony by one of the participants is in fact a simplification of the issue as the incapability of some of the editors is not the only reason for their behaviour. However the effect that such behaviour produces is pinpointed correctly. This in turn creates an atmosphere of conformism in the newsrooms.¹⁵³

5.5 JOURNALISTS, INTERESTS AND SOLIDARITY

Journalists are the last link in the clientelistic chain, and ever more often they serve as clients. A few structural aspects make possible this situation. Firstly, there is a perception that solidarity between journalists in general is limited.¹⁵⁴ There is a parallel association of journalists, MAN (Macedonian Association of Journalists) which is making competing claims on the AJM. This organisation has been formed recently and the perception is that it has a political background. This kind of divisions can be seen in the newsrooms as well – political affiliations, economic security fears, personal ties are among the reasons for the lack of solidarity. One of the participants in the focus groups said that the leader of the Union is being seen as someone who is at journalists' disposal, as an employee and not as a leader of a solidarity organisation in which every member should actively participate.¹⁵⁵

Furthermore, journalists become entangled because of the lack of professionalism resulting from insufficient education¹⁵⁶ and low awareness of professional standards. A journalist in a focus group said that "... the Ethics Council of the AJM received complaints from political actors about published articles and broadcasts that are unbelievable. When we saw the content of those texts it was not clear how they came to be published at all. Sometimes we really have a brutal disregard for the Code of Journalists."¹⁵⁷

The distrust between editors and journalists is another problem and it is illustrated by the following example. "An editor testified that when a young man was murdered by a police officer at the main city square in Skopje three years ago, he asked journalists to cover the story as they saw fit, and in the event of pressure from the politicians or the media owner they would defend the story together. The editor said that the journalists refused as they could not be certain that he would protect them when the time comes. They all refused to cover the story." A widespread practice of auto-censorship goes hand in hand with censorship. The method of political colonisation is sometimes brutal – the text is written

somewhere else by the political elite and it is for the journalist just to sign it. Sometimes they resist sometimes they don't. It seems that there is an agreement that every reporter precisely knows what is going to pass and what is not going to pass.

5.6

CONCLUSIONS

Political polarisation of journalists in Macedonia is no longer as evident as it was during the past decades. The reason for this is the fact that professionals who are critical of the Government are systematically marginalized through a complex political-cum-business mechanism. The apologetic media professionals, on the other hand, are caught in the web either by the workings of their own beliefs and conformity or by various forms of economic pressure. This system of a disciplining grip on journalistic practices and the media in general is enabled by the workings of the strong clientelistic food-chain: the political actors, the judiciary, the media owners, the editors, and the journalists – they all play a specific role and the consequence is the deterioration of the main function of the media as defenders of public interests, and furthermore, the deterioration of democracy in the country. The clientelistic chain has a considerable impact on media and journalistic practices in several ways:

1. First, it creates a widespread culture of censorship and auto-censorship. In the Macedonian journalistic practice, censorship is widely applied by way of direct or indirect channels and it is easily recognizable. This paper has shown the mechanisms used to perform and normalize this practice. And the 'normalisation' of the practice is a source of an even greater concern. Normalisation of censorship has created an even more pervasive culture – the culture of auto-censorship. Journalists and editors internalize the will of the political and business censors without even being asked to do so, which makes the process of disciplining the profession undetectable and more worrying.
2. Second, it undermines a commitment of the journalistic community to the ethical standards of their profession. In a system in which the importance of the allegiance to the political or business patron is greater than the allegiance to the public interest, there is little need for establishing and maintaining values of truthfulness, fairness, justice, freedom etc. The only yardstick of the morality of journalists' actions is the particular interest of those who hold the political or economic power. This affects the media coverage directly – it opens a door to a wide range of problematic practices from truth fabrication to hate speech.
3. Third, it deters any attempt at investigative journalism. In the Macedonian clientelistic system, there are economic, organisational and direct political pressures on journalists not to engage in investigation, because such practices would not be controllable by the power holders.

4. Fourth, it devalues the status and the societal function of journalism as a profession and journalists as individuals. This creates a stigma on journalism and, in turn, it strategically disqualifies any claim that journalistic products may have on the truth.
5. Fifth, it diminishes media's role in providing public space for rational political debate on common social issues. The concern for the public interests has been replaced by overall commercialisation,
6. Finally, the clientelist chain results in the deterioration of interpersonal relations within the newsrooms and deterioration of the quality of programming. Editors in some of the media do not care about quality as long as the patron is satisfied.

5.7 JOURNALISTIC PRACTICES: CASE STUDY 1

MTV COVERAGE OF THE DEMONSTRATIONS RELATED TO THE APPOINTMENT OF A NEW MINISTER OF DEFENCE

On 18 February 2013, the Macedonian Assembly appointed Talat Xhaferi to be the new Minister of Defence. Before the conflict of 2001, Xhaferi was an officer in the Macedonian army (ARM) but with the outbreak of the conflict he joined the rebels who were attacking the Macedonian security forces. Some ethnic-Macedonian political and interest groups considered the appointment of Xhaferi to be an act of humiliation for the Macedonian people. The following day (19 February), the political party Dostoinstvo consisting of the former members of the Macedonian security forces issued a statement demanding from the Government not to allow “commander Forina” (Xhaferi’s rebel nick name) to take office. Controversies continued to pile up in the following weeks starting with the reports in the Macedonian language media that the leader of Xhaferi’s party DUI had posted on his Facebook wall that “KLA is on the top of the ARM.” The series of events prompted an outrage within a part of the ethnic-Macedonian population – mostly football fans and young nationalists.¹⁵⁸ Hundreds of people showed up in front of the Government building in the centre of Skopje and clashed with the police as they attempted to head towards Bitpazar, an area of mostly ethnic-Albanian population. On 2 March, there was a counter-protest by a part of ethnic Albanians, mostly young nationalists. A bus was burned down and the protests were about to become very violent, by they were eventually contained.

The public broadcaster’s¹⁵⁹ coverage of these events revealed a pattern of serious disrespect for the professional and ethical standards. Firstly, the Macedonian language public TV (MTVI) decided not to report at all on the violent protest of the ethnic-Macedonian football fans in front of the Government building. This was an apparent breach of the professional standard of truthful and accurate reporting.¹⁶⁰ Secondly, a serious breach occurred in the coverage the following day: the editorial decision of the MTVI was to report

on the counter-protest held by hundreds of ethnic Albanians. The emphasis of the coverage was put on the number of the injured police officers with no report on the injured protesters. The most serious issue was the visual coverage of the event: as the journalist was reporting on the protest, footage was being broadcast of clashes between protesters and the police. The video showed young people throwing stones at the police officers and hitting their shields with sticks. However, this was not footage of the protest of ethnic Albanians that day, but of the protest of ethnic Macedonians held on the previous day. The video was a deliberate montage with the aim to re-contextualize the protest attaching to it a meaning that did not exist.

In contrast to this, the *MTV2* program in Albanian had a thorough coverage of the violence that erupted at the protest of a group of ethnic Macedonians on 28 February and March 1, and it emphasized the antagonism of Macedonians to the Albanians in the country. On the other hand, *MTV2* made a serious breach in the coverage of the subsequent protest of the group of ethnic Albanians by selecting only footage and information that incriminated the police and vindicated the protesters: for example, there was no mention of the bus burned by protesters nor was there a video depicting that event. It also said that the protests were peaceful until the police showed up implying that the police, not the protesters were responsible for “little” violence.

5.8

JOURNALISTIC PRACTICES: CASE STUDY 2

SMILKOVCI MURDER CASE – A COPY-PASTE MANUAL FOR CONFLICT INSTIGATION

Late at night on 12 April 2012, the Macedonian police found the bodies of four young people and one middle-aged man at the shore of a lake near the village of Smilkovci. The murder case provoked an outrage nationwide – the victims were ethnic Macedonians, which immediately sparked suspicion that the murders had been motivated by ethnic incentives. A few local communities of the ethnic Macedonian background started protesting against the ethnic group of alleged perpetrators, small riots started and homes of citizens were attacked. Local communities of ethnic Albanians staged a protest in response. On April 16, a bigger protest was held in Skopje and part of protesters became violent. A few people thought to have been of Albanian ethnicity were attacked, which provoked an outrage in the ethnic Albanian community. On 1 May, the security forces arrested 20 people in connection with the murders. The Minister of Internal Affairs held a press conference saying that (1) “the murderers were arrested in the operation Monster” and (2) that they belong to “a radical Islamist group.” This sparked an outrage in part of the population – the protests held on 4 May ended in mild violence and damages to the Municipality Building. The protesters claimed the arrests were made in a brutal way (women were arrested and that was put on camera) and denounced the use of the term “radical Islam”

which, according to some of the protesters, attached radical meaning to all Islam and all the Muslims.

A systematic analysis of the media discourses on these events reveals how easy it is for the professional community to simply convey whatever discourse the political agencies choose to employ, regardless of the effects that these discourses produce in society. The first claim of the Minister that “the murderers were arrested in the operation Monster” is in fact a breach of the rule of presumption of innocence – it disregards the fact that the group of people being held was at that point only a group of suspects in the case. Most of the media did not question this statement despite the fact that it demonstrated that the institution behaved unlawfully. The fact that this was said by a high official from the ruling party was enough to reproduce this statement without any question. This instance of reporting corroborates the thesis that sprang from the focus group discussions with journalists – that part of the journalistic community abides by the will of the political actors not by the ethical imperatives.

The second statement that the group was “radical Islamist” potentially stigmatizes a whole religious group in the country. The media did not put it under scrutiny. The term was simply reproduced without raising the issue of its appropriateness. This example shows how the culture of tranquilisation of the community can produce an ethnic or religious strife because of the lack of critical thinking in the community.

6

GENERAL CONCLUSIONS

The analysis of the media policy development and implementation in Macedonia evidently shows that the last two and a half decades have seen retrograde processes in terms of freedom of expression and media independence. Although during the first decade and a half the concept of public interest was widely articulated in the regulation and the media sphere was far more plural and liberal, this initial period was nevertheless marked by the influence of the strong media moguls protecting journalists and the media merely when their interests were at stake. The salient feature of the second period of the media system development is a gradual conquest of the entire media space by the ruling party. Using the powerful mechanisms of the state apparatus, the party in power put under its own umbrella all business moguls, especially the ones in possession of influential media outlets. Ever since its establishment, the regulatory authority had been the target of attempts at political influence, but after 2006 resistance to such influence completely broke. Finally, all of this had a disastrous effect on the media independence and the journalism profession.

What is the political context of the Macedonian media system? Why have such processes been in progress, especially in the last decade? We are going to use the conceptual framework of Hallin and Mancini (2004; 2012) to explain the reasons why media policy has failed to create an operational media system based on respect for media freedom, independence and pluralism. The roots of the problem should be sought in the features of the political system that has been moving toward a stronger role of the government in almost all political processes and domains of society.

Macedonia's political system can be characterized as being closest to the Mediterranean or Polarized pluralistic model. Nevertheless, it has certain specifics.

Firstly, during the entire period under study, the *interventionist role of the state* has been quite visible, as well as its strong involvement in the economy, even though during the first decade and a half private business had a relatively high influence. The last decade can be described as a period of continuous movement towards authoritarianism.

Secondly, it can be said that the system in Macedonia is *de facto* becoming a majoritarian model as in Hallin and Mancini's classification, which implies the existence of two dominant parties, whereas the winning party monopolizes all political power or there is a clear distinction between the ruling party and the opposition. Due to the state's multi-ethnic character, this aspect of Macedonia's political system has been in practice modified into a *parallel majoritarian democracy*, because political parties are divided along ethnic lines into two blocks, with the ruling party (as the unwritten rule) entering into a coalition with the other ethnic block having won the majority of votes from the relevant electorate and concentrating all power in their hands. Another typical trait of a majoritarian democracy, which is very remarkable in the Macedonian political system, is the dominant influence of the government on the totality of political processes.

Thirdly, Macedonian political system, according to Hallin and Mancini's model, can be categorized as an *organized pluralism* because political parties have a dominant role in the social processes and place group interests before individual interests, which leads to the disappearance of the citizen as an individual. This process of *communitarisation* has been particularly characteristic in Macedonia in the last several years. "Organized pluralist systems are characterized by strongly institutionalized social groups representing different segments of the population, which often play a central role in mediating their members' relations with the wider society and may be formally integrated into the process of making public policy." (Hallin and Mancini 2004, 53).

Furthermore, the political history of Macedonia is characterized by late democratisation of the institutions, a rather low level of consensus and deep clashes among political actors, as well as by the contestation of the political organisations' legitimacy and of the political system as a whole (*polarized pluralism*). This trait of the political system has

been particularly obvious in the last several years, with the 24 December 2012 parliament incidents being its most blatant example. At that time, there was no consensus about the adoption of the budget among MPs of the ruling and opposition parties. Instead of a debate and approximation of their positions, the opposition MPs were violently taken out of the parliament.

Lastly, the political system of Macedonia is governed by a widespread culture of *clientelism*, which is the opposite to the practice of rational-legal authority that relies upon the application of universal rules of action and an independent and autonomous administration. When the media and the institutions regulating them enter into such relations of *clientelism*, their commitment to the public interest becomes much weaker than the individual interest or private relations.

Such features of the political system have been clearly reflected in the setup of the media system in Macedonia, which is a modified type of the Mediterranean model referred to as the *Polarized Hegemonic Pluralism*. The Mediterranean model was named by Hallin and Mancini as *Polarized Pluralism* and defined as a model featured by late democratisation of the institutions, a high degree of schism and clashes between two political camps (polarized pluralism), a combination of consensual and majoritarian governance, a strong role for the political parties (organized pluralism), a large involvement of the state and the parties in all domains of social life, above all in the economy, and a high degree of *clientelism*.

The Macedonian model nearly fits this frame by demonstrating the presence of an emphasized majoritarian model (in the relation between the establishment and the opposition) and a long-term tendency to authoritarianism. This analysis has demonstrated that the specifics of the Macedonian media model result from the continuous process of political hegemonisation, which has been especially visible during the past years. Therefore, we are adding the attribute *Hegemonic* to the ideal typical model of *Polarized Pluralism*.

The media system has followed the ethnic-political polarisation of the political system. In the first (liberal) stage of the media system development, there was a multitude of media polarized both on an ethnic and party basis. However, during the second stage of the development, within the two dominant linguistic-ethnic groups of media (especially in the Macedonian language media), there occurred political hegemonisation. *Hegemonisation* is also visible through the high level of political bias in media contents, the establishment of direct organisational connections between the media and political parties (both ruling and opposition parties), the tendency of involving more and more journalists in the political life and them becoming direct *promoters* or *agents* of the governing parties.

Journalism and journalism practices have been fully transformed under the effect of the process of political hegemonisation. Journalists have become less and less neutrally

critical arbiters, and their reporting style has been less and less oriented towards the presentation of facts and information. Investigative journalism has ceased to exist; its place has been taken over by copy-paste journalism where there is hardly ever a second page or a source quoted, or the source is some phantom online media or a *Facebook* post.

In its flight away from political pressure, critical journalism has found its safe haven online. Many journalists who had previously worked for the critical media, but also those who had lost professional distance from the big bosses while they were working for them, have established their own online information media. This sphere has been also subjected to political colonisation – although the political opposition has some web portals “close to them,” the pro-governmental online media portals have mushroomed over the past year. The ruling party uses them to create a hyper-production of events and to create an atmosphere of hyper-reality where the sovereign border between truth and non-truth is eradicated (Baudrillard 1994).

Political hegemonisation also refers to the role of the state in the *shaping* of the media system structure. Forms of political pressure over the media and press have turned from concealed to direct and unidirectional. The state is not the owner of the media, but that is unnecessary since media owners are its direct clients. Continuous state advertising is the most efficient mechanism securing the servitude in the vertical hierarchy where the journalist is at the bottom of the “food chain.”

Hegemonisation also implies politicisation and paralysis of the institutions that should oversee the implementation of media policies. Broadcasting frequencies are a public resource which was often used by “patrons” in power to exchange it for political or other form of support from the “clients” standing behind the media to which frequency bands were allocated. The paralysation of the institutions also means that an editor using hate speech to address audiences will not be warned or sanctioned because in so doing, they encourage voters from “their” group to vote for “their” political party.

The deep schism in society resting on the political and ethnic basis is also clearly reflected in the organisation and programme contents of the public broadcaster. The public broadcaster is also governed by a culture of political clientelism, but political-media clientelism here also has an ethnic background and it is most obviously manifested through censorship and self-censorship. Ethno-political censorship means that each newsroom suffers influence from “its” political party.

Civil organisations in the media sphere have been an important factor in recent years. Coordinated actions of positive processes have resulted in continuous pressure on the government to resolve crucial problems in the media sphere, reduce pressure on journalism and the media, and make the drafting of media laws a transparent process. However, these actions have failed to produce positive shifts, among other things because the journalistic

community as a whole is polarized (and passivized) as a consequence of many attempts at its marginalisation.

In their thesis on convergence or homogenisation, Hallin and Mancini claimed that the processes of European integration, the fall of traditional mass political parties, the American model of journalism professionalisation and the commercialisation of the media markets would lead the European countries towards the liberal media model. It is true that such processes were present in the first decade of the political development of Macedonian society and the former media system clearly demonstrated certain traits of the liberal model. Nevertheless, the direction of the political system development in Macedonia in the past decade has confirmed that the liberal model cannot take root here due to structural anomalies in the political system. The question as to the effect of those structural anomalies on the media system requires a more comprehensive socio-political research.

Because of the anomalies in the political system, society has no perspective, European integration processes are hampered and media system is dysfunctional. Without structural transformations of the political system, substantial changes in the media system and in the implementation of media policy cannot be expected.

In such a political and media environment, it is very difficult to expect from the media newsrooms to organize themselves in order to improve internal routines and practices in the direction of a better compliance with existing ethical codes. Even incentives coming from the outside may be shunned by the editorial staff because of their political affiliations. Internal changes will not happen unless the overall political context is transformed.

Still, several recommendations for changes within the relevant fields could be drawn from the study:

MEDIA POLICY

- (1) Actual independence of the regulator is of crucial importance and an introduction of a general merit system by the Parliament for all public officials might raise the awareness of the public interest values.
- (2) The concept of political pluralism should be clearly defined in the legislation and an obligation for the regulator should be included to monitor and to assess the level of political pluralism in the media.
- (3) The capacity of the audiovisual regulator should be enhanced (through the EU assistance instruments) especially in terms of achieving greater independence from all centres of power.
- (4) Strong and independent monitoring (by academic and expert bodies, or NGOs) of the work of the regulators in order to make them “aware and more accountable” to the public.
- (5) Support to reliable and independent academic research and engagement of the academic community in the critical public debate on media policy issues.

JOURNALISTS AND THEIR PRACTICES

- (1) Recently established self-regulatory system at the level of the entire media sector (Press Council) should be further strengthened; the body should consist of experienced and nonpartisan journalists and of well-known experts and academics.
- (2) The Press Council (or other independent media organisation) should make attempts to convince the media outlets that support the self-regulation system to establish in-

ternal mechanism of self-regulation (ombudsmen, editors for dealing with citizens' complaints etc.).

- (3) Further strengthening of the civil society sector and professional media organisations is of great importance, since these organisations directly support journalists and their rights and freedoms.
- (4) Trade Union of Journalists should be supported in its efforts to introduce minimum labour rights for journalists as a precondition for their independence and freedom.
- (5) Quality journalism education should be further enhanced; there are developed curricula for Journalism Education, but the interest in journalism studies among youngsters is very small.
- (6) Independent advocacy and scientific research should be supported in the field of journalism.

MEDIA OWNERSHIP AND TRANSPARENCY

- (1) The audiovisual regulator should be legally obliged to investigate the hidden connections between the audiovisual media and politicians and to publish at least four times a year brief media ownership reports including official data and the information from the Central Registry Database System on all companies and individuals that are connected with the AV media outlets.
- (2) Independent controlling monitoring systems should be established by the NGO sector, in order to track and publish the media ownership data in all media sectors (audiovisual, print and online media).
- (3) The Press Council should expand provisions in the Code of Ethics in order to encompass the issue of media transparency in the online media sector; online news and information media should be part of the self-regulatory system and should therefore undertake voluntarily the obligation to regularly publish on their websites data on their ownership and sources of funding.

MEDIA FINANCES

- (1) Paid political advertising in the audiovisual media should be completely banned during and outside of election campaigns.
- (2) State advertising in the audiovisual and print media should be totally banned with the Law on Media and Law on Audio and Audiovisual Media Services.
- (3) The audiovisual media should be legally obliged to provide and publish detailed data on financial sources, stating details of the ten largest sources of finance in the previous year; the audiovisual regulator would be obliged to monitor this obligation and to publish brief reports on its website.

- (4) Independent controlling monitoring systems should be established by the NGO media sector, in order to track and publish data on media financing in all sectors (audiovisual, print and online media).

PUBLIC SERVICE

- (1) Independent research or monitoring systems are needed to critically assess how the legally prescribed institutional autonomy of the managerial bodies is implemented in practice; this assessment should also take into consideration whether the individuals in *MRT* bodies are elected transparently and on the basis of their experience, knowledge and reputation in public.
- (2) Transparency of the decision making process and of the financial work of the public service should be improved; all information and documents related to the work of managerial bodies should be published on the *MRT* website.
- (3) The Parliament should organise annual public hearings on the basis of the analyses of the fulfilment of *MRT* programming functions conducted by the audiovisual regulator and/or independent expert analysis.

ENDNOTES

- 1 The description of these two key concepts is given in the introductory part of this study, which presents the research methodology and definitions of basic concepts.
- 2 Some of the identified dependencies are very indicative of corrupt practices. Although these practices were very well described in in-depth interviews, later in the research process it was very difficult to provide documented evidence as proof.
- 3 In this period, the civil society sector was still not sufficiently developed in Macedonia, and the Association of Journalists had insufficient influence on the creation of policies. The activities of the civil society sector were mainly articulated through the activities of the Open Society Institute, which in the first years provided a strong financial support in the development of private media and the civic initiative.
- 4 The Council of Europe had particularly important role in the development of the regulation and its experts attended the public debates and developed the expertise of the first media regulation.
- 5 Anonymous interview with a member of the Broadcasting Council during the first mandate of this regulatory body, Skopje, 10 October 2013.
- 6 Anonymous interview with a former journalist and editor in chief for the public broadcaster, Skopje, 15 August 2013.
- 7 Excerpt from a focus group discussion involving journalists from TV newsrooms that broadcast in the Macedonian language, Skopje, 7 August 2013.
- 8 The author of this report was employed as Head of the Programming Department at the Broadcasting Council during the Presidential elections of 2004 when she witnessed direct pressures from the ruling SDSM party on the work of the Broadcasting Council.
- 9 Excerpt from a focus group discussion involving journalists working for TV newsrooms that broadcast in the Macedonian language, Skopje, 7 August 2013.
- 10 The 2005 Broadcasting Law was drafted by several working groups established within the Media Development Center, and the entire process was led and coordinated by Roberto Beličanec, one of the most distinguished media freedom and human rights activists in the country.
- 11 For example, the selection of the first members of the Broadcasting Council, in the first half of 2006, was accompanied with some controversies especially related to the fact that two of the candidates nominated by the Elections and Nominations Commission of the Parliament were “suggested” directly by the leading structures of the ruling parties at that time: one was the advisor to the Prime Minister and the other the press officer with the Cabinet of the Mayor of Skopje. Since both candidates were quite known public figures, a huge debate was raised by the daily newspapers, so that the Assembly had to withdraw the nomination. See: “New Broadcasting Council: The advisor to Bučkovski and to Penov comfortably settled for the next four years”, *Dnevnik*, 15 April 2006. Available at: <http://www.dnevnik.com.mk/?itemID=7AB80BDO6303CF45A98FB440BC3B1A6C&arc=1>. Accessed 15 September 2013.
- 12 Anonymous interview with an owner of a national broadcaster, Skopje, 26 July 2013.
- 13 Anonymous interview with a former member of the Broadcasting Council, Skopje, 31 July 2013.
- 14 *Transparency Macedonia*: <http://www.transparentnost-mk.org.mk/?p=1305>. See also: “State money for private advertising”, *Dnevnik*, 2 February 2008. Available at: <http://www.dnevnik.com.mk/?itemID=F953A63D860BF64A9D45D2FBC85A099C&arc=1>. Accessed 16 September 2013.
- 15 “The Government’s campaigns – pressure on the media”, *Utrinski vesnik*, 9 January 2008. Available at: <http://www.utrinski.com.mk/default.asp?ItemID=40D51152CD71BA4DBEEFF5EC5D8A7133>. Accessed 15 September 2013.
- 16 European Commission, Commission Staff Working Document: The Former Yugoslav Republic of Macedonia 2009 Progress Report, Brussels, 14 October 2009 [SEC (2009) 1335]. Available at: http://ec.europa.eu/enlargement/pdf/key_documents/2009/mk_rapport_2009_en.pdf. Accessed 17 September 2013.
- 17 “The Government prepares new advertising”, *Utrinski vesnik*, 17 December 2008. Available at:

- <http://www.utrinski.com.mk/?ItemID=6AE6F58FD5F2D4488670A445F016EC3D>. Accessed 15 September 2013.
- 18 Anonymous interview with an owner of a national broadcaster, Skopje, 26 July 2013.
 - 19 It was adopted in December 2007 by the Broadcasting Council and submitted to the Parliament, but the Ministry of Transport and Communication has never supported the document.
 - 20 At that time, the members of the regulatory body were under severe pressure and feared that any initiative for a legislative amendment would jeopardize their positions within the Broadcasting Council, because the VMRO-DPMNE Government had previously made such an attempt in March 2007.
 - 21 In the first draft of the Strategy, the experts that were engaged by the regulator proposed a moratorium on the allocation of new analogue frequencies. However, the member of the Broadcasting Council in charge of the Strategy development simply deleted that sentence from the document. The author of this report was at that time coordinating the Strategy drafting process as a Head of Research and Strategic Development Department.
 - 22 The main reason for allocating so many new national TV licences, as it was explained several times in the interviews and focus group discussions, was to satisfy the requirement of a powerful businessman who was close to the SDSM political party and was the real owner of *Alfa TV* station.
 - 23 Consequently, in 2010, the broadcasting market in Macedonia became fragmented more than ever before, because there were 147 broadcasters in total, of which 76 were commercial TV stations (19 national, 10 regional and 47 local), 68 were commercial radio stations (3 national, 16 regional, 49 local) and 3 were non-profit radio stations.
 - 24 The author of this report was at that time an employee in the professional services of the regulatory body and made several attempts (some of them in written form) to draw attention to the irregularities in the procedure.
 - 25 Some of the interviewed media professionals stated that the members of the Council negotiated with some of the applicants for new licences in order to obtain either political protection or support, while some even asked for a certain amount of money.
 - 26 Interview with Zoran Trajčevski, President of the Broadcasting Council, Skopje, 4 November 2013.
 - 27 One of the ways the Government employed to put pressure on the regulator was to shake as much possible its financial stability. The main source of funding for the regulator (as well as for the public service) was licence fees, and the respective state institutions (with the PSB managing bodies) did nothing to make the fee collection system functional.
 - 28 Anonymous interview with a former journalist and editor in chief for the public broadcaster, Skopje, 15 August 2013.
 - 29 “Six journalists from *Večer* and *Sitel* are moving to *Alfa TV*.” *MkInfo*, 5 January 2013. Available at: <http://mkinfo.mk/makedonija/item/1915-shest-novinari-od-vecher-i-sitel-zaminuvaat-vo-alfa>. Accessed 18 September 2013.
 - 30 The pressures on AJM are made by continuously recruiting new members from the pro-governmental media to the parallel association of journalists (MAN) in order to boost its membership and therefore proclaim MAN a legitimate representative of journalists.
 - 31 Amendments to the Law on Broadcasting Activity adopted on 18 July 2011.
 - 32 “Vlasta go osvojuva Sovetot za radiodifuzija” (The Government has conquered the Broadcasting Council), *Utrinski vesnik*, 14 July 2011. Available at: <http://www.utrinski.mk/default.asp?ItemID=B9AAB1734420554697D12C318ED2C402>. Accessed 18 September 2013.
 - 33 See Nikodinoska and Šopar 2012, 23.
 - 34 Interview with Zoran Trajčevski, President of the Broadcasting Council, Skopje, 4 November 2013.
 - 35 Association of Journalists of Macedonia (AJM), Macedonian Institute for Media, Independent Trade Union of Journalists and Media Workers, Media Development Center, Metamorphosis, Macedonian Association of Journalists (MAN).
 - 36 Council of Europe, OSCE, Article 19, Franc La Rue, Special Rapporteur on the promotion and

- protection of the right to freedom of opinion and expression, SEEMO etc.
- 37 The database is available at: http://www.srd.org.mk/index.php?option=com_content&view=article&id=702&Itemid=342&lang=mk. Accessed 11 December 2013.
- 38 In December 2013, the Parliament adopted a new Media Law (amended in January 2014) that introduces the same obligation for broadcasters and for the print media. The new Media Law is available at: http://www.avmu.mk/index.php?option=com_content&view=article&id=710&Itemid=89&lang=en. Accessed 20 February 2014.
- 39 In late 2005, Ramkovski founded his own political party (Party for Economic Transformation) which he led informally because the 2005 Broadcasting Law contained a strict provision that banned the leaders of political parties from owning a broadcasting company. Ramkovski's party was part of the VMRO-DPMNE coalition from 2007 to the end of 2009.
- 40 See chart 1 on p. 269. Formally, Ljubisav Ivanov has never appeared as an owner of *Sitel TV*, but it is widely known that he is the real owner, because his son Goran Ivanov is its manager and was also the Editor in Chief for that TV station for many years. Goran Ivanov is also a member of the Board of the Macedonian Telecom, appointed in 2006 by the Government (the Government still owns 49 percent of the shares).
- 41 See chart 2 on p. 270. Ownership of *Kanal 5* changed several times over the years. Today, the formal owner is Vanja Gavrilovski, who owns an off-shore company Sunlight Trading CA, Panama, together with Marjan Stojmenov, son of Boris Stojmenov and brother of Emil Stojmenov, previous owner of *Kanal 5*. The TV station is considered to be very close to the ruling party VMRO-DPMNE.
- 42 *Alsat M* is the only private national TV station that broadcasts in Albanian and Macedonian.
- 43 See chart 5 on p. 272. Formally, the TV station is owned by the company Alfa Skopje, which is dominantly owned (56,9 percent) by CHS Invest Group DOOEL Skopje, a Skopje based company owned by the Serbian company CHS DOO Belgrade. The previous owner of *Alfa TV*, the Macedonian businessman who is close to the opposition party SDSM today still owns 16,6 percent of the shares in Alfa Skopje DOO Skopje, legal entity which is formally the owner of *Alfa TV*.
- 44 The figures are gathered by the Broadcasting Council and are estimated according to the annual balance sheets that all broadcasters are obliged to submit to the regulator. However, in 2011, *A1* and *A2* were closed and their financial documentation seized, so the real figure of the total net income is quite bigger (Broadcasting Council 2011).
- 45 *Sitel TV*, *Kanal 5*, *Telma TV*, *Alfa TV* (Macedonian language) and *Alsat M TV* (Albanian/Macedonian language).
- 46 *Channel One (MTV1)* broadcasts in the Macedonian language, *Channel Two (MTV2)* in the languages of five ethnic communities and the third is the *Parliamentary Channel* which transmits the sessions of the Parliament, its bodies and occasionally of the Government's sessions.
- 47 These stations are: *24 News*, *Kanal 5 Plus*, *Sitel 3*, *Nasha TV* and *TV Sonce*. They uplink the signal to a satellite platform and then downlink to cable operators all around the country.
- 48 At that time, the following newspapers were published by the state publishing company: *Nova Makedonija* and *Večer* (in Macedonian), *Flaka e Vlazerimit* (in Albanian), and *Birlik* (in Turkish).
- 49 The founders and owners of *Dnevnik* were Branko Geroski, Mile Jovanovski and Aleksandar Damovski who previously worked for the state publishing company NIP. Soon afterwards, *Dnevnik* established its own distribution network and bought its own printing press (together with the printing company Evropa 92 from Kočani).
- 50 *Fakti* is the first private newspaper that started publishing in the Albanian language in Macedonia.
- 51 *Roma Times*, published from 2001 to 2008, was the only newspaper in the Romani language.
- 52 *Vreme* and *Večer* appeared on the market in the beginning of 2004.
- 53 *Andreski* is considered to be very close to the ruling VMRO-DPMNE party, and the editorial policy of the newspaper is almost identical to the one of *Sitel TV*, because editors in chief of the newspaper were Dragan Pavlović Latas (one of the most

- prominent editors in *Site1*) and, since September 2012, Ivona Taleska (also prominent news editor in *Site1*).
- 54 OST Holding ГМВН Vienna owned the company Media Print Macedonia which owned the three biggest newspapers on the market, but also the sport daily *Makedonski sport*, the weekly *Tea Moderna*, the printing press Grafički Centar and other properties.
- 55 The Orka Holding company owned 100 percent of the shares in Grafički Centar, which owned 100 percent shares of the Media Print Macedonia. MPM was the owner of the publishing companies MPM, Ogledalo, Planet Press and Makedonski sport, which published the newspapers.
- 56 *Telegraf.mk* started operating in June 2013.
- 57 For more details, see Ordanoski 2012, 181.
- 58 The newspaper *Dnevnik* (26 October 2013), published the information that Veselin Jevrosimović, through his group of IT companies Comtrade, i.e. its Macedonian company CHS Invest group, bought 56 percent of the shares (previously owned by the company Fershped) in *Alfa TV*, for 2,5 million euro. See: <http://dnevnik.mk/default.asp?IteMid=849485A80313B74CB6F3ED350B2C7177>. Accessed 10 December 2013.
- 59 Srđan Kerim was the former director of WAZ for South-East Europe and director of MPM.
- 60 See chart 7 on page 276.
- 61 Bogdanovski is a son-in-law of Bojo Andreovski who actually owns the newspaper.
- 62 See the online publication: *The state of the online media and online journalism in Macedonia*, Macedonian Institute for Media, December 2010. Available at: <http://www.mim.org.mk/images/online.pdf>. Accessed 13 December 2013.
- 63 The service is conducted by the research agency Ipsos Strategic Puls.
- 64 In January 2013, the ownership of MPM changed hands again. In addition to Orka Holding and Internet Group Investment, MPM now has a third shareholder – Mireks Plus which is owned by Srđan Kerim, a former executive in MPM (they have 33.3 percent each). *Internet Group Investment is a Serbian company that owns the biggest internet portal in Serbia (telegraf.rs)*.
- 65 According to the National Classification System, the online news media are mostly registered as Internet portals, under the code – 63.12, but some of these entities are registered under different categories (production, other IT services, publication of newspapers etc.).
- 66 This company is registered under the code 62.09 – other services related to information technologies and computers
- 67 Plus Info is registered under the code 10.9 – Other social organisations, foundations and citizens; associations.
- 68 Telegraf DOOEL is registered under the code 58.13 – Publication of newspapers.
- 69 The company Iresine Limited, registered in Belize (Central America), is the owner of the online portal. This information is published by the journalists who investigated the ownership of online media in Macedonia. Available at: www.mediapedia.mk. Accessed 15 February 2014.
- 70 Aco Misajlovski, the owner of the publishing company EM Media DOOEL, is a brother of Vlado Misajlovski who is a member of VMRO-DPMNE and currently holds the position of State Secretary in the Ministry of Foreign Affairs.
- 71 These online portals are quite new (*Deneshen, Lider, Vistina*, Ekonomski). Dejan Donev appears either as a marketing or administrative contact for all these portals.
- 72 This is the case of the portal *Brief.mk*, whose owner is the son of Nikolovska, a member of the opposition political party PEI (Party for European Integration).
- 73 The market analyses are available in English version on the following link: http://www.avmu.mk/index.php?option=com_content&view=article&id=559&Itemid=355&lang=en. Accessed 23 January 2014.
- 74 The number of broadcast media that provide data is published in the market analyses and in the annual reports of the Broadcasting Council. See: <http://www.avmu.mk>. Accessed 22 January 2014.
- 75 The content of the Media Law was a subject of many controversial debates before its adoption. The Association of Journalists of Macedonia and several nongovernmental organisations were categorically against the Media Law, arguing that it

- would severely jeopardize freedom of expression in the country because the ruling party had already gained influence in almost all traditional media and intended to intrude into the online media sphere.
- 76 Ipsos Strategic Puls, which is affiliated to the International agency Ipsos, based in France. See: http://www.ipsos.com/Country_Profile_Macedonia. Accessed 24 January 2014.
- 77 AGB Nielsen Media Research Skopje, <http://old-site.agbnielsen.com/whereweare/dynPage.asp?lang=english&id=517&country=Macedonia>. Accessed 24 January 2014.
- 78 The representatives of the media or advertising sector often emphasize that the figures for advertising expenditure, except for television, are not correct at all, because they are based on unreliable estimates.
- 79 Ibid.
- 80 The most recent affair has been the one revealed by the daily *Dnevnik* about the public procurement procedure of the Government (Secretariat for implementation of the Framework agreement), granted to Tag Communications. See: "100,000 euro to a firm close to DUI for an analysis of the Framework Agreement," *Dnevnik*, 8 February 2014. Available at: <http://dnevnik.mk/default.asp?ItemID=B2335A0CE4D170448FF910213B98579C>. Accessed 10 February 2014.
- 81 "The Government does not bribe the media with advertisements, the agencies are doing that on its behalf!" *Fokus*, 12 March 2012.
- 82 "The money for advertising that the Government pays out from our pocket is a state secret?" *Fokus*, 15 June 2012.
- 83 Interview with a representative of an advertising agency conducted on 23 December 2013.
- 84 "SDSM accuses of media corruption, the Government denies." *Nova Makedonija*, 21 January 2014. Available at: <http://www.novamakedonija.com.mk/DetalNewsInstant.asp?vestInstant=29953>. Accessed 24 January 2014.
- 85 Their names could not be published because they wanted to remain anonymous.
- 86 One of the explanations given by some representatives of the advertising industry is that in 2010 the Government stopped advertising on television because their prices were unrealistically high and that state advertising aired by other TV stations was much smaller in scope and in price. It should be noted that this data are estimates made by using official price lists.
- 87 This is a statement given by the President of the Association of Journalists: "Selmani requires the Government to publicize in a transparent way." *A10n.mk*, 1 October 2013. Available at: <http://a10n.mk/wordpress/archives/213481>. Accessed 23 January 2014.
- 88 "The Government pays annually 39 million for advertising in certain media", *Kapital*, 17 May 2012. Available at: http://www.kapital.mk/mk/dneven-vesnik.aspx/84178/vldata_godishno_plakja_39_milioni_evra_za_reklami_vo_odredeni_mediumi_!.aspx?ild=2743. Accessed 22 January 2014.
- 89 The topic was discussed in several articles published by the weeklies *Fokus* and *Kapital*, the online TVs *A10n*, *TV Nova* etc.
- 90 "The money for advertising that the Government pays out from our pocket is a state secret?", *Fokus*, 15 June 2012.
- 91 "Now, in the response from the Government to the request to give the media plan ... it is stated that the economic operator has labelled this as a 'business secret' and thus the General Secretariat of the Government has registered the document as classified information with the label 'for internal purposes.'" See: "The money for advertising that the Government pays out from our pocket is a state secret?", *Fokus*, 15 June 2012.
- 92 Thirty-four written requests were sent to the General Secretariat of the Government and ministries, municipalities and public enterprises.
- 93 There was no official reply at all from the Government's General Secretariat, while the Ministry of Finance (which also had public campaigns) replied that it had no data on marketing agencies and media that carried its advertisements.
- 94 In his public statement, the SDSM's spokesman mentioned the amount of 90,000 euro, but later in the Parliament the representative of the same party Spasovski, in his question to the prime minister, spoke about 450,000 euro.
- 95 "SDMS accuses of media corruption, the Government denies," *Nova Makedonija*, 21 January 2014.

- Available at: <http://www.novamakedonija.com.mk/DetailNewsInstant.asp?vestInstant=29953>. Accessed 24 January 2014.
- 96 According to Article 83(a) of the Electoral Code, donations are defined as services given free of charge, services paid by third parties and services provided at discounted prices. The provider of the services is obliged to inform the political party on the market price of the service and to provide an invoice for the same. Paragraph 5 stipulates that discounts given by the broadcast and print media for paid political advertising are considered donations expressed in monetary value.
- 97 Page 20 of the Financial Report of the VMRO-DPMNE coalition dated 21 May 2013. Available at: http://www.dzr.gov.mk/Uploads/12_VMRO_DPMNE_LL_vkupen_izvestaj017.pdf. Accessed 25 January 2014.
- 98 The owners of the company are considered to be very close to the ruling party: the businessman Orce Kamčev (Orka Holding), the former deputy minister in the VMRO-DPMNE Government Srđan Kerim (Mireks Plus) and the Serbian businessman Veselin Jevrosimović (Internet Group Investment), who in 2009 won the tender of the Government for providing computer equipment for primary education.
- 99 According to the Electoral Code, the media are also obliged to provide financial reports within 15 days of the end of the elections. The reports contain data on the advertising space used by political parties and the amount of funds used for political advertising.
- 100 Financial Report of VMRO-DPMNE on the campaign during the local elections in 2013 is available at: http://www.dzr.gov.mk/Uploads/12_VMRO_DPMNE_LL_vkupen_izvestaj017.pdf. Accessed 25 January 2014.
- 101 The financial reports of the media on the political advertising during the local elections in 2013 are published on the website of the State Commission for Prevention of Corruption: http://www.dksk.org.mk/index.php?option=com_content&task=view&id=312&Itemid=136. Accessed 25 January 2014.
- 102 Information about this affair was published mainly in the critical media. The public service and the pro-governmental media did not publish in the beginning any information about the press conference of the opposition party SDSM.
- 103 The name of the company is *Vizaris*; its owner is the mother of Ivona Talevska who works as a journalist and editor for *Sitel TV* and the print daily *Večer*. The company has a registered web domain where Talevska is stated as a contact person. See: <http://reg.marnet.net.mk/registar.php?dom=visaris.mk>. Accessed 2 February 2014.
- 104 Ivona Talevska and Dragan Pavlovik Latas.
- 105 Interview with the Minister Todorov aired on *Kanal 5* on 14 January 2014. The interview is not available in the online archives of the TV station, but it was published on several other web sites and in the print media.
- 106 "Minister Todorov has terminated the contract with Ivona's company", *Nova Makedonija*, 31 January 2014. Available at: <http://www.novamakedonija.com.mk/NewsDetail.asp?vest=13114731445&id=9&setIzdanie=23089>. Accessed 2 February 2014.
- 107 The new law is deemed controversial as most of the major media organisations in the country have raised serious concerns about some of the provisions therein, especially those concerning the independence of the public service and the regulatory authority and its powers with regard to the print and online media; another controversial issue was the inclusion of the online media which was resolved at the end of the 2013 when the Government accepted a request of the Association of Journalists to exclude online media from the Law.
- 108 The director of the Public Broadcaster was contacted for an interview. He had initially accepted to answer questions via e-mail, but a month after the questions had been sent we still did not have any response.
- 109 According to the public explanation offered by the Government, the amendments were proposed because of the financial crisis of the Public Broadcaster – the aim was, according to the Government, to financially consolidate the organisation. However, some of the interviewed experts stated that it was an attempt at political pressure. (Anonymous interview with a former journalist and editor in chief for the public broadcaster, Skopje, 15 August 2013.)

- 110 This was stated in the interview with a member of the Council of *MRT*. The interview was conducted for the purposes of another research project and therefore the name of the interviewer is not stated here.
- 111 See NVO Infocentar and Media Development Centar 2013.
- 112 *MRTV* website is on the following link: <http://www.mtv.com.mk/>. Accessed 27 January, 2014.
- 113 “Silent coup at the *MRT* or a legal reshuffling of the Board?”, *Utrinski vesnik*, 8 July 2011. Available at: <http://www.utrinski.mk/?ItemID=BC0E667E6D393744A5789140605CAD44>. Accessed 30 January 2014.
- 114 See NVO Infocentar and Media Development Centar 2013.
- 115 See Trpevska et al 2010, 5.
- 116 Ibid.
- 117 *Analysis of the public broadcasting in the Republic of Macedonia in the context of the European media policy* (p. 5), Macedonian Institute for Media, Skopje, June 2010. Available at: <http://mim.org.mk/index.php/en/researches>. Accessed 30 January 2014.
- 118 See Broadcasting Council 2012.
- 119 Available at: http://www.unescochair-vs.edu.mk/index.php?option=com_content&view=article&id=101&Itemid=41&lang=en. Accessed 30 January 2014.
- 120 The Mavrovo Action Plan sets out three main strategic actions with the aim to: 1) ensure the implementation of legislative provisions, including the abolishment of unfair trials for journalists, the indiscriminate implementation of the legislative provisions on journalists’ working rights, improve media legislation and provisions of the Electoral Code related to the media coverage of the election campaigns, define the rules on advertising etc.; 2) free the *PSB* from political pressure and 3) improve professional standards by strengthening the self-regulation mechanisms. The action plan is available at: http://www.znm.org.mk/drupal-7.7/sites/default/files/Akciski%20plan_ZNM_MIM_22_March_mk.pdf. Accessed 30 October 2014.
- 121 “Otkaz za sindikalniot lider na novinarite” (Dismissal for the journalists Union leader), *Radio Free Europe*, Skopje 9 August 2011. Available at: <http://www.makdenes.org/archive/news/20110809/428/428.html?id=24291403>. Accessed 16 October 2014.
- 122 This conclusion was emphasized several times in the focus group discussions with journalists from various media, conducted during August 2013.
- 123 *BIRN* Macedonia is an independent NGO founded in 2004 as part of the regional Balkan Investigative Reporting Network. Available at: <http://birn.eu.com/en/network/birn-macedonia-home>. Accessed 15 October 2014.
- 124 *SCOOP* is a network for investigative journalists in Eastern Europe, Russia, Caucasus, Central Asia and West Africa. *SCOOP* was supporting and promoting investigative reporting in the Balkans from 2003 to 2012. Available at: <http://i-scoop.org/scoop/balkans/category/macedonia/>. Accessed 16 October 2014.
- 125 One of the most notorious defamation cases in Macedonia occurred in 2006 when the owner of Fokus was fined 30.000 euro for stating that the President of the State at that time, Branko Crvenkovski, owned secret accounts in Swiss banks. Another case is from October 2011, when the editor-in-chief of the weekly – Jadranka Kostova, was found guilty in a case filed against her by the former Minister of Foreign Affairs, and sentenced to a fine of 15.000 euro.
- 126 Anonymous journalist, participant in the second focus group, conducted on 9 August 2013.
- 127 “Let me make a comparison: at the moment, the situation with journalism is worse in terms of freedom of expression. From 1986 to 1991 – those five years allowed more freedom than these years of pluralism”. Anonymous journalist, a participant in the second focus group, conducted on 9 August 2013..
- 128 “The political *podobnost* or eligibility of journalists is such that if you are noticed or if they think that you are somehow connected to the other political structure, there are going to be consequences. It is enforced in this way, for example: in the past my editors had no complaints about my work. Then one day the deputy executive simply calls me and says: I have great respect for you but I have to replace you with someone else. And I replied: I have great respect for you otherwise I would have asked for an explanation as to why I

- am being replaced. Since the inauguration of democracy in the country, editors who are close to certain political groups have been in place. [They are *podobni*]”. (A testimony from the first focus group, conducted on 7 August 2013.)
- 129 In all focus groups it was indicated that there were even rotations of the whole news rooms from one media outlet to another. Basically, *TV Telma*, the *Focus* weekly and *Vest* are among the few newsrooms that have been spared this type of rotations. The mechanism works best in the Public Service Broadcaster: once the political elite changes, the PSB’s leading figures are replaced. Within months, the whole team of journalists who covered the most important political stories are put aside and a new group of (politically eligible) journalists is brought in.
- 130 Participant in the first focus group, conducted on 7 August 2013.
- 131 Examples include a direct cooperation between the owner and the political interest, a political interest of the owner, or a direct pressure from the political actors on the owners etc.
- 132 A more subtle pressure is made through the owners.
- 133 “It is clear to me that any political party that gets to power will want to establish as great domination as possible over the media. This is especially true of *MTVI*” – a statement from the first focus group, conducted on 7 August 2013.
- 134 The case of Kežarovski is notorious for this practice.
- 135 “We all know the address. The ruling party communications officer calls and says: ‘This package is not going to be broadcast again.’ He calls the editor in chief directly. That is the link” (Third focus group, conducted on 13 August 2013.)
- 136 “It all depended on the decision of *gazda* to connect to a certain party- and which party would that be. That is dependent on the given moment – is that pluralism? The owner will estimate that in the next four years his business would develop better if he bids on the party he thinks has a better chance to win the elections. Is this pluralism?” (First focus group, conducted on 7 August 2013.)
- 137 “For example, there was a case in 1993-94 when some youth members of a party were planting some trees, and journalists from my newsroom published that information and because of that they were fined to 30 percent [off their salary]. This practice has always been present, the thing is that as the time passes the mechanisms and the principles of how control over the media is executed gain in sophistication. They are getting better all the time” (Third focus group, conducted on 13 August 2013.)
- 138 “You, as a journalist or an editor, know exactly your media affiliation – you may put an effort to cover a story differently, to publish variety of information – but you are still working for that outlet. I know exactly what the strategy of its *gazda* is. The one who does not like this may leave the newsroom if he has a better opportunity elsewhere. If not, you are stuck there – you sit in your place and you move on as before.” (First focus group, conducted on 7 August 2013.)
- 139 “Have you ever heard of an example for any politician (regardless of whether he is in power or not) mentioning the name of *gazda* in the Parliament in a bad context? They always talk about journalists being mercenaries, submissive, spineless etc. Not a word about the *gazdas*. It’s because of the long lasting tradition of cooperation and closeness between them.” (First focus group, conducted on 7 August 2013.)
- 140 The examples of this include for example the two TV stations owned by political figures or their families. These two politicians are in coalition with the governing party VMRO-DPMNE. The coverage by both stations is propagandistic in favour of the Government – as the 2012 and 2013 researches of the School of Journalism and Public Relations showed.
- 141 “I have talked to some politicians and they are all silent – none of them attacks the *gazdas*. The journalists are easy targets, because we have no agreements – you are needed today, you are expendable tomorrow”. (Third focused group, conducted on 13 August 2013.)
- 142 “The whole point in the rare ‘free’ newsrooms is that their *gazda* still guarantees the journalist’s economic independence. In other words he says: ‘While I am here, don’t worry, do your business.” (First focused group, conducted on 7 August 2013.)
- 143 The case of the closed A1: the TV station was closed because of the competing political interests

- of the Government and the owner. The newsroom was a victim within that setting.
- 144 “At my previous employer I went to ask for a raise because I thought that I deserved it – I received a message from the *gazdas* that he could find two young journalists who would work for that amount of money.”
- 145 Anonymous journalist, participant in the First focus group, conducted on 7 August 2013.
- 146 “The editors are more frequently on the phone because whatever they publish they have to check with someone first. This is said in a comical sense but it is the reality- you can see the situation we got ourselves into.” (Second focus group, conducted on 9 August 2013.)
- 147 “... a colleague of mine said to me that she wrote a text, it was checked by all instances and approved- the next morning it was not in the newspaper.” (First focus group, conducted on 7 August 2013.)
- 148 “There is no point for a journalist to abide by the Code of Journalists – the editor will inevitably intervene in such a way as to undermine it. We have to get back to the Code but on the level of editors. The ethical relations between editors, *gazdas* and journalists must be put in order first. And this will be a problem because there are colleagues who earn serious amounts of money precisely because they are undermining the Code.” (First focus group, conducted on 7 August 2013.)
- 149 “I covered the hunger strike in front of the Parliament that lasted 40 days back in 1997. Every day for 40 days I produced articles and all of them were published by the newspaper. Nowadays you can see your article or a package not published or broadcasted for no reason.” (Fourth focus group, conducted on 29 August 2013.)
- 150 “Then the worst outcome of this is that the young journalists – the ones that are learning the craft right now – are educated in a wrong model. They are trained in auto-censorship.” (First focus group, conducted on 7 August 2013.)
- 151 “They are more direct and more brutal than in the past. I have witnessed in the past at *MTV*, a colleague was fined to 20 percent taken off his pay because he aired two audio clips featuring a politician who wanted to see himself three times in the package.” (First focus group, conducted on 7 August 2013.)
- 152 Anonymous journalist, participant in the first focus group, conducted on 7 August 2013.
- 153 “Absolutely because of this it is extremely important how you will position yourself. The way things are ordered at the public broadcaster, it is very hard to change anything – and then you give up.”
- 154 “There are colleagues who say that it is good that *A1* was closed down, that it had to be. As long as there are colleagues who think that an outlet should be closed down the things will not change for the better. That means that they do not know what democracy is.” (First focus group, conducted on 7 August 2013.)
- 155 Anonymous journalist, participant in the Second focus group, conducted on 9 August 2013.
- 156 “The journalists are responsible for the position they are in – every fool has become a journalist in this country and they immediately write crap editorials and analyses” (Third focus group, conducted on 13 August 2013.)
- 157 Anonymous journalist, participant in the Second focus group, conducted on 9 August 2013.
- 158 *Dostoinstvo*, however, did not organize these subsequent violent protests that took place on 28 February and 1 March. It organized parallel peaceful protests at the same time at another location.
- 159 *MTV1* – the Macedonian language channel and *MTV2* – the Albanian language channel.
- 160 This standard is stipulated in the basic principles of reporting in the Code of Journalists of Macedonia.

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SERBIA

Jovanka Matić and Dubravka Valić Nedeljković

INTRODUCTION

Serbia's transition to democratic governance started in 2000. Reconstruction of the media system – aimed at developing free, independent and pluralistic media – was an important part of reform processes. After 13 years of democratisation efforts, no one can argue that a new media system has not been put in place. The system is pluralistic; the media are predominantly in private ownership; the legal framework includes European democratic standards; broadcasting is regulated by bodies separated from executive state power; public service broadcasters have evolved from the former state-run radio and television company which acted as a pillar of the fallen autocratic regime.

However, there is no public consensus that the changes have produced more positive than negative results. The media sector is liberalized but this has not brought a better-informed public. Media freedom has been expanded but it has endangered the concept of socially responsible journalism. Among about 1200 media outlets many have neither political nor economic independence. The only industrial segments on the rise are the entertainment press and cable channels featuring reality shows and entertainment. The level of professionalism and reputation of journalists have been drastically reduced.

The current media system suffers from many weaknesses. Media legislation is incomplete, inconsistent and outdated. Privatisation of state-owned media, stipulated as mandatory 10 years ago, is uncompleted. The media market is very poorly regulated resulting in drastically unequal conditions for state-owned and private media. The state continues to be one of the key financiers of media outlets. Media ownership is not transparent and safeguards against monopolies are weak. Media business is rarely profitable. Public service broadcasting is on a verge of a financial collapse. Regulatory bodies are weak and their members are often appointed through political bargaining. Journalists' freedoms and professional rights are often restricted. Four journalists have had a 24-hour police protection for years.

Global technological and economic changes have only further aggravated the already difficult transition problems. As a result, most Serbian media outlets are fighting for mere survival. There is a general trend toward commercialisation and tabloidisation of journalism and a lower credibility of news media. News content, in-depth and investigative reporting, diversity of opinion, coverage of controversial topics and respect for ethical standards have all been on the decline.

The graveness of the situation in the media sector stimulated a re-start of media reforms. In 2011, owing to the pressure of media and professional organisations, the government adopted the Strategy for the Development of the Public Information System in the Republic of Serbia until 2016 (the Media Strategy). The Strategy re-affirmed some

formerly established principles aimed at satisfying public interest and included new ones, in order to conform fully to EU norms. It promised many changes.

However, none of the Media Strategy's many objectives had been realized by the end of 2013.

This study aims to answer the following questions: Could the Serbian media function as a democratic institution under present circumstances? What reforms are needed to make the media part of the institutional framework which contributes to the consolidation of a democratic order?

The study aims to analyze a set of indicators of the qualities of the Serbian media system which are crucial for its ability to serve the public interest and democratic processes. The focus of analysis is put on five areas: media policy, ownership structures, media finances, public service broadcasting, and journalist practices. They all bear specific risks for media integrity. Research of these risks was conducted from August 2013 to February 2014, using focus groups with journalists and media managers, in-depth interviews with journalists, media owners, media managers, representatives of professional and media organisations and media experts, and the analysis of publicly available data – government documents, data from media and business registers, reports of relevant bodies and research studies and publications.

The study offers recommendations for increasing the capacity of media to serve as an institution of democracy.

1. MEDIA POLICY: A FORM INSTEAD OF REFORM

The transformation of Serbia's media system started with a decade-long delay in comparison to other Central and Eastern European countries, after the fall of the regime of Slobodan Milošević in 2000. The new pro-democratic and pro-European political majority promised the creation of a market-based democracy and free, independent and pluralistic media as its constitutive part.

However, so far media reforms have never been among the priorities of numerous democratic governments. While at the beginning of the transition process the authorities "did not have any idea about the changes needed,"¹ today as well they "lack the vision of how the media that serve the interests of citizens should look like."²

In the absence of a clear strategic vision, faced with deep social cleavages of a post-authoritarian society and lack of consensus about the course the transition road should take, all post-Milošević governments made partial and incoherent media policy interventions. Yet, these interventions had a permanent common characteristic: they were tailored in such a way as not to eliminate structures that allow for the political influence on the major

media. Journalists' organisations describe the result of media policies in the last decade as a "controlled chaos."³ The Serbian democratic political elite proved to be the strongest obstacle for a reform-oriented media policy. Paradoxically, policy decisions were always justified with the utmost important public interest – consolidation of democracy.

1.1 THREE PHASES OF MEDIA POLICY

The most powerful shaping force of media policy in the past decade was the process of Serbia's integration into the EU and the requirements of this process related to the media sphere. Three distinct phases could be distinguished in this period, each characterized by different relations between Serbia and the EU and a specific policy orientation.

In the early 2000s, a pro-democracy government led by Zoran Đinđić put the EU integration project on the top of its political agenda. Offered a helping hand by international organisations, it optimistically promised a fast accession to the EU, avoidance of mistakes of other transitional countries and a "Serbian economic miracle." In the media field, the government easily accepted the aim to comply with the European regulation standards. Media privatisation was proclaimed mandatory; the press was liberalized and left to self-regulation; independent regulatory bodies and public service broadcasting were to be established. Civil society expertise was invited to draft the laws that would guarantee media freedom. The government, however, was not interested in promoting the independent media, which earned reputation by credible reporting and resistance to political pressures. It preferred to accept political services by the media that served the Milošević regime, which changed their editorial policies literally overnight. In a legal limbo, before institutional changes could be introduced, it left the independent media that contributed greatly to the downfall of autocracy, usually small and without capital, to compete with state-subsidized media and private media friendly to the government.

The initial modernisation process was blocked by the assassination of Prime Minister Zoran Đinđić in 2003. The new governments led by Vojislav Koštunica (2004-2008) marginalized the EU integration process. Disputes with the EU over Serbia's cooperation with The Hague Tribunal for war crimes and over the status of Kosovo dispelled all dreams of a fast EU accession. Amid strong conflict between pro-European democrats and anti-European nationalists, the national democrats' government was interested in media as promoters of its "third road" of development. Media policy became restrictive. It did not allow any of the new institutions to develop their democratic potentials. New laws directly contradicted old ones. Media privatisation was frozen. Independence of newly established regulatory bodies was constantly reduced. Public service broadcasters were similar to rather than different from state-run institutions. Big media companies were allowed to flourish as long as they served the interests of the establishment (*TV Pink*), and quickly shut down

or outlawed when dared to change political alliances (*TV BK Telecom*, the daily *Kurir*). The only positive development was a fast growth of the media market. However, it remained non-transparent, unregulated and overcrowded. An enormous number of media inherited from the 1990s⁴ were left to compete under unequal market conditions distorted by an arbitrary allocation of state funds. Media policy was formulated within hidden circles of power. Many political interventions in media regulation were accomplished through an urgent parliamentary procedure, during summer, away from the public eye.⁵

The third phase in the formation of media policy began when Serbia applied for the EU candidate member status in December 2009. A new political consensus on EU membership was established, after the radical nationalist party split in two and its fraction (reformed nationalists) took a pro-EU stance. The new centre-left ruling coalition led by Boris Tadić's Democratic Party (2008-2012), accepted the terms of the EU's conditionality policy. Although its actions in the media field were slow, re-active rather than pro-active, and more formal than substantial, the government set strongly on the course of harmonizing domestic legislation with the EU *acquis* and standards of the Council of Europe. The European Convention on Transfrontier Television was finally ratified (2009); the Digitisation Strategy (2009), the Law on State Aid Control (2009) and the Law on Electronic Communications (2010) were adopted. The highlight of these efforts was the adoption of the first strategic plan for the development of the media sector, Strategy for the Development of the Public Information System in the Republic of Serbia until 2016 (Media Strategy), in 2011. The Strategy re-affirmed some formerly established principles aimed at satisfying (finally defined) public interest and included new ones. It promised an overhaul of the entire legal framework for media operation, abolition of state ownership, fair market competition, limitations on ownership concentration, financial stability of public broadcasting and neutrality of state aid based on a project-financing model. The Media Strategy was widely debated. Civil society participation in the formation of media policy was welcome again. A new, centre-right government, established in 2012 by the Serbian Progressive Party, accepted the same course.

Despite noticeable progress in the last few years, the shaping and implementation of media policy falls short of the creation of conditions for a free and pluralistic media system. By the end of 2013, none of the 2011 Media Strategy's many objectives had been realized. First deadlines, set for September 2012 and March 2013, passed without adequate actions and without anyone held responsible for a delay.

Regardless of differences in media policy orientations in the three phases described, the media policy development suffered from the same weaknesses all along. It lacked a clear vision of interests that should be best served by a reformed media system, of its driving forces and shape. It missed an effective methodology for public policy formulation. In the absence

of systemic proceedings and elaborated policy goals, powerful actors were able to intervene in any phase and skew the process to meet their interests depending on the balance of power at a given moment. Particular political or business interests of the emerging economic elite thus managed to make many surprises in media legislation,⁶ to leave some issues completely unregulated or omit operational solutions for legally arranged issues.

Policy measures were taken not only without proper expert studies and analysis,⁷ but also in the absence of basic data about the media sector (the number of media and their employees, the ownership structure, media finances, state funding). While media players found a way to influence policy decisions through proposals and actions organized by media and professional organisations, no one lobbied for the interests of citizens and their rights to information.

1.2 CRITICAL MEDIA POLICY ISSUES

For more than a decade, media reform has been stumbling over one and the same issues: the state ownership of media, editorial independence from political influences, treatment of hate speech, insult and defamation, and safeguards for journalists' safety. Since recently, and especially because of the economic crisis, issues related to the media economy (economic sustainability, transparency of ownership, anti-concentration measures, state funding) have become very important, along with digitisation. Largely ignored, on the other hand, are the effects of technological changes on journalism, the effects of the economic crisis on media consumption and pluralism, labour and social rights of journalists, self-regulation, and development of civil media.

Many media observers agree that the greatest failures of media policy so far are unfinished privatisation and state's persistence as a large media financier, the lack of a functional media market with transparent media ownership, and unsuccessful depoliticisation of the broadcasting regulatory body and public service broadcasting.

Media policy made two shifts concerning the privatisation issue in a decade. In 2002-2003, media privatisation was defined as a major reform step and stipulated as mandatory. Firstly, the deadline was prolonged from 2005 to 2007 and in 2007 it was practically frozen by laws which allowed local governments to own media outlets in their territories (2007). In the phase of resuming a reform course, the starting point – mandatory privatisation – was reinstated by the Media Strategy (2011), but the deadline for implementation was postponed to 2015 at the latest. Critical events proved to be the national elections in 2008 and 2012. The driving force behind the delay of privatisation was the interest of the ruling political majorities to secure the support of state-owned media during the election campaigns.

Until today, the media policy has not developed a sustainable media business model aimed at pursuing the public interest. The lack of investment, unregulated market,

inadequate number of broadcasting licences, non-transparent ownership, uncontrolled concentration, partisan state funding, unknown media industry data, inadequate media resources for market operations – all these issues are hidden behind a dilemma whether state or private ownership would better serve the public interest in the communication field. All democratic governments avoided to develop mechanisms for market regulation and control, which would ensure equal business conditions for all media regardless of the type of ownership. They left intact the issue of state funding of media, with the state bodies free to make arbitrary decisions while favouring the state-owned media and friendly private media. The optimal strategy for the economic survival of media proved to be state-ownership and a positive coverage of the ruling parties in the private media.⁸

The lack of trust in the willingness and capacity of the state to develop a functional, regulated market and to stop the arbitrary use of budget funds to reward desirable media contents has resulted in a strong support for the preservation of state ownership among a considerable number of journalists. A delay in the Media Strategy implementation shows that the controversy over state media ownership has not yet been resolved.

Free market competition and media monopolies are the least regulated aspects of the media system. Media finances are non-transparent. Neither a comprehensive anti-monopoly law nor adequate regulations on transparency of media ownership have been put in place as yet. The Broadcasting Law includes some measures against illicit ownership concentration among broadcasters and among broadcasters and print media. However, the inadequate legal solution preventing the identification of owners – owners are legal persons as founders of media outlets, not actual individuals behind them – as well as the lack of procedure for the verification of data on owners rendered the scarce legal measures even more ineffective. The inbuilt flaws of administrative solutions allow media owners to remain secret for a number of years. According to the Anti-Corruption Council's report of 2011, the ownership structure of 18 out of 30 most important media was not transparent. Hidden owners are usually business tycoons and political groups. Media policy ignores potential detrimental influences of their interests on the public interest and the consequences of concentration on media pluralism. After the 2009 attempt to regulate the concentration issue met with strong opposition from large media owners, the government never again tried to deal with it, despite indications that five televisions with national frequencies were owned by two owners in 2012.

Political influence on media content is another unresolved policy issue. It continues to be the pretext and context of any debate on media regulation. A deficit of media independence is so widespread and so prolonged that a great number of journalists do not believe any more in the possibility of fair and balanced reporting in the public interest. This is the case with many audiences as well.⁹ The media policy has never set to establish firm

legal and institutional guarantees of independent editorial policy. The media legislation is particularly lacking with regard to the autonomy of the state-owned media and the minority language media whose founders are councils of ethnic minorities.¹⁰ The institutional structure of the state influence on publicly owned media (budget funding and appointments of management bodies) has remained intact since the fall of the communist regime. However, codes of conduct or contracts between owners and journalists, defining conditions for journalists' independence do not exist in private media outlets either.

New institutions in the media system – the independent regulatory body and public service broadcasting – are not sufficiently protected from political influences either. The critical issue of independence of the broadcasting regulatory authority is the procedure for nomination and election of its members. Many revisions of the provisions on the election and composition of its members (2004, 2005, 2006, 2009) in fact steadily increased political influence on the regulator (Kremenjak 2008). Public service broadcasters are not financially self-sustainable and depend on the state for financial help. The procedure for the election of their governing bodies is also insufficiently protected from political influences. In 2013, the government proposed a radical turn in PSB financing from licence fee to budget funding. This opens a way for direct political dependence of PSB on the government.

Digitisation is a new controversial reform issue. The government adopted the strategy for digital switchover in 2009, with a plan to transfer to digital broadcasting on 4 April 2012. Soon it was clear that the plan was unrealistic and that the interests of citizens, service providers and the state in the benefits of digitalisation had been overestimated (Samardzic 2010). Four years later, digitisation is still blocked, although some of the major elements (timeline, gradual instead of immediate switchover, etc.) were changed in order to push its implementation. Some basic legal instruments and by-laws, like final versions of a protocol on the frequency distribution plan and a plan for a switchover, are still missing. No one is held responsible for the delay in the digitisation process.

1.3

MEDIA POLICY ACTORS

Media policy development engages a wide range of actors, with different agendas and different ways of pursuing them. The most powerful among them are political parties whose interests are voiced by the Parliament, the Ministry of Culture and Information and local authorities. Not firmly embedded in the interest structure of Serbian society, political parties rely on media as the central mechanism for the promotion of their platforms. Whatever their political orientation, political parties behave in the same way. When in opposition, they advocate the need for free and pluralistic media; when in power, they are focused on putting the media in the service of mobilisation of popular support for their

policies. Members of the national parliament consider it normal to refuse to convene if the national public broadcaster does not screen their meetings. No ruling political party has so far demonstrated coherent support to media freedom as the key institution of a democratic society.

The most striking example of the instrumental treatment of media is the adoption of amendments to the Law on Public Information in 2009, despite strong opposition from the media community and civil society. Changes to the law imposed severe restrictions on media freedoms and were in contradiction with some other laws.¹¹ These changes were annulled by the Constitutional Court a year later. Paradoxically, the law changes were initiated by G17 Plus, a political party that was a leader of liberal economic policies. When its particular political interests were in danger,¹² the party imposed a rigid course. As revealed later, G17 Plus threatened its coalition partners with overthrowing the government if its proposals were not adopted. Recently, G17 Plus has been, behind the scenes, the strongest supporter of media organisations that oppose privatisation. This party enjoys a strong position in some local communities, like Kragujevac, and provides large funds to media from local budgets that guarantee it a positive image.

The broadcasting regulator, the Republic Broadcasting Agency (RBA), has failed to establish itself as an institution of authority, credibility and competence. Suspicions of its vulnerability to the influences of political and large commercial players have been widespread ever since its inception in 2005. The RBA's allocation of 467 broadcasting licences in 2006-2008 lacked transparency and is widely believed to have served the vested interests of ruling parties and their media allies. The decision to grant such a great number of licences was made without any analysis of the economic sustainability of media. Especially controversial were RBA's decisions on national TV licences: the foreign company RTL, the only potential serious competitor to *TV Pink*, the largest broadcaster close to any government in power, was refused a licence on non-transparent grounds, while licences were given to four private televisions that could not endanger *TV Pink's* leading market position. The RBA's consequent rulings on transfer of ownership (including several national broadcasters) were mired in controversy in terms of unlawful concentration. According to the Anti-Corruption Council, the RBA approved changes in the ownership structures of the national broadcasters *TV Prva* and *TV B92*, despite indications they could be controlled by the same owner. The RBA justifies its decisions by deficiencies in the legislation, but neither the RBA nor other state bodies have put an effort to improve the legislation and thus increase RBA's effectiveness in the protection of the public interest.

The strongest counterbalances to the conservative conduct of ruling politicians and ineffective regulator are international actors, such as the Council of Europe, European Commission, Delegation of the European Commission to the Republic of Serbia, and

OSCE. They monitor and evaluate developments in the media sector and actively participate in the formulation of media policies by providing expertise and finances. Media developments are a regular part of the EU reports on Serbia's progress in the integration process and part of its conditionality policy. However, the EU influences push for an imitation of models developed in the European context, which economically, politically and culturally differs much from the transitional context of Serbia. The Serbian press, for example, has no capacities for self-regulation, while there is a strong pressure from the industry drawing on the European practice to avoid any regulation. The EU's policy of conditionality does not guarantee that progressive changes are taking place. The government, as it were, easily accepts policies harmonized with the European standards but as easily changes the laws or does not implement policy documents after meeting a required demand in the EU accession process. For example, Digitisation Strategy was adopted just before Serbia officially applied for the EU candidate member status (2009), while Media Strategy was accepted before the decision of the European Council on the application (2011). Once status was granted, the authorities reversed to their usual behaviour – slow, re-active, inefficient and irresponsible. None of the main goals of the two strategies have been realized so far.

Media industry is not a prominent actor of media policy, at least not in an open way. It usually acts in the corridors of power. Except for Željko Mitrović, the owner of the largest broadcasting company, Pink International, no major capitalist openly invests in media business.¹³ Two big businessmen, Milan Beko and Miroslav Mišković, have for years operated secretly as respective owners of the dailies *Večernje novosti* and *Press*, hiding behind foreign companies. They publicly admitted that they had stakes in the media when they found it convenient. Serbian businessmen, who have a negative image in the public because of the way they earned their initial capital, are interested in media primarily as a leverage to promote their economic interests, either by producing a positive image of their businesses, or by serving ad hoc interests of their political allies. The voice of media industry is thus represented by small media owners and by managers of a few foreign media companies. The only representative of media owners is the Media Association, which gathers mostly print media. Media owners are in favour of a transparent allocation of state aid, free market competition and liberalisation of advertising but they usually disregard other issues. For example, they refuse to establish a body that could negotiate with trade unions of media workers a separate collective agreement for media industry. Although they never openly advocate against concentration control, they successfully obstructed the 2009 draft law on media concentration by pressuring the ministry in charge to abandon the legislative procedure. Media owners do not require in an organized way from the

government to regulate the market and prefer to care for their particular interests making separate deals with the ruling parties. This is a typical way of behaviour of the most powerful media entrepreneur Željko Mitrović, who never publicly declares or defends his interest in regulations issues.

The most active domestic proponents of reform-oriented media policy are associations of journalists (NUNS, UNS, NDNV) and media associations (ANEM, Local Press), which have recently united in the Media Coalition. They fight for a consistent legal framework, regulation of the market and media concentration, transparency of media funding, politically neutral state aid, guarantees for editorial autonomy and journalism self-regulation. They are the main initiators of particular policy measures and a strong corrector of government moves. Professional and media organisations initiated the first set of media laws in the early 2000s; they pushed for the formulation of anti-monopoly law and for the Media Strategy and actively participated in the preparation of all laws related to the media. These organisations submit their proposals and recommendations for a more successful fight against pirate broadcasters, for a decrease of too high copyright rates, greater transparency and neutrality in the allocation of municipality budgets to local media, etc. However, these organisations have not succeeded in developing a vast professional solidarity that could back their policy interventions. They dispose with limited means to counteract poor policy solutions which are enforced by the ruling political majorities or the pressure of powerful media owners.

Except for media-related professional organisations, civil society is almost absent from media policy preparation and debates. There are no yet specialized CSOs skilled to monitor the media sector trends and represent the voice of citizens, whose interests serve only as a general alibi for all actors involved in media policy development. The involvement of civil society is limited to individual CSOs who are engaged in monitoring media contents (women organisations, human right organisations, journalism training organisations) and organisations lobbying for policy measures in the fields of their particular activities (protection of children rights, for example) as well as to individual academic experts who offer their expertise to professional associations.

The most effective protectors of the public interest in the media sector proved to be Information Commissioner, Ombudsman and Anti-Corruption Council. The first two have been very successful in stopping inadequate legal regulation and in making the state bodies accountable to the public for their policy decisions. The Anti-Corruption Council revealed forms of state funding of media that are not regulated by any laws and described the work of informal influence structures in political, business and media circles.

1.4

MEDIA POLICY ACHIEVEMENTS

Considering the level of devastation of the Serbian society at the beginning of the 2000s, the past 13 years could be considered a necessary minimum period needed to establish the foundations for a thorough transformation of the media system that will be governed by the public interest.

Despite weaknesses and inconsistencies of media policy, the new media system is in place. The changes made so far are irreversible. The system is pluralistic, predominantly in private ownership and operates in a legal environment of defined rights and responsibilities, according to regulations implemented by bodies separated from executive state power. The academic expert Rade Veljanovski considers the development of this new system, which overcame the chaos inherited from the 1990s, the greatest policy success so far, in addition to the establishment of the broadcasting regulatory body, transformation of the state radio-television into a public service broadcaster and at least formal respect for European democratic solutions in the media legislation. In the view of the president of the Independent Association of Journalists in Serbia, Vukašin Obradović, the success is the establishment of the Media Coalition, uniting several journalists' and media associations, which proved to be an effective means to oppose political voluntarism.

Hopes of the media community for substantial changes are pinned on the Media Strategy, which lists all of the major problems of the media system and offers solutions for overcoming them. Despite a number of shortcomings of the Media Strategy and a delay in its implementation – which brings to mind obstruction on the part of the government – it introduced several new elements in media policy that cannot be overlooked in the future, especially regarding the involvement of non-government actors. Many professional organisations were actively involved in the preparation of the Strategy along with domestic and international civil experts. Alternative solutions were widely debated in public consultations.

1.5

CONCLUSIONS

The restructuring of the media system has been slow, incoherent and inadequate to the goal of making the media a functioning democratic institution. In a fragile Serbian democracy, the media are more a function of the political will of new elites than a factor of democratisation of the whole societal system. Although the media policy development has been most encouraged by the EU integration process, in trying to accept European standards the Serbian media industry continues to lag behind not only in the European but also in the regional context.

The process of media policy shaping is still insufficiently transparent and democratic. All social actors hold that the media matter a lot in almost every aspect of social life.

However, non-political actors have no way to place media reforms higher on the political agenda. In 2013, professional and media organisations protested often against a delay in the implementation of the Media Strategy, but without any result. In the media community it is widely believed that, unfortunately, an effective pressure on the government can come only from the EU authorities.

The Serbian media sector differs from the European model mostly in regard to the operation of media on the market and the protection of media from political influences. The legal arrangement of these issues is contradictory and incomplete, while the provisions that are applicable are often violated. The lack of economic viability of the media (due to an enormous number of media operating in a poor market), non-transparent and unfair market competition, arbitrary allocation of subsidies and state advertising funds are all consequences of the reluctance of the ruling political majorities to dismantle the structures of media's financial dependence on the state. Media policy and regulation favour the interests of big capital, but only as long as they are aligned with those of the government.

Even when they introduced liberal forms of media legislation and regulation, all democratic governments in the last decade obstructed substantial media reforms that would restructure the distribution of power. The 2011 Media Strategy, giving so much hope to the media community, is a new effort to solve the problems which remained unsolved for the entire decade.

2. MEDIA OWNERSHIP PATTERNS VS. PUBLIC INTEREST

There is a widespread belief in the public that the media are the “messengers of the powerful.” In public discourse, the ownership structure of the media industry figures as an important reason for the failure of media to act as agents of social democratisation: ownership is an important factor affecting a diversity of media content and quality of journalism. It is largely believed that there exists a direct relationship between media ownership and the content produced.

Information on the types of media ownership, their presence in more than 1200 media outlets and their effects on media performance with regard to public interest is very scarce and fragmented. After the first comprehensive review of these issues 10 years ago (Đoković 2004),¹⁴ there has almost been no research on these topics. This text analyzes the effects of different media ownership structures on journalists' independence and their ability to resist instrumentalisation for particular interests of their owners, while pointing out the developments in the past 10 years.

Media ownership is not sufficiently transparent. The lack of transparency is often considered a characteristic feature of the Serbian media system and one of its central problems. In 2011, the Anti-Corruption Council (ACC) indicated that real owners of 9 out of 11 nationwide commercial broadcasters were not known to the public. The ACC also found that 60 percent of the 30 most significant media in Serbia from various market segments (six national TV stations, five national radio stations, twelve daily papers, seven weeklies) did not have sufficiently transparent ownership. Real owners are hiding in order to conceal particular interests that are a driving force behind these media, the ACC concluded (ACC 2011, 3).

The lack of media ownership transparency is sustained by the collusion between the government and the broadcasting regulator. Legal regulation of ownership is highly controversial. State media ownership, for example, is both legal and illegal: pieces of legislation from the early 2000 forbid it, while some other from 2007 allow it. In 2011, the government promised to eliminate conflicting rules by 2015. Furthermore, regulations on owner identification in media registration and broadcast licensing procedures are non-existent, incomplete, non-mandatory or disrespected.¹⁵ Registration of media ownership involves only minimal information. Owners are registered as natural and legal persons, not as individuals behind legal persons. The sources of investment and the origin of capital are not checked. The regulatory body does not check if broadcasting companies meet the legal provision that foreign organisations registered in countries where it is not possible to establish the origin of the founding capital cannot apply for a broadcasting licence (Broadcasting Law, Article 41).

Illicit concentration of the market is also weakly addressed. Specific anti-concentration rules pertain to broadcast media and to cross-ownership of broadcast media, daily newspaper publishers and news agencies. There is no yet any regulation on cross ownership between the media and the players on the advertising market, distribution networks or telecommunications operators.

Inadequate regulation prevents effective control of illicit market concentration and blankets its detrimental effects on media pluralism. It enables media owners to remain hidden for years. It enables the legalisation of shady capital through the media, hiding of domestic owners behind a complex network of related foreign companies, disguising of over-the-limit (above 49 percent) foreign capital behind domestic front companies, and infiltration of business oligarchs and politicians in the media in a non-transparent way.

The 2009 effort to regulate the transparency of ownership and market concentration in all market segments in a separate law failed due to the opposition by the Media Association gathering owners of print media. The Media Association pressured the government and managed to stop the adoption of the already prepared bill.¹⁶

A new step towards better regulation of ownership and market concentration was taken in 2011, with the adoption of the Media Strategy. The Strategy promised new legal solutions on the transparency issue, including mandatory information on natural and legal persons that are part of the media ownership structures, on the nature and scope of their shares, ultimate owners of capital, information on their stakes in other media and other economic enterprises, on other natural and legal persons that could have significant influence on editorial content, and information on state aid to media outlets. Both the general anti-monopoly body and the ministry in charge of media will control media concentration. New regulation should have been drafted by March 2013, but in December 2013 it was still in the process of preparation, expected to be enforced in 2014.

2.2 MEDIA OWNERSHIP PATTERNS

On the basis of available data, several ownership patterns could be observed in Serbian media: state ownership; foreign ownership; (hidden) ownership by business tycoons; (hidden) ownership by politicians; small businessman ownership; journalists' ownership; media mogul's ownership; and civil society ownership.

These ownership patterns influence media independence and content diversity in different ways. They differ in their approaches to the market and profit as well as in the way they stimulate or hinder critical investigative journalism.

2.2.1 STATE OWNERSHIP

State ownership of media is a remnant of the previous media system and an anomaly of the present one. The initial media reforms included a mandatory privatisation of media by 2007. Privatisation was stopped on the eve of a 2007 deadline, prior to 2008 presidential, parliamentary and local elections. New media laws, expected to be adopted in 2014, will again make media privatisation mandatory.

The current number of state-owned media is publicly unknown. It is estimated at about 100 (less than 10 percent of about 1200 media) in all market segments except national radio and television segment. The state is the owner of some of the most significant media (news agency *Tanjug*, dailies *Večernje novosti*, *Politika* and *Dnevnik*, TV and radio stations in major urban centres). State broadcasters make about 30 percent of all regional TV stations and 25 percent of regional radio stations.

State ownership is not market- or profit-driven. Its main goal is to influence public opinion. State bodies, dominated by the ruling parties, have two efficient channels to influence the performance of the media they own: budget funding (subsidies) and human resources policy (appointment of general managers, editors-in-chief, hiring and sacking of journalists). Controlling finances and helped by politically affiliated directors,

editors-in-chief and some journalists, the ruling parties exploit media resources to pursue their particular interests – ensure positive publicity for the authorities, mobilise support for their policies, discredit political opponents, and suppress critical voices. The watchdog function of media is completely disabled. Journalists in state-owned media have little ability to manoeuvre and defend themselves against political interferences in editorial competences. They are prone to self-censorship while some accept the occupational ideology of state employees.

Since state owners are primarily interested in shaping political news, other types of content are not subject to strict control nor forced to commercialize. In comparison to commercial media, state media usually have more human resources¹⁷ and better protect labour rights of journalists. Generally, their overall production is greater and more diversified. Although they are perceived by both the state bodies and the audience as official voices of the ruling political groups, they also enjoy the reputation of pursuing public interest in other than politically-related areas of coverage.

2.2.2

FOREIGN OWNERSHIP

Foreign capital displayed low interest in the Serbian media industry. Of all the big international players, only Murdock's News Corporation, WAZ, Gruner und Jahr and Ringier entered the market, but only Ringier remained. News Corporation withdrew from the television sector in 2009, WAZ from the daily press in 2012, and an international group¹⁸ left the entertainment magazines market in 2013. Foreign capital is today present in two of the four commercial national TV broadcasters (*TV Prva* and *TV B92*), two national dailies with the highest audited circulation (*Blic* and *Alo*) and some online portals (*infostud.com*, *sportske.net*). No foreign capital is present in regional or local media. Foreign investors are currently interested in the (unregulated) cable market and in the Balkan rather than Serbian audience.

Positive effects of foreign ownership on the media industry include economic revival, technological modernisation, diversification, Western-style management and marketing. However, it did not have a strong positive impact on journalistic culture. Its pronounced profit drive contributed to strong media commercialisation. Foreign capital did not launch any new quality media but preferred tabloid and semi-tabloid journalism. Foreign-owned media do not protect labour and social rights of journalists in a better way than domestically-owned ones.

Foreign owners fell short of the expectation that they would be more resistant to outside pressures and corrupt practices. They adapted their strategies to the "Wild East" conditions of media business, characterized by political instrumentalisation and clientelist relations. There are many indices that they sought political support for their business operations and offered political support to the government that provided it. For example,

German-Swiss company Ringier Axel Springer Serbia, the technological and financial leader in the press market,¹⁹ dismissed editors-in-chief of its two publications (the *NIN* magazine and the tabloid daily *Alo*) in 2010 and 2011 when they published critical texts about the policies of Serbian President Boris Tadić. *TV B92*, owned by a Cyprus-registered company, suddenly stopped airing two humorous shows in 2013 that spoke critically of Vice Prime Minister, Aleksandar Vučić.

Rather than expanding, foreign capital restricted the mission of the service of public interest in the media outlets with an established tradition of critical reporting and investigative journalism. Under foreign ownership, *RTV B92*, which was a symbol of independent media in the most difficult times of the 1990s repression, has turned into an average commercial television and lost its identity as a source of reliable and responsible journalism in the service of the community.

Many media analysts think that foreign capital comes to Serbia on the basis of non-transparent deals with the authorities.²⁰ For example, the investment of the German media group WAZ in the press market was directly arranged by Serbian Prime Minister Đinđić in 2001. WAZ, in turn, did not object to continue its co-ownership status with the state in two big publishing enterprises (*Politika* and *Dnevnik*) when state ownership in these enterprises became illegal. The easiness with which the regulatory authority approved non-transparent investment by two Cyprus-registered companies in *TV Prva* and *RTV B92* also raises doubts about the deals behind the scenes. Foreign owners do not restrain from accepting government advertising or other forms of state funding although it implies the purchase of positive publicity. The 2011 report of the Anti-Corruption Council pointed out several controversial cases of the government funding of Ringier editions and characterized these financial deals as Ringier's acceptance of government influence on its editorial policy. Ringier's editions indeed were leading the way in presenting a positive image of the ruling party during the 2012 election campaign.

The autonomy of journalists in foreign-owned media is firmly determined by a corporate logic of expansion and modernisation. Generally, foreign media keep a low level of political coverage and give priority to verified profit-stimulating production formats based on light content, human-interest stories, and opinionated instead of investigative journalism. Although foreign investors keep their tabloids and reality shows within much stricter limits of decency than domestic ones, they in general have not decreased media integrity risks.

2.2.3

HIDDEN OWNERSHIP BY BUSINESS TYCOONS

Business tycoons hide their ownership behind companies registered in off-shore zones or behind a network of companies established across the world. Three of the largest businessmen were revealed as real media owners behind companies registered in Cyprus,

Austria and Russia. Milan Beko admitted in a TV interview in 2010 that he had a stake in the publishing company Novosti, partly owned by the state. Miroslav Mišković disclosed his role in the tabloid *Press* in 2012 in a press release, a month before he was arrested for investigation of crimes in other business areas and three days before the paper closed down due to large debts. Miroslav Bogičević was indicated as the person behind a purchase of WAZ's shares in the partially state-owned dailies *Politika* and *Dnevnik*; the Vice Prime Minister Vučić claimed that Bogičević was forced to make a purchase by the Democratic Party so that the party could preserve the influence on the newspapers.

Hidden owners are not driven by profit. They finance the media with profits earned in other business activities. Their media usually make losses.²¹ Obviously, their gains of another kind are important enough to compensate for financial losses. They hide their owner status in order to conceal the true goals of media operations. They use the media to improve their own unfavourable public image,²² to pursue business interests in their main areas of activity (including pressure on their business competitors), and to promote their own political agendas or make services to political groups which can in turn secure for them various concessions.

The key unknown aspects of this type of ownership are informal alliances of businessmen and political forces and the way they establish common interests that the media should satisfy. In the cases cited above, businessmen invested in partially state-owned media or allegedly had deals with party officials. It is reasonable to assume that their owner status was not a secret to certain state bodies. Yet, it could remain hidden for years because the media were used to meet mutual interests of media owners and state or party bodies. The extent of journalists' autonomy in this type of ownership is highly dependent on the primary interests of their owners and on relations and ties they have with other power centres.

Hidden ownership by tycoons is usually connected with tabloid papers. Since 2000, the market has seen the appearance and disappearance of at least 19 daily papers, 17 of which were tabloids. None was planned as an ambitious business endeavour, with a solid financial basis and significant human resources. One third did not live even one year. As a rule, neither the owners nor the origin of initial capital of these many newspapers were known. Most often they were launched before the elections (2004, 2007, 2008, 2012), or in times that were judged as important for the political situation in the country.

The ways in which journalists are instrumentalized for particular aims of their hidden owners remain hidden. Journalists involved in these practices never talk publicly about them, deny any personal responsibility and even create the image of their independence from particular interests. Some journalists do not know who the real owners of their media outlets are. Those who do know the owners and their interests seem to be well paid to keep the facts hidden. In the past 10 years, an entire class of journalists emerged who move from

old to newly established tabloids. They have no sense of public or professional responsibility and often break ethical rules and other codes in order to reach the wide audience.

2.2.4

(HIDDEN) OWNERSHIP BY POLITICIANS

Political actors have not developed effective mechanisms for communication with voters other than the media. In the absence of a stable social embedding of political parties in the interest structure of society, the political elite is obsessed with influencing the entire population and frantically searches for ways to shape public opinion on every issue of political importance. Media legislation bans political parties from owning media outlets, but not also individual party officials. In order to circumvent the legal ban on media possession, political organisations often resort to ownership by their members or affiliated individuals as a mechanism for influencing public opinion.

A number of media are currently actually owned by politically influential individuals, usually former or current high officials of political parties. Their ownership is often hidden behind members of their families, off-shore companies, publicly unknown individuals or journalists as registered owners.

Hidden political ownership is used for the promotion of ideologies, policies, views and political figures of parties or other political groups the actual owners belong to or are affiliated with in order to maintain or increase political power of political organisations. Real owners are hidden in order to conceal the political nature of sources of finances, not so much the political nature of content their media produce. The functioning of these media is especially important during election periods.

Politically-related media owners are not primarily market-driven. They usually manage to make their media financially viable by getting financial support from political circles they serve. Hidden ownership by politicians or politically-related individuals is present in all types of media and at all levels – national, regional and local.

The extent of political bias in the news content varies from mild to open propaganda. The national *Radio Fokus*, the daily *Pravda*, the regional TV stations *TV Most* and *TV Palma Plus* are the most known examples of media operating as propaganda tools of party politics. They change their editorial policies in accord with the changes in political orientations of parties that own and finance them. For example, *Radio Fokus* and the daily *Pravda*, originally established by the Serbian Radical Party (in 2005 and 2007), openly promoted the party's nationalistic political platform. After the part of the leadership left this party in 2008 and established a new one, the Serbian Progressive Party (SNS) with a pro-European orientation, these media outlets immediately switched to propagating a new political agenda of the SNS. In "politically corrupted" media, editors are appointed by high party officials who usually have a final say on editorial matters. According to Predrag

Popović, editor-in-chief of the daily *Pravda*, in the period 2007-2010, most important editorial decisions in the newspaper were taken by the Vice President of the SNS, Aleksandar Vučić, who never had any formal relation with *Pravda's* publisher (Popović 2013). Some journalists in these media are party members. According to one description, *Radio Fokus* was “a unique national broadcaster in Serbia and probably in the region and wider, in whose programs news presenters boast loudly of their own party inclination or membership (in SNS), openly and without reservations propagate the ideas of one (and only one) political organisation, and glorify its leaders.”²³

Some politically aligned media try to keep their influence using an opposite tactic – they do not show an easily observable political bias and do not hire politically affiliated journalists, but never question the policies of particular political groups. *Radio S*, the leader among national radio broadcasters, with a great part of music programming, belongs to this group of media. It was established by the SPS when it was the ruling party, then transferred to its high official Zoran Anđelković (a former General Secretary of SPS, a former Minister and Vice President of the Parliament) and now it is owned by Anđelković's family members. A quality weekly magazine on economic matters, *Ekonomist*, is another example. Its formal majority owner was Media International Group registered in the American off-shore zone of the State of Delaware, while the actual owner was Božidar Đelić, a high official of the Democratic Party and a former Deputy Prime Minister. The *Ekonomist's* journalists had a wide editorial autonomy, but the magazine never conflicted with the interests of its owner.

A financial destiny of media (secretly) owned by politicians does not depend on their market operation but on the ability of political groups behind them to provide finances. *Radio Fokus*, the *Pravda* daily and the *Ekonomist* magazine collapsed financially, while *Radio S* and *TV Palma Plus* are expanding.

2.2.5

SMALL BUSINESSMAN OWNERSHIP

This type of ownership involves small-scale businessmen with primary interests in other industries. It is dominant in local media. A majority of small owners launched their media during the chaos of the 1990s, some after 2000, and a minority acquired them through privatisation. Their main problem is economic sustainability because of unfair competition with the state media and the low potential of local advertising markets. The estimates are that the advertising revenue constitutes 30-35 percent of the local media total revenues.²⁴ A majority of these media are not profitable or have low profit margins. They survive thanks to small amount of own production, low costs of in-house production, low pays to employees, contracts with local authorities, and donations.

Small businessmen treat their media in different ways. A small, extreme group (“predator-owners”) sees the media as a source of financial gains. These owners were prominent among privatisation buyers (Serenčič and Isakov 2010). They had no knowledge about the media business or socially responsible journalism. They abused the purchased resources (premises, equipment and real-estate) to advance their business interests in other areas. Today, they treat the media as a source of advertising income and as a tool for getting budget funds allocated by local municipalities. They keep a low number of journalists, exploit them to a high degree and easily compromise the media coverage for any financial gain, either from other business circles or political networks they may be affiliated with. Conflicts between owners and journalists often end up in strikes.

At the other end of the spectrum are successful businessmen who finance the media in order to contribute to the development of their local communities. They are interested in a market success of their media but do not restrict their autonomy for the sake of profit. Yet, autonomy is allowed as long as it does not conflict with the main business interests of owners. Some of them can sustain the pressure from political circles if their business does not depend on local authorities. If it does, they make it clear to journalists what the limits of their independence are.

Self-censorship among journalists in these media is rather widespread. Some of them admit they accept the primary goal of the owner, i.e. an increase in revenues, as their own. Even without being pressured by the owner, who often does not have enough capital to sustain the business, they focus on the profitability of their work and yield to the interests of outside financial forces. They take care to satisfy the publicity interests of their sources of finances and easily ignore other social actors that cannot provide revenues.

2.2.6

JOURNALISTS' OWNERSHIP

Quite a number of local radio stations and newspapers are owned by journalists (a group of them or an individual), and the same pattern also persists in some national media (the news agencies *Beta* and *Fonet*, the daily *Danas*, the news magazine *Vreme*). Some media are registered as owned by journalists although they are believed to have hidden real owners (the tabloids *Informer* and *Naše novine*, the magazine *Novi magazin*).

Some of these media were established as part of journalists' endeavours in the 1990s (*Beta*, *Fonet*, *Danas*, *Vranjske*, *Radio 021*, etc.). They were helped by foreign donors as the providers of credible information in the service of the community. In some cases, journalists became owners through privatisation. The interest of employees to purchase their media organisations was in fact quite high but they had no enough financial power or assistance from any side. A whole set of new print media was established by journalists

who were not satisfied with the privatisation results: they considered their new owners inappropriate and left the privatized media organisations to create their own ones (*Zrenjaninske novine*, *Pančevac*, *Press*, *Niške novine*, *Kragujevačke*, etc.). However, a small number of them survived.

A number of journalists favour journalists' media ownership over other types because of wide autonomy, importance given to news coverage and commitment to critical and investigative journalism. Journalists-proprietors work in the media they own and keep the highest managerial and editorial positions. Of all the owners, they know best what quality journalism is. They treat other journalists more like colleagues than employees.

The media owned by journalists, however, struggle for financial viability. The economic crisis has severely aggravated their economic troubles and some are on the edge of survival. Regardless of the quality of journalism, media owned by journalists have to cope with numerous deficiencies of the current models of media financing. Financially vulnerable, they have to make various kinds of compromises in order to survive.

2.2.7

MEDIA MOGUL'S OWNERSHIP

Serbia has one typical media mogul. It is Željko Mitrović, the owner of the Pink Media Group (PMG), the largest media conglomerate in the Balkans, involved in radio, television, satellite and cable broadcasting, entertainment production, film production, music recording, optical disc replication and charter air service provision. The company includes the leading national commercial television *TV Pink*, regional *Radio Pink* in Belgrade, TV stations in Montenegro (*Pink M*) and Bosnia and Herzegovina (*Pink BH*), and 35 cable channels.

Mitrović created his empire in the 1990s owing to a high position in the Yugoslav Left party and close personal relations with its leader, a wife of Slobodan Milošević. The success of *Pink* was a state or a party project: *TV Pink* was awarded frequencies in order to cover the national territory at the time when no independent media could obtain them and was given the equipment owned by state television (financed by citizens for decades) for a small compensation.²⁵ In the period of wars, international isolation and massive impoverishment of the population, *TV Pink* promoted escapism-stimulating glamour and entertainment, with an emphasized patriotic note. With the change of government in 2000, the editorial policy of *TV Pink* changed literally overnight. It started serving a new government with the same enthusiasm as the former one. The 2006 allocation of national broadcasting licences helped *Pink* to strengthen its leading market position. The only potential competitor, RTL company, did not obtain a licence, while four other commercial players did not count as a serious challenge. After the change of the government in 2012, Mitrović broke off his affiliation with the formerly ruling Democratic Party and made *TV Pink's* news program the mouthpiece of new rulers.

“The Balkan media mogul” severely abused his owner status in *TV Pink* several times to defend his business and very personal interests. In 2002, he launched a disqualification campaign against a member of the Anti-Corruption Agency who said that the legality of construction of *TV Pink*’s building should be examined. In 2011, he threatened to stop hosting Croat singers on *TV Pink* and started reporting nationalistic incidents in Croatian tourist regions after Croatian authorities had blocked his yacht. In 2013, he ran a campaign against the editors of the *Blic* daily because of its coverage of a fatal traffic accident caused by Željko Mitrović’s son. *TV Pink*’s journalists allowed their autonomy to be abused without any protest.

2.3 CHANGES IN THE MARKET

There are no data on the distribution of various ownership patterns across the media. They are the result of a chaotic evolution of the media market, controversial privatisation process and incoherent regulation attempts. Several general trends in the development of media ownership structure could be observed in the past 10 years. State ownership declined in 2003-2007, then stabilized but is expected to be abolished by 2015. Foreign ownership was introduced later than in other countries of Central and East Europe, first in the press, but is currently moving intensively towards television and cable markets. Hidden ownership by tycoons was established at the beginning of transition and has been rising with the increasing intensity of the economic crisis. Hidden ownership by politicians was present at all times and is on the rise before every election period. Journalists’ ownership increased with the departure of big international donors and in the privatisation period but remained volatile. Small businessman ownership is widespread but has declined with the economic crisis due to media bankruptcy. Moguls are just few in number, but their ownership is expanding. Civil society ownership remains negligible, but is on the rise in online media.

Particular market segments see different combinations of media ownership patterns. Structural pluralism is greater in local media than in national media that show tendencies towards horizontal concentration.

The national TV and daily press markets display the lowest degree of ownership pluralism. Several important changes took place in these market segments in the past decade due to changes in ownership structures, none in favour of informed citizenry.

In 2003, the national TV market was topped by three state channels (*RTS 1*, *RTS 2*, *RTS 3*) and two television stations owned by media moguls (Željko Mitrović’s *TV Pink* and Bogoljub Karić’s *BK Telekom*). It is dominated today by a public service channel (*RTS 1*), mogul Mitrović’s channel *TV Pink* and two stations in foreign ownership (*Prva* and *B92*). The changes over 10 years did not strengthen media pluralism or service in the public interest. The transformation of the former state television, *RTS*, into a public service

broadcaster did not result in politically neutral news coverage. Mitrović's *Pink* is the same as it used to be – a leader of entertainment and a reliable political ally of the ruling majority. The novel market elements are *Prva* and *B92* televisions, both owned by foreign capital. If it is true that *Prva* and *B92* have the same owner (the Greek ship-owner, Minos Kiryaku), as claimed by the Anti-Corruption Council, foreign ownership in the national TV market can be blamed for illegal market concentration. The most important market turn, however, is a radical change of the identity of *B92* as a source of public interest journalism. In 2003, *TV B92* ranked sixth among national TV stations, with about 4 percent of audience share. However, it was only three years old and soon earned popularity following the traditions of *Radio B92*, known for its credible, investigative, critical and courageous news coverage. In 2006 and 2007, *B92* ranked third with over 9 percent of audience share. Although formally owned by American Media Development Loan Fund, *TV B92* was in fact run by journalists. Under a new ownership structure from 2010 onwards, the news program of *TV B92* has kept shrinking in favour of commercial programming (soap, sport, sitcom, reality shows). Many viewers consider the disappearance of the “old, courageous *B92*” the greatest negative consequence of media transition in Serbia.

Table 1 OWNERSHIP STRUCTURES OF TOP 5 NATIONAL TV CHANNELS

MEDIA OUTLET	AUDIENCE SHARES		OWNERS IN		TYPE OF OWNERSHIP
	2003	2013	2003	2013	
PINK	23.94%	21.42%	ŽELJKO MITROVIĆ, 100%	ŽELJKO MITROVIĆ, 100%	LOCAL MOGUL
RTS 1	21.68%	19.97%	REPUBLIC OF SERBIA, 100 %	REPUBLIC OF SERBIA, 100 %	PUBLIC
PRVA	0%	16.21%	ESTABLISHED IN 2006 BY NEWS CORPORATION	NOVA BROADCASTING, 51% WARRANER LTD, CYPRUS, 49%	LOCAL/ FOREIGN
B92	3.92%	7.74%	MDLF, 48.06% B92 TRUST, 42.38% EMPLOYEES, 9.54% AKCIJSKI FOND, 0.02%	ASTONKO, 84.99% B92 TRUST, 11.36% SMALL SHAREHOLDERS, 2.33% FOKS TV, 1.32%	LOCAL / FOREIGN
HAPPY	0%	4.07%	ESTABLISHED IN 2006	MD INVEST, 95.01% 2. IDEOGRAM, 4.99%	LOCAL BUSINESSMAN

Sources: Nielsen Audience Measurement and Republic Broadcasting Agency.

Important changes happened in the daily press market as well. Although partial,²⁶ circulation data show a great decline in readership which opts for tabloid and semi-tabloid press. A high quality press lost much of its significance. There are only two quality general papers (*Politika* and *Danas*) among 12 national dailies, plus an economic paper (*Pregled*). *Politika*, which ranked third in 2003, with cca 115,000 copies, is not among the first seven today, with the last audited 56,000 copies in 2011.

The daily press market is dominated by foreign ownership and hidden ownership, be it by tycoons or politicians. The leading daily publisher is a Swiss-German Ringier Axel Springer, which publishes two of the three most circulated dailies, semi-tabloid *Blic* and tabloid *Alo*, in addition to a free paper *24 sata*. It is the only publisher which recorded rises in revenues, net profit and number of employees in the past four years. The third ranked audited paper is *Večernje novosti*, owned partly by the state and by companies which are a front for the businessman tycoon Milan Beko. Tabloids *Kurir*, *Informer* and *Naše novine* are not taken into account in this review, despite their popularity, because their circulation is not audited. Their owners (an individual owner in *Kurir*, journalists in other cases) are widely believed to be only formal representatives of the interest groups behind them. *Kurir* and *Informer* are associated with the interests of the ruling Serbian Progressive Party, while *Naše novine* is ascribed a link with tycoons. Tabloids, which spread in the second half of the last decade, greatly decreased the credibility and reputation of journalism. They largely trivialized and personalized serious social issues. Tabloids massively violate professional ethics, especially with regard to discrimination of minority social groups, hate speech, and privacy rights, and decrease the quality of the public sphere.

Table 2 OWNERSHIP STRUCTURES OF TOP 3 DAILY NEWSPAPERS

MEDIA OUTLET	CIRCULATION		OWNERS IN		TYPE OF OWNERSHIP
	2003	2013	2003	2013	
BLIC	150.000 CCA	118.739	RINGIER SRBIJA, 100%	RINGIER AXEL SPRINGER SRBIJA, 100%	FOREIGN
ALO	DID NOT EXIST	106.438		RINGIER AXEL SPRINGER SRBIJA, 100%	FOREIGN
VEČERNJE NOVOSTI	210.000 CCA	101.033	SMALL SHAREHOLDERS, 63.33% SERBIA AND MONTENEGRO, 29.52% PIO FOND RS, 7.15%	REPUBLIC OF SERBIA, 29.51% TRIMAX INVESTMENTS, 24.99% ARDOS HOLDING, 24.90% KARAMAT HOLDINGS, 12.54% PIO FOND RS, 7.15% SMALL SHAREHOLDERS, 0.91%	STATE / TYCOON

Sources: ABC Srbija and Business Registers Agency.

State ownership is also significantly present in this market. The state preserved ownership stakes in two most powerful media groups of the pre-privatisation period, *Politika* and *Novosti*. Their non-transparent privatisation, first involving WAZ and then controversial businessmen Miroslav Bogićević in *Politika* and Milan Beko in *Novosti*, made these companies lose much of their economic strength. They barely survive today due to huge accumulated losses. The state bodies firmly hold to their governing rights in the dailies *Politika* and *Večernje novosti*, especially to the right of appointment of directors and editors-in-chief, who are selected on political grounds.

None of ownership types in the daily press market - foreign, state and hidden- is devoted to the care for public interest. The tradition of high quality journalism in the national daily press is almost lost. Despite the high number of dailies, the audience is growingly dissatisfied with the information offered. Instrumentalisation of the press by their owners is clearly seen in the election coverage and the coverage of controversial social issues.

Like quality dailies, top news magazines became marginal, with small circulation (around 10,000) and a low profit margin. The most circulated one in 2003, *Nedeljni telegraf*, with 90,000 copies, disappeared from the scene. The oldest one, *NIN*, which stood for decades as a symbol of quality journalism, became part of Ringier Axel Springer in 2010. It is gradually changing its target group from the intellectual elite to the business elite, losing its traditional audience and dropping below the 2003 circulation of 20,000. The news magazine *Vreme*, a leader of the independent press in the 1990s, lost its patron, a human-rights lawyer, and donor support to become the property of its employees. Although under no pressure of an owner with particular interests, *Vreme* is forced to make compromises in order to survive. *Vreme's* editor-in-chief explained publicly that between the two evils - borrowing ever-needed capital from political or business sources - it opted for the latter, lesser evil. It received a loan from the businessman tycoon Miroslav Mišković, which earned it the image of the mouthpiece of big business interests. Several new weeklies appeared on the scene (*Nedeljnik*, *Pečat*, *Akter*), as endeavours by journalists, but they have small professional resources and do not follow the tradition of analytical journalism of old news magazines.

Local news weeklies are widespread. They are owned by small businessmen, journalists and politically-related individuals. The local press is more sensitive to public interest than local radio and television but has small audience and faces serious financial challenges.

Radio lost on importance as a source of news. The leading radio broadcaster, *Radio S*, which increased its 2003 audience share of 4.25 percent to 22.4 percent in 2013, is a typical commercial, music-oriented station. The next most popular, *TDI Radio*, with a much smaller audience share (4.4 percent) is also music radio. The 2003 market leader, now the public broadcaster *Radio Beograd 1*, is ranked third. It preserved a diverse programming, but now has half the audience share (3.1 percent) it had in 2003, when it was state-owned. Ownership patterns in top five national radio broadcasters include a hidden ownership by a politician (*Radio S*), small businessman ownership (*TDI Radio*), and two cases of insufficiently transparent foreign ownership (*Radio B92* and *Radio Index*). Foreign ownership in *Radio B92* (same as in *TV B92*), the most influential independent media outlet of the 1990s, has made this radio less relevant than ever, due to the owner's commercialisation tendencies. *Radio Index*, which used to be an independent student radio, also turned into a music and enter-

tainment station. Regional and local radio stations include very diverse ownership schemes, with a strong presence of state media and media owned by small businessmen.

2.4

CONCLUSIONS

Although quite diverse, all types of media owners are interested in control of the editorial content of their media. Journalists, on the other hand, are not equipped with defence mechanisms against owners' interferences in daily editorial decisions.

Yet, the analyzed patterns of media ownership display differences in the ways they allow journalist autonomy and performance of media roles in a democratic society. Moguls and "predator" type of small businessman push hard for commercialisation and owners' financial gains. Journalists' rights in these media are severely limited by their owners' perceptions of how media should function. Foreign owners lean towards prioritizing profit benefits over social gains for the public. If they find balance, it is achieved by avoiding the coverage of the most controversial news topics.

The State, tycoons and politicians as media owners do not base media operations on the market logic. Their primary interest is to influence audiences, even at the price of financial losses. Media with these kinds of owners do not produce critical and investigative reports that conflict with owners' interests but are stimulated to harm their political or business opponents. They usually present the material they obtain from hidden sources, such as judiciary institutions, state secret services or other allies of their owners, as their own investigative reporting. Journalists in these media tend to accept the interest frameworks of their owners either by agreeing with their ideological platforms or through self-censorship and rarely protest the abuse of their professional rights.

Journalists and part of small-businessmen as media owners give preference to social gains. Their operation is market-driven but they cannot secure enough financial sources for a business growth in the current economic environment. Their professional autonomy is limited to cheap production. Civil society ownership also allows wide professional autonomy and also suffers from the lack of finances.

In everyday routine work, different types of owners adopt different strategies in treating the public interest, depending on many circumstances in the media environment. According to five interviewed media experts and representatives of professional organisations,²⁷ none of the analyzed ownership structures clearly stands out as the most suitable one for the public interest role. Each displays a number of weaknesses which are aggravated by the economic non-sustainability of media and the economic crisis.

A majority of interviewees hold that, rather than ownership, it is the way the media are financed that crucially determines their treatment of the public and other interests. They

admit, however, that media financing models are related to ownership patterns. The media economy expert, Goran Cetinić, thinks that “media ownership is one of the most efficient channels of influence on the media. However, the public interest is not endangered by the type of ownership per se but by a policy that abuses ownership types.” Experts and professional organisation representatives blame poor regulation of the media system, especially in regard to ownership structures and media finance structures, for journalists’ excessive dependence on particular interests of owners. Dominant ownership structures and dominant ways of media financing do not allow for the development of a business media model capable of supporting the media that serve the public interest.

3 MEDIA FINANCES: ECONOMIC LEVERS IN THE HANDS OF POLITICAL LORDS

According to several surveys, the majority of journalists see the main threat to media freedom in the unfavourable economic position of media companies. Media business indeed is characterized by turbulent economic conditions. After a short golden age of revenues increase (2007-2008), a vast majority of media “shifted their approach to survival mode.”²⁸ Today, most media companies are chronically underfunded and operate at a loss. In 2010-2012, seven dailies (*Borba*, *Glas javnosti*, *Press*, *Pravda*, *Nacionalni građanski*, and *San*) and a broadcaster with national frequency *TV Avala* went bankrupt. According to official 2012 balance sheets, six of 10 daily newspaper publishers did not have any profit, while some accumulated millions of euros losses (*Politika* NM – about 35 million euro, *Novosti* Company – around 5 million euro). The leading commercial TV broadcaster, *TV Pink*, had to apply with tax authorities for a special program for a delayed payment of nearly 7 million euro debts.

Like in other countries, the economic position of traditional media worsened because of increased competition from the online media and global economic recession. However, there are many indices that digital technology and world economy are not the main causes of unsuccessful media business in Serbia. The development of new communication technologies in Serbia is much slower in comparison to developed parts of the world. In 2011, official statistics recorded that 53 percent of citizens aged 16-74 years have never used the Internet. The Internet access was available to 41 percent of households (8 percent more than three years earlier), while only 31 percent had fast access. The economic crisis significantly cut media revenues. However, after a drop in the value of the advertising market in 2009, it increased in 2010 and has kept at about the same level in the last three years.

Business challenges caused by new communication technologies only added new problems to the already existing ones²⁹ that remained unsolved by media reforms. Negative trends in the media industry – a chronic lack of investment, difficult access to capital, operations on the edge of liquidity, decreasing newspaper circulations, lay-offs of journalists – had been there before the spread of the Internet and before the global economic crisis. They are constant characteristics of the media system transition.

Media reforms after 2000 have not succeeded in making a stable economic foundation for media development. The unfavourable economic position of media, which threatens media freedoms and journalist rights, is the result of the nature of the media finance structures that persist for more than a decade. They continue to make the media prey to particular interests of finance holders and controllers. The characteristic features of media finance structures include:

- poorly regulated, non-transparent and distorted market;
- politically-motivated acting of the state as a market player;
- political affiliation of marketing agencies.

3.1 UNREGULATED AND DYSFUNCTIONAL MEDIA MARKET

The media market is poor, yet oversaturated; it is concentrated but dynamic. It is fairly developed at the national level but underdeveloped at the local level.

The advertising market is one among the poorest ones in Europe and the Balkan region, with about 170 million euro value in the last three years. At the time of its peak in 2008, its value (206 million euro) was three times smaller than that in Croatia (630 mil euro)³⁰ and 2.5 times smaller than in Slovenia (522.5 million euro).³¹ The number of active commercial advertisers is small, estimated at about 250.³² Most local economies are underdeveloped and local advertising markets are exceptionally poor, in some places almost non-existent.

Table 3 CHANGES IN ESTIMATES OF TOTAL ADVERTISING MARKET NET VALUE (IN MILLION EURO)

2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
50	65	80	95	115	175	206	161	175	172
	+ 30%	+ 23%	+ 19%	+ 21%	+ 52%	+ 18%	-22%	+9%	- 2%

Source: Nielsen Audience Measurement.

The market is overcrowded with more than 1,000 operational media, including about 350 radio and TV broadcasters. Each media outlet relies on about 7,000 people as average audience, who have a low purchasing power (GDP per capita is slightly over 4,000 euro). A too great number of media on a small and poor market makes them commercially unsustainable.

Particularly vulnerable are the press, whose constant low share in the advertising market keeps thinning, and the local media, because of underdeveloped local advertising markets and advertisers' focus on national media. The largest domestic advertiser, Telekom, did not place a single advertisement in any local media in 2012.³³ Local media earn 30-35 percent of revenues from advertising.

Table 4 SHARE OF MEDIA IN THE ADVERTISING MARKET (%)

	2008	2009	2010	2011	2012
PRINT	25	22	23	23	21
TV	55	59	56	55	56
RADIO	4	4	5	5	5
INTERNET	1	2	3	5	7
OTHER	15	13	13	12	11

Source: Nielsen Audience Measurement.

The unfavourable economic climate is the main obstacle for business growth. However, the real enigma of the media economy is the way in which a too great (and growing) number of media outlets survive on the market that has no capacity to sustain them all. The answer to this puzzle lays in the fact that the market is not the main factor that determines the economic destiny of media. Many media entrepreneurs are not entrepreneurs at all. They run the media in order to get influence on media production and audiences, and do not base their operations on the work of market forces. In fact, there is no as yet a regular and functional media market in place. Media companies do not operate under equal conditions and political deals and vested interests distort the distribution of market punishments and rewards.

The media market is very poorly regulated. The press sector is completely liberalized; the online media are not mentioned at all in media laws; cable operators are not subject to any regulation except the licensing regime, with licences guaranteed to all applicants. Media ownership is not transparent and there is no a comprehensive anti-monopoly law. Regulation of broadcasting, the only market segment that is subject to regular control, is so inefficient that a regulatory body in charge of its supervision for years cannot solve the problem of illegal operators: 48 pirate broadcasters were identified in October 2012.³⁴

The prevailing culture of media business is non-transparency and secrecy. Even the basic industry data is lacking - the number of media, press circulation and readership, radio and TV ratings and audiences, media shares in the advertising markets, types and sources of revenues, structure and wages of workforce. Several agencies are engaged in market data gathering,³⁵ but their data is incomplete and susceptible to doubts because they hold a monopolistic position in their fields.

The way individual media perform their business operations is obscure. They are obliged only to submit annual financial reports to the Business Registers Agency, like all other business enterprises. These reports do not reflect specific features of media economy. Crucial information on their business success is not presented. It is considered a business secret.

Poor regulation allows some media to survive by violating the laws or by relying on the power of informal interest groups behind them. The former owner of the tabloid *Kurir*, Radislav Rodić, used to declare a bankruptcy and close down the publishing enterprise registered in an off-shore zone in order to avoid debt paying and immediately register a new enterprise that would continue old business with the same people. Some media survive for years despite debts to printing companies, distribution networks, power and telephone companies or tax administration, thanks to the deals concluded by their powerful owners.

The strongest characteristic of the market is the lack of free and fair competition. A non-discriminatory environment is most blatantly distorted by the position of state-owned versus private media. Only the former receive subsidies from the national, provincial or municipal budgets, on the basis of their status of public companies. Subsidies cover the operational costs of the state media – according to some sources, from 66 percent up to 100 percent. The subsidized media compete with private media for commercial income in the same market. Guaranteed their (large) revenues in advance, state media easily resort to dumping market prices. In order to adapt to unequal business conditions, private media are often forced to cut their staff and their pay, to commercialize their content, develop self-censorship or submit to pressures of financial sources.

Neither a precise number of media getting state subsidies nor the amount of subsidies is publicly known. There are about 100 state-owned media among a total of about 1,200. If we include public service broadcasters that receive indirect subsidies, they are present in all market segments. Subsidies accounted for 77 percent of the 2012 republic budget for media. According to a 2011 survey by the Balkan Investigative Reporting Network (BIRN) on media funds in 33 local communities, 64 percent of local communities paid subsidies to local media. The subsidies made up 60 percent of all local budget funds for media.³⁶

A discriminatory nature of the market is clearly seen in the operations of two news agencies, the state-owned agency *Tanjug* and the private agency *Beta*. The agencies are comparable in terms of production output. According to their 2012 official balance sheets, business revenues of *Tanjug* and *Beta* excluding donations were also comparable – around 1.05 million euro for *Tanjug* and 984,000 euro for *Beta*. *Beta* has less than half the number of employees *Tanjug* has (90 compared to 212). However, as a state-owned enterprise, *Tanjug* received 1.8 million euro subsidies from the republic budget. Owing to state aid, *Tanjug*'s net profit (11.485 euro) was 19 times higher than that of *Beta* (607 euro), although *Tanjug* is twice less productive. If *Tanjug* did not receive the subsidies, it would operate with a financial loss.

State media get other types of hidden or indirect subsidies in the form of tax breaks, loans without or with interest rates below commercial ones, annulment of debts to public companies etc., which are additional ways of distorting competition conditions.

The poor, unregulated, non-transparent and distorted market prevents media from operating as sustainable independent businesses. They are forced to compete severely for any source of income and in many cases the first victim of the struggle is journalists' welfare. A constant lack of financial sustainability and a pervasive financial crisis (due to global recession and the structural crisis of the Serbian economy) makes their position hardly bearable and forces them to endanger their integrity.

3.2 THE ROLE OF THE STATE AS A MARKET PLAYER

Although there is no precise information on the total amount of state spending in the media industry, the sources and forms of funding, partial available data show that the state is a very important source of media revenues.

According to official data, state financial support to the media sector amounted in 2011 to about 25 million euro – 5 million from the national budget, 3.5 million from the province of Vojvodina's budget, and 16.5 million from local self-governments' budgets. A lion's share of these funds was spent for subsidies to state media. However, the official data does not include all sources of budget funds, such as advertising by state bodies and public enterprises and the funds recorded as "contracted services" and "specialised services." With these amounts – the media associations' estimates put them at no less than 20 million euro – the overall share of state spending in the media market is considerably higher. It ranges between 23 percent³⁷ and 40 percent, even more if the revenues from radio and TV licence fees and other types of state funding are included.

With worsening economy, the importance of state funds for media is growing. According to a 2013 survey by the Association of Local Print Media *Local Press*,³⁸ a typical local newspaper gets 30 percent of its revenues from state funds. About 35 percent comes from commercial activities (sales and advertising), 15 percent from donations and 20 percent from other activities (publishing, catering). Since advertising involves advertising by public companies, the structure of local papers' revenues shows a great extent of dependence on public funds.

The media have no equal access to state funding. Although Serbia is a member of the Council of Europe, which demands the states to treat the media in a fair and neutral way when distributing direct or indirect financial support, the government does not apply this standard. According to media organisations, competition on equal footing in 2011 was made possible for only 15-20 percent of state funds earmarked for the media sector (Matic 2013).

State funding of media is unregulated, unmonitored, and non-transparent. The largest part of state financial aid is allocated arbitrarily, i.e. on political grounds, and without supervision. None of the forms of distribution of public funds to media is clearly regulated. Some regulation pertains to financing of media projects only, which is the smallest part of state aid. Subsidies are effectively exempted from regulation on state aid by a special 2011 government decree that allowed uncontrolled aid of up to 30 million euro, a sum much higher than current subsidies. Other financial streams are not even considered forms of the state aid. Current media laws do not treat state funds in the context of their impact on economic competitiveness and editorial independence or potential abuse by decision makers. In practice, however, the arbitrary allocation of budget funds has very important consequences precisely for free market competition, journalists' autonomy and usage of finances in a politicised way.

Budget subsidies are given to state media only. They are a long-used instrument to impose political limits to journalists' professional competences. Decisions on subsidies are made by executive state bodies and formally approved by legislation bodies. It is no one's concern that by providing subsidies to state media, the state prevents free market competition instead of promoting a non-discriminatory environment for the media industry development. The news agency *Beta* filed a complaint with the State Aid Control Commission in 2012 against market discrimination in relation to state-owned agency *Tanjug* that annually gets about 2 million euro in subsidies. The Commission twice rejected the complaint as groundless. *Beta* filed a suit before the Administrative Court of Serbia in December 2012, which has not yet been processed (Matic 2013).

State advertising also undermines free competition on the media market. Given the lack of financial sustainability and poor commercial advertising market, advertising contracts with state bodies or public enterprises are highly important for many media outlets. However, the lack of regulation allows the state bodies to use advertising contracts to elevate or downgrade the financial performance of media on their own will and to reward or punish their editorial policies.

The Advertising Law addresses state advertising in a single of its 111 articles. It does not specify any rules regarding the scope, criteria or manner of allocation of state bodies' advertising budgets, release of data or control against abuse. The Public Procurement Law is ambiguous whether state advertising falls under its scope. Even if it does, advertising services worth up to 3,000 euro are exempted from a public procurement procedure, while those valued up to 30,000 euro are categorized as low-value procurements that are carried out according to the less strict procedure. At any rate, in practice, the value of a majority of state advertising contracts is lower than 30,000 euro. According to BIRN survey, of the 15 local self-governments which signed advertising contracts in 2011, only 3 carried out

public procurement procedures. Others directly negotiated with the media they selected on their own. The total value of contracts concluded through direct negotiations was five times higher than the value of contracts concluded through a tender procedure.

The abuse of state advertising for influencing media editorial policies was first documented by the Anti-Corruption Council in the “Report on Pressures and Control over Media in Serbia” in 2011. The report demonstrated that advertising contracts on public campaigns often required media outlets to publish interviews with state officials or print as news PR articles on the work of state bodies. These contents were not marked as paid. The Council documented that 50 of the most important state bodies and large public enterprises spent at least 15 million euro for advertising and promotion purposes in 2009. Professional media organisations estimate that the state advertising in 2011 amounted to about 20 million euro, which corresponded to 12 percent of the whole advertising market.

Local self-governments use an additional financial instrument to influence the media content. It is rooted in a specific interpretation of two obligations of local self-governments stipulated by the Law on Local Self-Government: “to inform the public about their work through public media” (Article 71) and to take care “of informing the public on issues of local interest” (Article 20, paragraph 34). Many local authorities translate these two tasks into a single one, resulting in budget funding for the media service of providing “information on the work of local government and public enterprises.” Service contracts very often clearly define which areas and which specific activities of local authorities the journalists should cover.

An illustrative example of the nature of relations between the “information service” contracting parties is the 2011 contract between the Municipality of Arandelovac and local *Radio Television Fleš*. The contract obliged the local authorities to compile the “list of persons authorized to provide information,” to “provide information for broadcasting” and to “provide accurate and full information”. The local broadcaster was obliged “to broadcast the information in the provided (original) form,” to broadcast, apart from regular TV and radio news, “additional news programmes, if needed, at the request of the ordering customer,” and to “report on events in the territory of the municipality of Arandelovac, in order to provide a positive promotion of the municipality of Arandelovac.”

The service contracts thus often expect the local media to perform as a mere channel for the dissemination of information selected and produced by the authorities. Even if contracts are not so blatantly abusive of media role, as the one presented above, they directly stimulate the media to produce a positive image of the activities of local authorities and perform as a service of the local government, absent any critical reporting and investigative journalism. This kind of “special purpose” reporting is presented to the media audience as the product of regular, professional work of journalists monitoring the events and topics of public interest and is not marked as paid content.

Local authorities have broad powers to decide how to distribute funds intended for the described “information services.” Very few allow the media to compete under equal terms in a tender. In BIRN’s survey of local information service budgets in 2011, tenders were used by six out of 26 local self-governments, while 20 self-governments signed contracts with the media whose selection was not based on any publicly acknowledged criteria.

In the absence of appropriate regulation, all forms of state financial interventions in the media sector are used for pursuing particular interests of bodies that make decisions on distribution of public funds, i.e. the ruling political parties.

3.3 POLITICALLY AFFILIATED ADVERTISING AGENCIES

A characteristic feature of the advertising market is a close connection between political parties and leading agencies that purchase media advertising space, which serves as an efficient channel for exerting influence on the media.

Media-space buying agencies recorded a strong growth with the expansion of the advertising market from 50 million euro in 2002 to 206 million euro in 2008. In the meantime, the intermediary market in advertising has grown into a typical oligopoly, controlled by very few agencies. The most successful among them are Direct Media and Universal McCann, both owned by high ranking official of the Democratic Party. Direct Media is led by Dragan Đilas, the mayor of Belgrade (2008-2013), vice-president of the ruling party 2008-2012 and since 2012, president of the same party, now in opposition. The owner of Universal McCann, Srđan Šaper, was a member of the party’s presidency, designer of its election campaigns, and a close friend of Serbian President Boris Tadić (2004-2012). There are estimates that at the peak of the market concentration, the market share of the two agencies ranged between 70 and 80 percent. In 2012, Đilas’ agency was the market leader in terms of revenues (46 million euro) and profits (7 million euro). The next most successful among 17 agencies had half of the revenues of Direct Media, and only one generated profits over 1 million euro.³⁹

A study of business results of advertising agencies shows that these two saw their greatest success during the government led by the Democratic Party, when their owners held important government posts (Antonić 2010). Revenues of Direct Media in 2005 grew two thousand nine hundred and thirteen percent compared to 2003, and in 2006 four thousand four hundred and sixty percent compared to 2003 (ibid, 339). Clients of Direct Media in that period were some of the largest government companies, dealing with telecommunications, oil processing and insurance. Universal McCann increased its revenues 52 times and its net profit 43 times in the 2005-2008 period.

Politically affiliated owners of advertising agencies influenced the media content by signing or withholding advertising contracts with particular media, i.e. by rewarding

desirable and punishing critical views on the Democratic Party. The 2010 IREX media report included testimonies by journalists that these two advertising agencies blackmailed the media and had “undue influence on editorial policy.” According to the editor-in-chief of the daily *Pravda*, this daily entered a financially lucrative period only when Direct Media began to secure for it advertising contracts, after Dragan Đilas established strong political connections with *Pravda*’s actual head Aleksandar Vučić (Popović 2013). The Anti-Corruption Council revealed that advertisers were willing to be clients of politically affiliated advertising agencies hoping to protect their business interests thorough connections with their owners who were highly positioned in decision-making bodies.

Since the Democratic Party lost the 2012 election and Đilas lost the position of the Mayor of Belgrade, his advertising agency has been losing clients.⁴⁰ In the meantime, the advertising agency *Block & Connect*, led by persons close to the president of the new ruling Serbian Progressive Party, gained many new clients and increased its annual revenues forty-eight fold in comparison to 2011.⁴¹

3.4

CONCLUSIONS

A majority of media are financially unviable and thus vulnerable to financial pressures. In a poor and overcrowded yet unregulated and non-transparent media market the strongest pressures come from business circles and from political centres. The levers of media finance structures, however, are in control of political lords. They keep the market dysfunctional, impose unfair competition, allow unlawful market operations and additionally act as a strong source of finances. All forms of state financial interventions in the media sector – subsidizing, state advertising and local media “information service” contracts – are vehicles for translating financial power of state bodies into political influence on media, i.e. as mechanisms of indirect, soft censorship (Matic 2013). The unregulated, uncontrolled and non-transparent budget spending in the media sector continues to be an effective source for financing media obedience.

The media have no mechanisms to resist the economic captivity. The number of advertisers is small and shrinking. The audience is impoverished and disinterested. The main media-space buying agencies are politically affiliated. Donors are few. Some journalists speak of media industry as no industry at all, but as a space for exerting new ways of state influence on the media.

In 2011, the government promised new media reforms that should bring substantial changes to the structures of media finances by 2015. They include abolition of state ownership and subsidies, free and fair market competition, transparency of ownership, neutrality, fairness and transparency in state aid allocation and its consistent control. Allocations of public funds for advertising should be conducted in a non-discriminatory manner through public competitions.

None of the promised changes has happened yet. Deadlines for preparing new media laws have passed in 2013. Despite a delay, it is expected that a new legal framework will be adopted in 2014 and will bring a significant change in the way media are financed.

4 PUBLIC SERVICE BROADCASTING: A SHORT OR LONG-TERM CRISIS?⁴²

The introduction of public service broadcasting was one of the key elements in the reform of the media system inherited from the one-party state. The concept of public service broadcasting was defined in 2002 by the Broadcasting Law, which stipulated the transformation of the former state-run broadcaster *Radio Television of Serbia (RTS)* into two equal public broadcasters – a national and a provincial one. They were designed in the same way, resting on a licence fee funding system in order to avoid the dependence on the state. Their tasks and programming obligations are the same, with the provincial broadcaster having an emphasized role in serving numerous ethnic minorities living in Vojvodina. The Public Service Broadcasting Institution of Serbia (*RTS*) and Public Service Broadcasting Institution of Vojvodina were formally inaugurated in 2006.

Public service broadcasting has managed to become a unique and popular media institution. The *RTS* Channel One was the most watched TV station in the country from 2006 to 2012, with the exception of 2010, with a 20-26 percent audience share. In 2013, 10 of the 20 most popular TV shows were aired by *RTS* (including the central news bulletin *Dnevnik*). National public service radio (*Radio Belgrade 1*) has been among the top three most popular radio stations for years. The provincial broadcaster, burdened by insufficient technical resources,⁴³ records increased audience share since 2011 owing to a greater amount of original programs, which attract a national audience as well.⁴⁴

However, in 2013 it became obvious that the very institution of public service broadcasting is in crisis. Both *RTS* and *RTV* were on a verge of a financial collapse. Political pressures on the programming came to the fore,⁴⁵ along with other unresolved issues – a too large staff, non-transparent decision-making, a privileged position of *RTS* over *RTV*, a better position of television compared to radio, low programming diversity, inadequate personnel policy, etc.

A research study on problems of public service broadcasters and their causes⁴⁶ identified the following issues as the main problems of both *RTS* and *RTV*:

- deficient legal concept of PSB;
- lack of financial sustainability as the basis for financial and editorial independence;
- non-transparent management in the service of sources of political pressure.

Legal regulation of public service broadcasting was deficient from the very beginning. Only 19 of 131 articles of the Broadcasting Law deal with public service broadcasting. They do not provide a clear definition of the public interest that public service broadcasters should serve. Programming requirements are not defined as verifiable and measurable obligations. The law lacks procedures for an assessment of the fulfilment of the PSB remit and sanctions for failures. Elaborated regulation of the jurisdiction of management bodies and competence of their members is missing, as are the guarantees of their independence. Regulation of the collection of licence fees, as the principal financial source, is too deficient to be effectively exercised. The law does not stipulate mechanisms for transparency of financing and business operations of *RTS* and *RTV* or procedures for accountability and control of the financial and programming policy. Public service broadcasters, in fact, are not accountable to anyone for their success or failure.

Guarantees of editorial independence of public service broadcasters were not established either in the law or in their internal acts. From the very beginning, *RTS* and *RTV* were criticized for clientelist ties with the ruling political structures. Despite numerous amendments to the Broadcasting Law, the legal concept of public service broadcasting, defining main elements of its structure, financing, management and supervision, remained incomplete. An ambitious attempt to elaborate this concept initiated in 2008, involving various working groups, government and international experts, ended without success because it did not have the support of the government.⁴⁷

The 2011 Media Strategy provided a new impetus for legislative changes, stipulating that deficiencies of the public service broadcasting concept will be corrected in a new Law on Electronic Media. However, the Ministry of Culture and Information suddenly decided to draft a separate law on public service broadcasting. In early August 2013, a Draft Law on Public Service Broadcasting, by unknown authors, surprisingly appeared on the Ministry's website. Following the protests of civil society, the document was quickly withdrawn. The Ministry then formed a working group that drafted a new bill in October 2013. Negotiations on the draft were going on for several months and its final version is still unknown. These events indicate a lack of political consensus on the regulation of public service broadcasting.

The most contentious issue in the new regulation of public service broadcasting is its funding. Incomplete legal regulation of this issue has affected the financial stability of public broadcasters from the very beginning.

4.2

LACK OF FINANCIAL SUSTAINABILITY

The Broadcasting Law distinguishes between the activities of public service broadcasters related to the public interest and other activities as part of regular operations. The law specifies that the first type of activities is funded from licence fees, while others are financed from specifically listed five types of revenues, none of which is related to the state budget.⁴⁸ However, the incomplete regulation of decision-making procedures, reporting, accountability and oversight of business operations has led to a complete lack of transparency of financial flows within public service broadcasters.

The last publicly available detailed financial report on the operations of *RTS* originates from 2008. There are no public documents from later years that show the shares of licence fees and advertising in the revenues of *RTS* and the way they are spent. The available balance sheets from recent years present only financial indicators used by all other economic entities, which do not show specific features of public service broadcasting economy. The only source of information on financial operations of *RTS* after 2008 was its Director General Aleksandar Tijanić, who held the post until his sudden death in October 2013. He made decision what information to release and what to withhold. According to the Anti-Corruption Council, *RTS* Director General refused to provide the information requested by the Council in 2011 on *RTS* business operations. He preferred to pay a fine for violating the Law on Access to Information. In 2008-2010, Tijanić acted in the same way against eight orders of the Information Commissioner (ACC 2011, 36).

Regardless of the variety of financial sources, which include commercial advertising, public service broadcasters have failed to become financially stable. Both *RTS* and *RTV* have operated with a loss for many years. In 2012, by official balance sheets, *RTS* recorded the loss of about 11 million euro, while *RTV* was 1.3 million euro in the red.

Warnings about the lack of financial sustainability of public service broadcasters appeared in 2007, just a year after their formal inauguration. The same assessment of an independent auditor, that financial indicators of the *RTS* “might give rise to suspicions about the ability of *RTS* public broadcasting institution to carry on its business in accordance with the principle of stability of business operation”⁴⁹ was repeated in 2008, at the time of the largest advertising boom and largest *RTS* revenues. According to *RTS* Director General media statements, *RTS* needs about 100 million euro annually for normal functioning, while in 2011 it disposed with 75 million, a year later with 70, and in 2013 with 66 million. During 2013, *RTS* was supported with 200 million dinars budget funds a month, which covered only part of its expenses.

RTV was in an especially difficult financial situation during 2013. Underfunded by licence fees, it was left without any financial support for 18 months,⁵⁰ which in August 2013

led its Governing Board to announce it would be forced to stop airing the programming. The solution was found in an urgent financial intervention from the budget.

The main cause of reduced revenues is a constant decline in the amount of collected licence fees, the principal financial source. The collection rate started dropping after the 2008 economic recession, when it was below 50 percent. A normal functioning of public service broadcasters, by some estimates, requires a collection rate of 75 percent. In 2010-2011, only 44 percent of fees were collected, 36 percent in 2012 (Subotički 2013), and further dropout was recorded in 2013.

The income from licence fees decreased for a variety of reasons. The single strongest one is the impoverishment of the population. Many people find a monthly fee of 4-5 euro a financial burden. Another important reason is a poorly regulated, non-transparent and inefficient collection system.

Public service broadcasters always blame external factors for a poor collection of licence fees. They never perceive it as the consequence of their failure to demonstrate to citizens how their payments were spent and to build the identity of the public service broadcaster as the institution in the service of citizens, which depends on their trust and willingness to provide public funding. Since the first signs of crisis in the collection of licence fees, managers of public service broadcasters turned to the state expecting it to provide the missing funds from the budget.

Financial instability of public service broadcasters also has roots in their non-transparent commercial operations.⁵¹ The 2011 Anti-Corruption Council's report on *RTS* contained many indications of corrupt activities in *RTS* commercial operations, which could not be proved because *RTS* did not provide the required documentation. They included abuse of office, corruption, conflicts of interest, personnel manipulation, financial fraud, violations of the Labour Law and the Law on Public Procurement. The Council pointed out examples of extraordinary large financial compensations given by *RTS* for broadcasting rights, seeing them as a result of clientelist ties between *RTS* management and political and business circles. Among them was a reality show "48 hours wedding", produced by the Emotion Production, owned by Dragan Đilas, at that time mayor of Belgrade and a senior official of the Democratic Party. The Council additionally stressed as problematic the way *RTS* fulfilled its obligation to have 10 percent of programs produced by independent companies. Independent programs are selected at annual public competitions. Decisions on these competitions raised the suspicion of the Council that they provide great financial benefits to "certain interest groups". This suspicion was confirmed by high-ranking managers of both public service broadcasters in in-depth interviews. They asserted that centralized and non-transparent decision-making on co-production projects and selection of independent programs was a common practice of *RTS* ("*RTS* Director General made all the

decisions on his own"). They also indicated that the quota system for independent productions was abused by a complex web of interest-based relations between production companies, political parties and *RTS*. Some of these "independent" production companies were in fact close to certain parties; sponsorship money donated to these companies ended up with political parties. Some of the projects selected in competitions have never been aired. *RTS* did not meet a quota obligation in 2010, 2011 and 2012,⁵² but the law does not contain any sanctions for this failure.

Public service broadcasting has been in a search of a new solution for the problem of funding for a long time. In the public debate on the issue, two camps with opposing views were established. Representatives of the state and the management of public service broadcasters advocated a transition to direct state funding (temporary or permanent), while advocates of the public interest were strongly against this solution. Some *PSB* managers argued that a well-regulated funding from the budget would be more transparent and would provide a greater autonomy to public broadcasters than a reliance on uncertain collection of licence fees. Opponents of budget funding were afraid that it would only increase political interference in the work of public service broadcasters.

The conflict of the two camps has, for the time being, been resolved by a proposal that a licence fee will remain, but it could be supplemented by funds from the budget. The Draft Law on Public Service Broadcasting from December 2013 specifies that the state would contribute to stable operations of public service broadcasters with budget funds "if the annual collection rate of licence fees is below 80 percent, in the amount corresponding to the difference between the actual collection rate and 80 percent collection rate" (Article 37).

If the bill is passed, and the collection rate remains at a current level, it is estimated that budget would provide about 50 million euro annually for *RTS* and another 10 million euro for *RTV*.⁵³ This allows the government to have a significantly greater impact on public service broadcasters than it has had so far.

4.3 NON-TRANSPARENT AND IRRESPONSIBLE MANAGEMENT

RTS journalists describe its management as non-transparent, irresponsible and inappropriate for meeting the public service remit.

The lack of management transparency is the consequence of inadequate regulation, which does not specify clearly the competencies and supervision of the highest governing body, the Governing Board, and sets unclear and superficial criteria for member selection. Members of the Board are to be elected from among journalists and prominent experts on media, management, law and finances, as well as other prominent figures. The current composition of the Governing Board of *RTS* (appointed in 2011) includes two journalists, one expert on TV production and no experts on management, law or finances. Two

members are historians and others are a sociologist, a political scientist, a psychologist and an economist (most are university professors).

Employees know very little about their actions, ideas or interests they represent, but it is clear to them that the Board members are not accountable to anyone. They share the opinion that members of the Board protect some particular (especially political) interests and influence the appointment of other responsible people who are also close to certain political forces. They see it as a body that elects a general director, appoints radio and television directors and chief editors, and later uncritically supports their decisions. The managerial cadre is generally considered not sufficiently equipped for managerial jobs and for making appropriate financial decisions but interested in the editorial control through various channels.

RTV saw four replacements of its general director since its formal transformation in 2006.⁵⁴ According to focus group participants, “each appointed its own team, and brought new personnel to already overstuffed and inefficient broadcaster.” Constant reorganisations resulted in more harm than improvement in the efficiency of the production process. *RTS* employed a different approach: it did not change general directors, but members of the Governing Board. From 2006 to the end of October 2013, its general director was Aleksandar Tijanić. According to an interviewed *RTS* manager, Tijanić “made decisions about everything, including the selection of members of the Governing Board.”

According to journalists’ accounts, Tijanić’s management was based on a division of organisational units and *RTS* programs into “important” and “unimportant”, according to expected outside pressures. The result was a neglect of radio compared to TV, neglect of educational, cultural and children’s programs, the lack of critical reporting and investigative journalism, and low program diversity. *RTS* was competing with commercial televisions for ratings, while neglecting its specific program obligations. Tijanić fostered a “politically neutral” program by distributing publicity to political parties in accordance with their participation in the ruling coalition and by producing “protocol news” that satisfies political interests of the major political players. Director General contributed to the “entertainmentisation” of the image of public television and “raised a generation of young, incompetent, superficial journalists who provide scarce and colourless information, without a critical stand and distance.” He favoured 500 among 3,500 employees and rewarded them with large but unknown salaries: two-thirds of the sum for salaries went for rewards to a few “*RTS* stars,” all of whom were chosen by the Director General.

A positive practice of *RTS* is that it is careful not to put the programming in the service of specific commercial interests. It has very strict standards for the avoidance of direct or hidden advertising and forbids favouring of certain products or manufacturers over others. *RTS* journalists praise this characteristic of *RTS* programming as very positive

and explain that it was achieved thanks to a clear program orientation, training, as well as warnings concerning violations coming from the regulatory body.

4.4

CONCLUSIONS

The popularity of public service broadcasters is rather a result of their large-scale production capacities (with 3,250 employees *RTS* is the largest media company in Serbia, in terms of technical and human resources and of finances, followed by *RTV* with 1,200 employees), than of a high quality and variety of programs designed by good business and programming policy.

Financially unstable from the outset, legally incomplete, non-transparent in making and implementing decisions, public service broadcasters have not managed to develop into financially viable, editorially independent (politically neutral) institutions that would provide a program substantially different from commercial stations, intensively communicate with the audience and cultivate analytical and investigative journalism and good taste in all program segments.

Instable finances and lack of transparency and accountability of public service broadcasters require urgent solutions. They will determine if the current crisis is a short-term or a long-term one, questioning the survival of this new media institution. A change from licence fees as the principal source of revenues to the full budget funding, supported by government bodies and some *RTS* and *RTV* managers, entails the risks of the institutionalisation of the state influence on public service broadcasters and further weakening of their already weak independence. Transparency of funding and accountability for spending money provided by citizens is an as yet unexploited chance for creating a strong identity of public service broadcasting as the institution in need of citizens in the first place.

5

DEFENDING PROFESSIONALISM – CHALLENGES AND OPPORTUNITIES

The number and professional characteristics of journalists, main social providers of information, is a dark area of the media industry. Some estimates speak of 15-20,000 employees in the industry,⁵⁵ comprising about 1,200 media outlets in 2013, with the unknown number of journalists among them. None of the largest journalists' employers makes public the data on education, experience, gender or age of their human resources. Journalists' professional organisations keep data on their members only, but they are partial. Judging by a specialized database containing data on 3,987 media workers who voluntarily provided their professional data,⁵⁶ a majority of media professionals in 2011 were males (55

percent), with high-school education (53 percent), aged between 35 and 49 years (43 percent). About 1,400 were associated with television, 1,200 with radio, 400 with the daily press, 800 with the periodical press and 60 with internet media.

Journalism is a disrespected, undesirable and unprosperous profession in Serbia today. It is associated with manipulation, tabloidisation, a lack of ethics, and also with a low pay, insecurity and high stress. The public has for years been criticizing journalism as unfree, politicized and corrupted, barely touching on issues of citizens' main concerns, especially in an investigative way (NUNS and Strategic Marketing 2007). Journalists see their roles downgraded to "dictaphone holders", a "post box", or a "megaphone" of the most powerful groups in the society (Medija Centar 2005). The lack of self-confidence seems to be widespread across professional ranks. A majority of journalists today have "given up on the belief that they can make change in society or can influence anything".

An extensive literature on the position and work of journalists rarely touches on the crucial issue – to what extent are journalists today the victims of the existing structures and relations that undermine free, critical and responsible journalism and to what extent are they part of these structures allowing them to persist through their own behaviour? This text aims to identify conditions of journalistic work that influence the ability of journalists to confront relations and practices which instrumentalize the profession for particular group interests. It partly rests on interviews conducted with ten journalists from different media across Serbia who testified about their professional experiences and challenges in everyday work.⁵⁷

5.1

A PROFESSION IN CRISIS

Nominally, Serbian journalism rests on a liberal concept of a profession in the service of the public interest protection. However, empirical realities are far from the ideals of providing credible and balanced information, giving voice to a variety of views and holding public institutions accountable. Journalists do not only lack tradition of journalism as the fourth estate but also lack safeguards for media autonomy that will enable them to fulfil their public interest role.

The 2012 study of media, based on indicators of the Council of Europe for the assessment of media freedoms, demonstrated that the Serbian media system drastically fails in four areas – media economy, independence of media from political influences, labour-related and social rights of journalists and their safety (Matić 2012a). Journalists do not hold themselves responsible for these constraints to their profession, imposed from outside. However, self-critical assessments are rarely heard in their conversations about the state of the profession in regard to a whole set of factors that determine the quality of professionalism, such as professional self-organisation and self-regulation, collective protection

of journalist rights based on professional solidarity, creation of a favourable micro-climate in newsrooms and stimulation of professional achievements, self-education and upgrading of personal capacities. Another missing spot in conversations about the profession are structural changes in journalism as a social institution brought about by the development of new communication technologies (Milivojević 2011a). Journalists in Serbia are still occupied with finding solutions for problems typical of the 20th, not the 21st century.

5.1.1

EXTERNAL CONSTRAINTS

A majority of journalists singles out a poor economic and social protection of the profession as the key limiting factor in the performance of their important societal roles. Research insights into the labour rights of journalists indicate that their economic position is the biggest victim of the media system transition in the past decade. Main elements of the unfavourable position of journalists have been persistent for a long time: job insecurity, small salaries, poor health care and retirement insurance, low social prestige. An average journalist's monthly wage is about 300 euro, lower than the country's 2012 average of 415 euro. There are neither general nor separate collective agreements valid for media professionals. Collective agreements with individual employers exist only in some large public companies. Journalists work a lot, get their pays irregularly, live under high stress and pressure; they are frustrated, worried about their future, forced to take additional jobs outside journalism (Milivojević 2011b). Many journalists wish to change profession, most often because of a low pay.⁵⁸

The low economic status of media professionals severely undermines freedom of media. With a prolongation of the economic crisis, journalists more often talk about a "collapse of the profession" and warn that its present-day position is worse than ever in the past decade. It stimulates obedience, "do-not-make-waves" approach, self-censorship and apathy among journalists. As critics point out – journalists with unprotected labour and social rights cannot be expected to protect the public interest.⁵⁹

Another factor undermining the sense of public interest responsibility is a poor protection of journalists' safety. Three journalists were murdered in the past 20 years, and only in the case of Slavko Ćuruvija, killed in 1999, one of alleged perpetrators was arrested in December 2013.⁶⁰ Four journalists were under 24-hour police protection in 2013, some of them since 2005, others since 2009. In December 2013, four serious attacks on journalists and threats were recorded, and three in November. In 2011, the media reported nine physical attacks on journalists and eighteen threats to their safety. Attacks and threats came from hooligans and bodyguards but also from state officials, party leaders, directors of state-owned companies and sports officials.

Severe constraints to professional work are also created by constant pressures coming from outside the newsrooms. They take a wide variety of forms: cuts in subsidies or other forms of financial aid, cancellation of advertising contracts, personnel lay-offs and replacements, stop of information flow, prevention of attendance at public events, inspection visits, favouring of competition, lawsuits and court rulings.⁶¹ Demands by sources of pressures are rather direct – “to publish, and more often not to publish certain information,” “to change information or deny it,” “to avoid dealing with certain topics and persons,” “to run a negative campaign against someone,” “to assign information to anonymous sources,” but often take the form of advices on the most suitable approach in the coverage of specific issues for achieving a “greater good.” Pressures on national media most often come from the top positions of power (“cabinet of the state president,” “media advisor of the state president,” “people in charge of media in all kinds of state agencies,” “mayor of Belgrade”), from ruling and opposition parties, businessmen and PR officers of advertisers. Local media are exposed to pressures from local authorities, high party officials, directors of public companies, local businessmen, “police officers and criminal groups through their contacts in politics, business and police.”

Safety risks and the persistence of the “culture of pressure” are strongly shaking journalists’ belief in the possibility of media autonomy and independent journalism in the framework of Serbia’s “consolidated non-consolidated democracy.” Moreover, they make journalists believe “that the extent of journalism independence does not depend on them.”

5.1.2

JOURNALISTS’ SELF-ORGANISING

Although difficult and deteriorating, the economic position of journalists has not stimulated them to defend their labour rights through trade unions. Partial data indicate that about 10 percent of journalists are members of trade unions.⁶² Trade unions exist in 22 percent of news media outlets (Matći 2012a, 44), solely in state media and in some privatized outlets. They are absent in foreign-owned media.

Journalists’ self-organising also yields humble results as regards the protection of professional rights and building of a strong collective professional identity and solidarity.

Journalists are organized in two national professional organisations - the Association of Journalists of Serbia (UNS) and the Independent Association of Journalists of Serbia (NUNS). They protect professional rights by various activities. They record all forms of violations of media freedoms, especially physical attacks, safety threats, harassment and discrimination of journalists, point to perpetrators and require reactions from relevant state bodies. They provide free legal assistance to journalists, especially in court trials. Also, they monitor the respect of the Professional Code and warn of drastic violations of professional ethics, organize trainings for journalists and studies of professional issues, etc.

Despite numerous activities, professional organisations UNS and NUNS, with regional associates (like Independent Association of Journalists of Vojvodina, NDNV) failed to develop a strong professional identity of journalists and professional solidarity based on common understanding of societal roles of journalism. Journalists pursue different occupational ideologies, despite a common ground provided by media legislation. Media laws treat the media independence as indispensable for fulfilling the public's right to know about issues of public importance and participate in democratic processes. Some journalists accept these normative predispositions and wish for media to become the guardians of the public interest, controllers of the government and institutions free of personal, political or corporate agendas. Others, however, view the media as important agents of state-building and nation-building. They hold that elections give legitimacy to the government's versions of reality, since media could never be equally accessible to all competing social actors and interests. In addition to the separation of "journalists" from "propagandists," a new divide has recently developed between "journalists" and "sensationalists." The latter became evident with the development of tabloid press and commercial television. They perceive the media as a commercial business; their main task is to attract as wide audience as possible and get a profit, regardless of social consequences of violation of ethical rules, which they consider unnecessary.

One of major reasons for the failure of UNS and NUNS to unite journalists behind a common understanding of professional responsibilities is an antagonistic relationship between them that originated in the 1990s and persisted for many later years. The split between UNS and NUNS followed a split between "regime-controlled" and "independent" journalists in the Milošević regime. The former acted as propagandists of the regime's policies. They developed a model of "patriotic journalism," which allowed most severe forms of violation of elementary professional norms for the protection of state and national interests. Among the "independent" there existed two groups – those that fully sided with the political opposition and those who, under extreme conditions, tried to adhere to professional ideals of detachment, balance, and diversity of opinion, promoting a change of the regime to a democracy. UNS supported patriotic journalism. Independent journalists left the organisation and formed a new one, NUNS in 1994. In 2000, UNS had 1,514 members and NUNS had 1,410, while about 3,000 were not members of any association.⁶³

Polarisation between UNS and NUNS persisted long after the regime change in 2000 and after eight leading figures that supported war-mongering and patriotic journalism were expelled from UNS. The two organisations continued to operate separately and still have different stands on a number of issues, particularly on the role of journalists during the 1990 wars. For example, NUNS filed charges with the Prosecution for War Crimes against journalists of some media for inciting war crimes in 2009, resulting in preliminary

investigation by the Prosecution. UNS is strongly opposed to putting journalists' conduct in the framework of war crimes, calling it a witch-hunt and restriction of media freedom. It offered free legal assistance to any journalist related to NUNS' charges.

Political polarisation as well as small capacities of professional associations to influence significantly the protection of journalist professional rights stimulated a low journalist's interest in membership. In 2007, 61 percent of surveyed journalists were not members of any professional association.⁶⁴ In November 2013, UNS had 2,295 members who paid membership fees, while NUNS had 3,293 registered members. Some journalists are members of both organisations.

A number of journalists think that UNS and NUNS, politically opposed since the 1990s, contribute to further divisions among journalists. Both organisations are often criticized by non-members for disregarding professional issues ("Neither is primarily concerned with the problems of the profession") in favour of political ones ("I left the organisation when it became 'a wing' of certain political circles") and for a strong political colouring of their agendas.

The divided journalist community accepted a common Professional Code as late as 2006. However, a significant progress in professional self-organising and overcoming antagonistic interactions took place in 2010-2011, when UNS, NUNS and NDNV united with media associations – Association of Independent Electronic Media (ANEM) and Association of independent local print media (Local press) – and established an informal organisation, the Media Coalition. This organisation produced a common platform in the process of formulation of the Media Strategy, a strategic document for a new wave of media reforms. In a long-lasting debate on the Media Strategy, the Media Coalition took common stances and defended the interests of journalists in negotiations with the government that formulated the Strategy.

Professional organisations managed to unite their efforts because the need for media reforms stands high on their agendas. Both UNS and NUNS see media reforms as essential for the change of the position of journalists and a higher degree of collective professionalisation. They both treat the state as the main obstacle to media transformation.

Yet, even united, professional organisations have no effective power to protect the rights of journalists – "they can only bark, i.e. issue press releases." Their releases are not even published by a majority of media. They did not manage to unite journalists in support to reforms proposed by the Media Strategy. Their pro-reform orientation caused a new split and antagonism between supporters and opponents of state ownership in media that goes across the already existing divisions.

The orientation of the profession towards self-regulation is still weak. Self-regulatory mechanisms are in the early phase of development. The sole self-regulatory body, the

Press Council, was established in 2009, but became operational only in 2011, due to the lack of finances. The Press Council deals with complaints regarding the respect of the Professional Code in 79 media outlets which are its current voluntary members (13 dailies, 27 magazines, 34 local newspapers, 2 news agencies and 3 web portals). Its sanctions are moral: a media outlet in breach of professional ethics is obliged to publish the decision of the Press Council that violation has taken place. In the first year of work, the Council received 38 complaints and about 60 in the next, which shows an increase in its credibility. However, the Press Council is financially unsustainable. It depends on foreign donations. Media owners did not show readiness to help the work of the Press Council financially and contribute to the development of the industry on strong professional grounds.

5.1.3

NEWSROOMS' CULTURE OF PROFESSIONAL INTEGRITY

Journalists' descriptions of their work atmosphere demonstrate that their newsrooms rarely play a strong positive role in the development of professional integrity. In the absence of legal regulation specifying the owners', managers' and editors' domains of authority, and institutionally weakly protected conscience clause (the right of journalists to disobey a work order which violates professional rules), the newsroom professional culture is built on collective values, tradition, social composition of employees and their social relationships. It is determined by the way editors are elected, other journalists are employed, journalists are protected by their superiors from outside pressures and the way professional achievements are valued. Only rarely, however, these elements create a professional climate that strengthens the professional ethos.

While the interviewed journalists thought that journalists can resist instrumentalisation "only if they are backed by a brave editor-in-chief, who is backed by a brave director," a majority of them admitted that they have no say in the selection of editors. Newsrooms have not managed to establish a practice of selecting editors-in-chief on the basis of their professional competencies. This is a practice only in media outlets owned by journalists. Journalists describe their editors at best as experienced but unmotivated or slow in accepting any change. Some editors "get scared in front of their bosses and are reluctant to watch the backs of their colleagues" or are "often prone to self-censorship." In the worst case, editors are direct backers of outside political interests: "With the appointment of a new editor-in-chief, my paper became a mouthpiece of the ruling party. Its main purpose is to act against the opposition parties. Other editors were selected for their closeness to the new editorial line."

The appointment of "politically appropriate" managers and editors-in-chief is a regular practice in media in state ownership. Not rarely a change of parties in power brings the appointment of a new editor-in-chief and a change of the editorial line, along with the

employment of new journalists, who are awarded for their contributions in serving the party interests. In extreme cases, the employment of new staff follows party quotas, according to their participation in the ruling coalition. Newly appointed directors and chief editors, easily replaceable, serve as a direct channel of political influence on media products in line with the interests of those who appointed them.

In the majority of private media as well, editors in chief are intermediaries between the owners and journalists, protecting the interests of owners rather than those of journalists. With owners-employees relations prevailing being of financial nature, owners are able to keep in strategic positions those individuals who, in their judgment, best serve their needs. Instead of defending journalists against pressure, editors who are appointed because of their “instrumentalisation capacities” become the source of pressure on journalists. They, for example, openly tell the journalists “which topics and persons are not allowed to be tackled.”

Generally, journalists do not know much about the way their editors and owners deal with most severe pressures. These matters are not widely discussed in the newsrooms, but “can be heard through the grapevine.” Journalists speak with respect about editors-in-chief of *TV B92* (Veran Matic) and daily *Politika* (Ljiljana Smajlović) who resisted the pressure from the most powerful businessman Miroslav Mišković at the cost of a substantial loss of advertising revenues. However, they are aware that very few media can afford financial losses of this kind.

By journalists’ accounts, the micro socio-professional environment of journalistic work is a source of integrity risks rather than its defence. It has lost its positive socialising functions. Editors-in-chief are rarely a role-model. More experienced journalists have no time to work with younger ones. Competition-based relations among journalists prevail over team-based work. The system of awarding professional achievements is ineffective because salaries are small (“The financial award or punishment is about 10 euro”) or not regularly paid. Some newsrooms reward the exclusivity of stories, not their quality.

5.2

DETRIMENTAL MEDIA PRACTICES

Journalists are fully aware of practices detrimental for their professional integrity. The interviewed journalists listed a long string of negative practices used in their newsrooms, such as “limitation of reporting to a mere stating of facts and statements,” “fear that revealing the background and causes of events will make someone angry,” “fear of losing a big advertiser or making the ruling party angry,” “surrendering to outside pressures,” “hidden advertising,” “not giving a chance to the other side to be heard if it differs from political views of the editor-in-chief,” “sensationalist reporting.” In most cases they noted that their potential to change these practices is small, most of all because of financial incapacity.

For a great number of journalists, the media whose practices are most detrimental for public interest and also for reputation of journalism are tabloid newspapers.

Two tabloids, *Informer* and *Kurir*, stand out among the tabloid papers in the present and past for their manner of covering the official fight against crime and corruption. They often announce the arrests of accused persons before the arrests actually happen and bring various kinds of details about charges before these are officially released. Even more, the publishing of news on future arrests or official charges is preceded by defamation campaigns that may last for days, even weeks, in a row. In recent times, particularly extensive defamation campaigns in two tabloids were run against several officials of the former government led by the Democratic Party and several businessmen, including the richest one, Miroslav Mišković. The campaigns are designed in such a way that the tabloids act as prosecution bodies, take the role of courts by pointing potential sentences for persons in question and simultaneously perform important political roles: they mobilize public support for the actions of the government, stimulate popularity of the person in charge of anti-corruption actions, Vice Prime Minister Aleksandar Vučić and his party, and foster a negative image of the opposition Democratic Party.

Vučić on several occasions claimed he had nothing to do with the coverage in *Informer* and *Kurir* and praised their behaviour as typical of the free press. In journalists' circles, however, tabloid campaigns are referred to as "tabloid lynchings." They are based on anonymous sources within government bodies, sensationalist wording and unconfirmed information that often turns out to be untrue. It is widely accepted that the two papers get the leaks about future arrests from institutions or individuals in charge of criminal investigations and that their role is carefully planned. Professional organisations criticize the practice of the two tabloids for violation of professional rules and for establishing a model of unprofessional behaviour as a desirable and useful one in an effective fight against crime and corruption.

The 2013 annual report by the Ombudsman Saša Janković indicated the leaking of confidential information in possession of state officials to "certain, always the same media" as a problematic practice. He referred to information from ongoing investigations, personal data, and information from private lives "which can be accessed only by systematically and deeply encroaching on privacy and databases, which are kept by certain state bodies for very specific purposes."⁶⁵ In his view, tabloidisation of media got a new swing during 2013 and grew into "tabloidisation of the state."

The Ombudsman's report pointed out two additional media-related problems characteristic for 2013 – "constant pressures and influences on media from political and state circles of power" and self-censorship. Both are difficult to check and prove, and even more difficult is to pinpoint which one of the two compels the media to omit reporting on

some important and influential social issues. One such example is a scanty coverage of the problems related to 2013 local election in communities with majority Serb population in Kosovo, which was part of the Brussels Agreement for normalisation of the relations between Serbia and Kosovo. Especially scarce was the coverage of the Kosovo Serbs' reactions to this agreement, while negative reactions were almost never heard. Political analyst Slobodan Antonić testified in a TV show on *B92* in March 2014 that his name was on the list of political analysts who should not appear in live debate programs on public service broadcaster *RTS* because of his critical stance on the Brussels Agreement. In an interview for this study, a TV journalist said that a story on Kosovo Serbs, in which one of collocutors said he did not feel secure, was waiting for 45 days to be broadcast, because of an editor who feared to include it in the program. Another important issue that was omitted in media reporting was a conflict between Minister of Economy Saša Radulović and Vice Prime Minister Aleksandar Vučić. Radulović became Minister in September 2013 as an economic expert not belonging to any party, following a call from Vučić. Radulović resigned in January 2014, on the day it was clear that the strongest ruling party, SNS, would demand extraordinary parliamentary elections. In his resignation letter, Radulović criticized the government for obstructing the plan for economic reforms it had adopted and named the office of the Vice Prime Minister Aleksandar Vučić the main hindrance to reforms. A majority of media published the text of Minister Radulović's resignation, which was posted at the website of the Ministry of Economy, but after that the media door was closed for him and his criticism of the government and Vučić in particular. Except for several interviews with Radulović immediately after resignation, there was no significant analysis or investigation of the conflict, its causes and consequences. Radulović appeared in the media again in March 2014 during the election campaign, as a head of a group of citizens competing in the elections, when he said that the direct and indirect pressures on media during the campaign were similar to media censorship of the nineties.⁶⁶

5.3

CONCLUSIONS

The analysis of structural and institutional constraints of journalistic work points to the insufficient capacity of journalists to oppose relations that prevent them from serving as a democratisation force. Due to a highly unfavourable economic environment, but also the journalists' inability to unite and effectively defend their professional interests, the media are captured by much more powerful political and economic actors. Re-arrangement of the media system, which would enable conditions for the economic sustainability of media business and regulation of financial flows to the media which could provide them some economic independence, along with a more effective self-organising, seem to be the only solutions for rescuing the profession from the current crisis. Judging by the way the

media reforms outlined in the Media Strategy are implemented, a necessary change will not come easy and will not come soon.

In the meantime, journalism can survive and develop only owing to individual enthusiasm and rising of individual capacities for defending the professional ethos. There are many proofs that the forces that bring desirable changes are individual capacities and individual beliefs that what journalists do and can do matters. One of such proofs are the authors of the B92's investigative TV program *Insider* (*Insajder*). In a recently published book *Insider – My story*, the editor of this program, Brankica Stanković, described how her team of just two persons (Miodrag Čvorović and Mirjana Jeftović) managed to produce a highly demanding, investigative TV serial, which repeatedly shocked Serbia and documented real causes behind many social problems. *Insider* was the first to provide credible and multi-layered explanations on many topics: how the tycoons acquired their wealth during the 1990s, the period of the international isolation of Serbia and economic sanctions; problematic privatisation cases and systemic corruption in the state that made tycoons even richer; corruption within the judiciary and “judiciary mafia;” the background of the assassination of Prime Minister Zoran Đinđić and operations of special unit forces that organized the assassination; cigarette smuggling; “football mafia;” causes for a systematic failure of the police to solve the problem of sport hooligans; business malpractices in the coal production company Kolubara; financial frauds in the governmental policy of helping Serb population in Kosovo, etc. Some *Insider* serials prompted the government to take measures against perpetrators of crimes revealed by *Insider* journalists.

Insider has become a symbol of investigative journalism and the team and Brankica Stanković received many journalistic awards. At the same time, she was constantly exposed to harassment and threats, so in 2009 she was given a permanent police escort that continues to this day. Stanković explains in the book that her only motivation was to explain to the audience the things that it deserves to know because they affect their lives. The journalistic team of the *Insider* had no special benefits, in terms of special work conditions or a good pay, or special technical conditions, or other forms of assistance, except for the unreserved support by B92's management and editorial board. *Insider* earned popularity and respect owing to a painstaking work of journalists, who insisted on checking every piece of information, on searching for right sources for a long time, on investigating every aspect of the story while not fretting over who might be enraged by their revelations. During the work, Brankica Stanković invested a lot of effort in increasing her knowledge of investigative journalism and never stopped believing that her work was important. Despite dangerous circumstances of work, she managed to expand the journalistic team of her famous program and include young journalists.

Insider's success and its high reputation both among the audience and journalists shows that free and high-quality journalism in the public interest is desirable, respected and possible.

6

GENERAL CONCLUSIONS

More than a decade-long media reforms in Serbia have not created conditions for the development of media as an institution of democracy. The Serbian media are the captives of the system of funding that makes them dependent not on the audiences who they are made to serve but on the financial sources located outside the media market – business and political groups – who have their particular interests. Economic levers are in the hands of political lords, who still control the major economic processes in the country. Political lords are the ones who prevent the establishment of a functional market, favour non-transparent media ownership that allows them to make informal alliances with media owners for the sake of pursuing their common interests, corrupt the advertising market by making alliances with marketing agencies and obstruct transparency in the formation of media policy. None of the democratic governments that succeeded the autocratic regime of Slobodan Milošević in 2000, was ready to abolish the state ownership in media as an institutionalized form of political influence on media, and none restrained from limiting the democratic potential of new institutions in the media system established as part of the process of European integration, such as a broadcasting regulator and public service broadcasters.

Journalists have little power to resist structural dependences and so far have not found an ally in their struggle for autonomy, except in a weak civil society. The media system has to be re-reformed in order to allow space for the development of free and pluralistic media that will have a sense of public responsibility.

MEDIA POLICY

- (1) The government and National Assembly of the Republic of Serbia should, without further delay, ensure the full implementation of the Strategy for the Development of the Public Information System (the “Media Strategy”) and observe the still attainable deadlines of its Action Plan.
- (2) The new media legislation envisaged by the Media Strategy should primarily ensure as follows:
 - a non-discriminatory business environment ensuring equal development opportunities for all media;
 - transparency of ownership and prevention of media ownership concentration in order to stimulate media pluralism;
 - neutrality, fairness and transparency in all forms of state aid, its allocation through public competitions under equal conditions for all media supervised by an independent and non-partisan commission;
 - financial and political independence of broadcasting regulatory authorities, to ensure their efficiency, transparency and accountability;
 - an elaborate merit system for the election of members of regulatory authorities and governing bodies of public service broadcasters;
 - financial stability, financial independence and editorial independence of public service broadcasters, transparency and accountability of their work;
 - a mechanism for editorial policy independence of all media;
 - safeguards for journalists' safety.
- (3) The government and National Assembly of the Republic of Serbia should, without further delay, draft and adopt a new Advertising Law that will be compatible with principles of the Media Strategy.
- (4) The National Assembly’s Culture and Information Committee should organize annual discussions on the situation of media freedoms in the country.
- (5) The Ministry of Culture and Information should elaborate a democratic and transparent procedure for drafting media legislation that involves all relevant stakeholders. A public hearing of a draft law in the Serbian Parliament’s Culture and Information Committee should be part of this procedure. A drafting process should be preceded by analytic studies of relevant issues.
- (6) The Ministry of Culture and Information should establish regular channels of dialogue with relevant stakeholders that will effectively influence its agenda.

- (7) The Republic Broadcast Agency should introduce public hearings as a method of its work, with participation of all relevant stakeholders. Public hearings should be mandatory before RRA makes final annual plans of work, before it submits annual reports of work to the parliament and before RRA takes decisions concerning media with national frequencies.
- (8) The Republic Broadcast Agency should increase its capacities for making qualitative analysis of trends in the media sector and studies of the effects of its regulatory decisions.
- (9) The Republic Broadcast Agency should make qualitative assessments of the fulfilment of PSB remit by *RTS* and *RTV* (for example of political neutrality, pluralism of voices and ideas, coverage of activities of CSOs, satisfaction of needs of ethnic minorities).

MEDIA OWNERSHIP AND FINANCES

- (1) The Commission for Protection of Competition should make a study of concentration trends in the media market on the national and regional level as soon as possible.
- (2) The Ministry of Culture and Information should provide clear by-laws for privatisation of the remaining state media. Journalists should be assisted to become media owners by reduced taxes for media enterprises in their ownership for three years after privatisation.
- (3) The Ministry of Culture and Information should create a database on all relevant aspects of the media industry, that are currently unknown.
- (4) State aid to media should support long-term development of quality news content.

PUBLIC SERVICE BROADCASTING

- (1) Governing bodies of public service broadcasters should make annual plans on the fulfilment of the PSB remit, including clear financial and programming activities and measurable goals. These plans should be presented to the audience and should be a reference in the assessment of the work of public service broadcasters by the Republic Broadcast Agency.
- (2) Governing bodies of public service broadcasters should launch a campaign on educating the audience on the unique nature of public service broadcasting and on the importance of licence fees as its major source of revenues. An element of the campaign should be regular reports to audiences on the way subscription fees are spent.
- (3) Governing bodies of public service broadcasters should use the existing research capacities of *RTS* and *RTV* and launch regular and extensive surveys of citizens' expectations about public service broadcasters. They should also take measures to increase effective communication with audiences and analyze the audience feed-back on the programming.

JOURNALISTS AND JOURNALISM

- (1) Professional journalists' associations should launch a public campaign for the promotion of socially responsible journalism, coordinated with the already launched campaign against harassment of journalists. It should involve public discussions with all relevant stakeholders, especially representatives of the audience.
- (2) Broadcast media, owners and journalists should establish a self-regulatory body for monitoring respect of the Professional Code in broadcast media. It should be financed from licence fees paid by broadcast media.
- (3) Professional organisations should initiate talks with media owners in order to find a way for financing the Press Council, the only self-regulatory body.
- (4) The government should initiate a process for signing a collective agreement for media industry workers that should protect the rights of all sides.
- (5) The Media Coalition (an informal organisation of several journalists' and media organisations) should initiate efforts to establish a new National Trade Union of Journalists, not connected to any existing professional organisation, free of political agenda and aimed exclusively at the protection of labour and social rights of journalists through collective agreements and labour agreements with media owners. The new trade union could engage volunteers, retired journalists with high professional reputation, as promoters of the initiative. The new trade organisation should apply for initial funds with foreign donors, especially the EU funds and ask for help from foreign media owners.
- (6) Training programs should be focused on the media management and marketing.

CIVIL SOCIETY, ACADEMIC RESEARCH AND INTERNATIONAL SUPPORT

- (1) Civil society organisations, as the authentic ally of media working in public interest, should increase their capacity of overseeing media policy mechanisms and representing the voice of citizens.
- (2) Civil society organisations should examine the reasons for low effects of participation of citizens' and CSOs' representatives in the work of the regulatory body and in counselling bodies of public service broadcasters, and formulate concrete proposals to improve them.
- (3) A strong academic centre specialized for media research should be established, with the help of the Ministry of Culture and Information, university institutions, media industry and donors.
- (4) International organisations should provide support and financial assistance to news media in Serbia, especially those that practice socially responsible and investigative journalism.

ENDNOTES

- 1 Rade Veljanovski, an expert and a prominent member of civil society groups that pushed for initial reforms in 2002-2004, testifies that in the early 2000s the authorities “did not know at all what to do with the media market and an enormous number of state-owned media, nor did they have any knowledge about European standards they pledged to adopt” (interview on 7 October 2013).
- 2 This is a conclusion of Dragana Solomon, former head of the Media Department of the OSCE Mission to Serbia, stated in October 2013, after seven years of dealing with media reforms in Serbia. Source available at: <http://nuns.rs/info/news/20252/nema-vizije-kako-ce-izgledati-mediji.html>. Accessed 15 October 2013.
- 3 Interview with Independent Journalist Association of Serbia’s chairman Vukašin Obradović on 30 October 2013.
- 4 In the late 1990s, between 900 and 1,200 broadcasters operated in Serbia. In 2000, their number was estimated at 580 and in 2002 at 758 (Matić 2012a, 97).
- 5 This was the case with amendments to the Broadcasting Law in August 2005 and in July 2006, amendments to the Public Information Law in August 2009 and with adoption of the Law on Self-governments and the Law on Capital City in 2007.
- 6 The national news agency was exempted from privatisation on the very day the law that stipulated mandatory privatisation for all the media was adopted (2003). Unconstitutional amendments to the Law on Public Information were submitted for the adoption procedure without relevant institutions or the public being acquainted with them (2009). A fully prepared bill on media concentration was withdrawn without any explanation (2009). In consultations on the Media Strategy (2011), the political party of the minister obstructed some of the solutions in the draft proposed by the Ministry of Culture (Savović 2013).
- 7 The preparation of the Media Strategy was the only activity that included some kind of expert analysis (funded by the EU). The analysis of the media industry, however, was not thorough enough to be of help in drafting the document. The broadcasting regulator has recently improved its analytical capacities, but its analyses are usually only quantitative and are not used as a basis for adequate regulation measures.
- 8 State-owned media persist regardless of financial losses they make. According to official balance sheets, public broadcaster *Studio B* (Belgrade) made a loss of about 13 million dinars in 2012; *RTV Kragujevac* made losses of 8-10 million dinars in each of the last three years. In 2008-2011, a Niš-based daily *Narodne novine* received two thirds of budget funds earmarked for 10 local private media, seven times more than TV 5, known by its critical stand towards the local government. Source available at: <http://www.juznevesti.com/Istrazujemo/Niski-mediji-pod-kontrolom-vlasti.sr.html>. Accessed 27 January 2013.
- 9 In a 2011 survey, 77 percent of citizens considered the traditional news media manipulative and unrealistic. Source available at: http://business.benchmark.rs/biznis_vesti/graani_srbije_imaju_najvishe_poverenja_u_vesti_na_internetu. Accessed 25 January 2013.
- 10 In 2009, founding rights in the media of ethnic minorities were transferred from state bodies to the councils of ethnic minorities, which are dominated by political parties of ethnic minorities. Founding rights include appointment of managers and interference in editorial policy through them.
- 11 For example, several new media offences were introduced and fines for some already existing offences were increased manifold so that they could lead to closures of fined media outlets. Violations of some professional journalist norms, such as the presumption of innocence and the protection of juveniles, were qualified as commercial offences and the authority to judge them was given to commercial courts, which had never before dealt with cases related to media operations.
- 12 The official explanation of legal changes was that they were designed to introduce a higher degree of responsibility in public discourse. The actual reason was the intention of the G17 political party to curb persistent negative coverage of its leader and Minister Mladan Dinkić in the tabloid *Kurir*,

- which indeed involved severe violations of ethical norms of journalism.
- 13 A prominent media owner used to be businessman Bogoljub Karić but he left the country in 2006, after being accused of economic crimes.
 - 14 Research on media ownership in Serbia was part of a broader research on the effects of ownership structures in 18 post-communist countries in Europe (Petković 2004).
 - 15 The procedure for identifying broadcast media owners is not prescribed in law. The regulatory body set up the procedure and opted for registering only legal persons, not the individual owners behind them. A special Register of Public Media, which was introduced in 2009, was declared unconstitutional a year later. The creation of a new register is expected in 2014, while the media are not obliged to register in the existing one. Data in the Register are inaccurate and obsolete.
 - 16 “Members of the Media Association did not participate in public consultations on the bill. They asked for a meeting with the drafting group. At the meeting, they did not propose any changes to the provisions in the bill. They were against the bill en bloc. The President of the Association, Manojlo Vukotić, director of Novosti Company, told us: ‘I can assure you that this will never be adopted.’ They worked behind our back and put a pressure on the government to stop the bill” (interview with Rade Veljanovski, head of the drafting group, 24 December 2013).
 - 17 An average private local TV station has one available crew for following daily events, while a public station has three (interview with the chair of the Association of Local Print Media “Local Press” Snežana Milošević on 25 December 2013).
 - 18 This is Adria Media, established in 2006 by Gruner und Jahr, Sanoma Magazines International and Styria Media Group, a publisher of 12 internationally branded magazines (*Elle*, *Cosmopolitan*, *Burda*, *Men’s Health*, etc.), which sold its assets to a domestic publishing company.
 - 19 The company owns two most circulated paid dailies (*Blic*, *Alo*), the only free paper (*24 sata*), the news magazine *NIN* and several other weekly editions (*Puls*, *Blic Žena*, *Auto Bild*), the most popular news portal *Blic* and other popular portals. Of the twelve publishers of daily newspapers, it was the only financially successful one for several consecutive years, with 15 million euro profit in the last three years
 - 20 Interview with the secretary of the Independent Association of Journalists of Vojvodina, Nedim Sejdinović on 23 December 2013.
 - 21 According to official balance sheets, *Beko’s Večernje novosti* ended 2012 with a net loss of 96.3 million dinars and accumulated the loss of 136 million above the value of capital. *Mišković’s Press* accumulated a loss of 325.5 million dinars before it closed down in 2012. Accumulated losses of *Bogićević’s Politika* in 2012 were 3,900 million dinars above the value of capital.
 - 22 Big businessmen have a predominantly negative image in the public. They usually “earned their first million” during the 1990s, in a war-based and isolated economy with an extremely high inflation rate, owing to murky business operations (smuggling of deficient goods, possession of exclusive rights for import, etc.), when the majority of population was drastically impoverished. They do not boast their business success but keep a low profile.
 - 23 Malbaški, N., “Fokus’ u fokusu, ili šta će biti kada ovi dođu na vlast,” *NSPM*, 4 May 2011. Available at: <http://www.nspm.rs/politicki-zivot/fokus-u-fokusu.html?alphabet=l>. Accessed 14 December 2013.
 - 24 Interview with the chair of the Association of Local Print Media “Local Press” on 25 December 2013.
 - 25 Anastasijević, D., “Dokumenti o nastanku imperije Pinka,” *Vreme*, 18 June 2003. Available at: <http://www.vreme.com/cms/view.php?id=343421>. Accessed 12 December 2013.
 - 26 The press market is not transparent because many publishers do not participate in the auditing regime of the only audit agency (ABC Serbia).
 - 27 Media experts Goran Cetinić, Rade Veljanovski and Slobodan Kremenjak and representatives of the Association of Journalists of Vojvodina (Nedim Sejdinović) and the Association of Local Print Media (Snežana Milošević) were interviewed on the issue of media ownership in December 2013.
 - 28 IREX, Media Sustainability Index (MSI) report, 2012. Available at: <http://www.irex.org/system/>

- files/u105/EE_MSI_2012_Serbia.pdf. Accessed 11 January 2014.
- 29 This is common for other developing countries, as shown by the 2011 WAN-INFRA study on financial viability of media.
- 30 Source available at: http://www.unesco.org/new/fileadmin/MULTIMEDIA/HQ/CI/C1/pdf/1PDC/croatia_report_final.pdf, accessed 6 January 2014.
- 31 Milosavljević, M. and Vobič, I., *Media Landscape: Slovenia*, European Journalism Centre. Available at: http://ejc.net/media_landscapes/slovenia. Accessed 6 January 2014.
- 32 <http://www.abcsrbija.com/blog/newsletter/broj85/newsletter.htm>, accessed 8 January 2014.
- 33 IREX, MSI report, 2013. Available at: http://www.irex.org/sites/default/files/u105/EE_MSI_2013_Serbia.pdf. Accessed 11 January 2014.
- 34 Source available at: <http://www.anem.rs/sr/aktivnostiAnema/AktivnostiAnema/story/14116/IZVE%5%AOTAJ+SA+ANEM-OVOG+OKRUGLOG+STOLA+O+NELEGALNOM+EMITOVANJU+RTV+PROGRAMA.html>. Accessed 12 January 2014.
- 35 TV audience is surveyed (daily) only for national broadcasters, by a sole agency that is also the only source of data on TV advertising market (*Nielsen Audience Measurement*). Radio audience is measured only on a monthly basis, also for big broadcasters. The sole auditing bureau of circulation, ABC Srbija (Audit Bureau of Circulations) did not manage to include all of national daily newspapers in its audit system.
- 36 Source available at: http://javno.skockajtebudzet.rs/index.php?page=project&lab=home&project_id=5&c1=da. Accessed 12 January 2014.
- 37 This percentage was calculated as a share of subsidies and state advertising (45 million euro) in the total advertising market size increased by the subsidies amount (172+25).
- 38 Interview with the chair of the Association of Local Print Media "Local Press" Snežana Milošević on 2 February 2014.
- 39 Source available at: <http://www.taboomagazine.org/code/navigate.asp?id=17>. Accessed 15 January 2014.
- 40 Šetić, V., "Todorić diže ruke od Đilasa," *Akter*, 10 February 2013. Available at: <http://akter.co.rs/weekly/32-ekonomija/30420-todori-di-e-ruke-od-ilasa.html>. Accessed 15 January 2014.
- 41 Obradović, S., "Država I medijska reforma," *NUNS*, 4 July 2013. Available at: <http://www.nuns.rs/reforma-javnog-informisanja/reforma-javnog-informisanja-prolazno-vreme/19608/drzava-i-medijska-reforma.html>. Accessed 15 January 2014.
- 42 This report was supported by the Open Society Fund Serbia.
- 43 RTV never recovered from the 1999 NATO bombing, when its modern building was completely destroyed and all transmitters damaged. It still does not have adequate technical-technological resources needed for complex operations of a multi-language media outlet.
- 44 The audience accepted very well a new format of RTV, an everyday humours miniature "A state job" which treats critically the mentality of employees in the public sector (1,250,000 viewers were registered on 8 January 2014).
- 45 RTV was a target of several critical attacks by political parties and extreme nationalistic groups during 2013. In May 2013, its Director General resigned. According to focus group participants, his resignation was enforced by political pressure.
- 46 In addition to desktop research, two focus group discussions were held in December 2013 (with seven RTS journalist and with six managers on different management levels from RTV and RTS) and six in-depth interviews (two RTS and two RTV managers, two journalists).
- 47 The Ministry of Culture formed an expert working group to draft amendments to the Broadcasting Law in 2008. However, in summer 2009, another group, acting behind the scene, managed to push through the Parliament highly restrictive amendments to the Public Information Law. The expert group stopped cooperation with the Ministry but continued its work under the auspices of the OSCE. A draft law, after a successful public debate, remains deposited in a drawer at the Ministry until today.
- 48 These are the production and broadcasting of advertisements, production and sale of audiovisual programs (shows, films, serials, etc.), production of other program services (teletext, etc.), organi-

- sation of concerts and other events, and other activities specified by the statute.
- 49 Source available at: <http://www.rts.rs/page/rtv/ci/javniservis/story/286/Финансијски+извештаји/67332/Финансијски+извештаји.html> (<http://www.rts.rs/page/rtv/sr/javniservis/story/287/Finansijski+izve%C5%A1taji/67333/Finansijski+izve%C5%A1taji.html>). Accessed 9 January 2014.
 - 50 The extremely severe financial crisis in *RTV* broke off in May 2013, after first announcements from government officials that a licence fee would be cancelled. The central government provided assistance to *RTS* only.
 - 51 Commercial operations are more important for *RTS* than *RTV*. In 2010, a ratio of *RTV* licence fees revenues to advertising revenues was 94 to 6.
 - 52 According to the monitoring of *RTS* programming done by the regulator, independent productions accounted for 6.56 percent of its programming in 2012, 6.27 percent in 2011, and 5.99 percent in 2010.
 - 53 See “Programski odbor: Rešiti finansiranje *RTV-a*,” *RTV*, 27 August 2013. Available at: http://www.rtv.rs/sr_lat/vojvodina/novi-sad/programski-odbor-resiti-finansiranje-rtv-a_417034.html. Accessed 9 January 2014.
 - 54 The first director was a journalist Dina Kurbatvinski-Vranješević (2006-2008), followed by a journalist Blažo Popović (2008-2011), and a technical manager engineer Siniša Isakov (2011-2013). The current director is a financial manager Srđan Mihajlović, who served as CEO of Transnafta company and director of Vojvodina Bank.
 - 55 See “Medijska slika Srbije,” *NUNS*. Available at: <http://nuns.rs/reforma-javnog-informisanja/Medijska-slika-Srbije.html>. Accessed 16 November 2013.
 - 56 Source available at: www.novinari.rs. Accessed 14 February 2012.
 - 57 Ten journalists from different media were interviewed during October and November 2013. They included a private news agency, two national dailies (one in mixed and the other in private ownership), a regional daily and a local private paper, public service radio and TV, local private and local public TV, and a private local radio. All quotes in the text not attributed to other sources come from the interviewed journalists.
 - 58 In 2007, 25 percent of journalists wished to change profession. Surveyed journalists perceived their social position as worst among 11 professions, including doctors, teachers, engineers, judges, economists, bankers, lawyers, traders and farmers (*NUNS* and Strategic Marketing 2007).
 - 59 Čabarkapa, D., “Koga štiti Medijska koalicija?” *SRNOS*. Available at: <http://www.sinos.rs/koga-stiti-medijska-koalicija>. Accessed 22 November 2013.
 - 60 This happened owing to intensive work of a special commission, established in 2012 on the initiative of journalists.
 - 61 In 2011, at least on nine occasions journalists were prevented from attending public events by officials who were dissatisfied with their coverage; 34 percent of 240 surveyed news media were denied access to information of public importance; 30 percent received unequal treatment, compared to other media, from the sources of information; 27 percent had their advertising contracts cancelled; 26 percent experienced direct interference in editorial policy. The Higher Court in Belgrade alone received 242 civil lawsuits against journalists (Matić 2012a).
 - 62 Source available at: <http://www.tvojstav.com/results/EeqEAKwRjhmULrW6nvxn/novinari-i-novinarstvo-u-srbiji>. Accessed 17 November 2013.
 - 63 Source available at: <http://uns.org.rs/sr/o-nama/istorijat.html>. Accessed 17 November 2013.
 - 64 Out of all surveyed journalists, 17 percent were members of *UNS*, 16 percent of *UNS* and 2 percent of *NDNV* (*NUNS* and Strategic Marketing 2007).
 - 65 Source available at: <http://www.ombudsman.rs/index.php/lang-en/2011-12-25-10-17-15/3237--2013->. Accessed 27 March 2014.
 - 66 Source available at: <http://www.novimagazin.rs/izbori2014/radulovic-cenzura-kao-devedesetih>. Accessed 27 March 2014.

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LIST OF INTERVIEWS

Rade Veljanovski, professor at the Faculty of Political Sciences, Belgrade, on 7 October 2013 and on 24 December 2013.

Vukašin Obradović, chairman of the Independent Association of Journalists of Serbia, on 30 October 2013.

Nedim Sejdinović, secretary of the Independent Association of Journalists of Vojvodina, on 23 December 2013.

Snežana Milošević, chair of the Association of Local Print Media, on 25 December 2013 and on 2 February 2014.

Goran Cetinić, media economy expert, on 3 January 2014.

Slobodan Kremenjak, media law expert, on 29 December 2013.

10 anonymous journalists from: a news agency, two national dailies, a regional daily, local newspaper, public service radio, public service TV, two local TV stations, local radio station.

2 anonymous managers from *RTS*.

2 anonymous media managers from *RTV*.

2 anonymous journalists from public service broadcasters.

FOCUS GROUP DISCUSSIONS

7-member focus group with journalists of *RTS*, Belgrade, 14 December 2013.

6-member focus group with managers of *RTV* and *RTS*, 21 December 2013.

FACTS AND FIGURES

POLITICS
POLITICAL PARTIES IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY

ALBANIA

YEAR OF ELECTIONS	2013	2009	2005	2001	1997	1996	1992	1991
RULING PARTY IN THE GOVERNMENT	Socialist Party in coalition with LSI	Democratic Party in coalition with LSI	Democratic Party	Socialist Party	Socialist Party	Democratic Party	Democratic Party	Socialist Party
PROFILE OF THE RULING PARTY IN THE GOVERNMENT	Main left-wing party	Main right-wing party and second largest left-wing party	Main right-wing party	Main left-wing party	Main left-wing party	Main right-wing party	Main right-wing party	Main left-wing party
MINISTER IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY (party affiliation)	Minister of Innovation, Information, and Communication Technologies (Socialist Party - in charge of digital switch-over and frequency plan only)	Minister of Innovation, Information, and Communication Technologies (Democratic Party - in charge of digital switch-over and frequency plan only)	N/A	N/A	Minister of Information (Socialist Party)	N/A	N/A	N/A
PROFILE OF THE PARTY OF THE MINISTER	Main left-wing party	Main right-wing party	N/A	N/A	Main left-wing party	N/A	N/A	N/A

BOSNIA AND HERZEGOVINA

YEAR OF ELECTIONS	2010	2006	2002	2000	1998	1996
RULING PARTY IN THE GOVERNMENT	SDP, SNSD, SDA (later replaced by SBB), SDS, HDZ, HDZ 1990	SDA, SBIH, SNSD, SDP, HDZ, HDZ 1990, PDP, NS.	SDP, SBIH, SNS, PDP, NHI, later SDA, SDS.	SDA, SBIH, HDZ, SNSD, later SDP, NHI and PDP	SDA, SBIH, SDS, HDZ, later SNSD, SP, SNS	SDA, SDS, HDZ
PROFILE OF THE RULING PARTY IN THE GOVERNMENT	Predominantly nationalistic parties; The electorate mostly mono-ethnic, even that of SDP, nominally a socialist and multi-ethnic party; Due to nationalistic rhetoric of SNSD, in 2012 it finally lost the membership in the Socialist International (SI).	Predominantly nationalistic parties; SDP is nominally socialist and multi-ethnic party; Although SNSD emerged as a soft right party, it heavily increased the nationalistic rhetoric, and thus was losing the international support.	Mainly nationalistic parties; SDP is nominally a socialist and multi-ethnic party.	Predominantly nationalistic parties, SDP is nominally socialist and multi-ethnic party, but with mostly mono-ethnic electorate.	Mainly nationalistic parties	Major nationalistic parties; mostly mono-ethnic electorate.
MINISTER IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY (party affiliation)	Minister of Traffic and Communication Damir Hadžić (SDP, since 2012)	Minister of Traffic and Communication Božo Ljubić (2006 to June 2009) Rudo Vidović (since 2009); (HDZ 1990)	Minister for civil affairs and communications Branko Dokić (Jan 2003 - Oct 2006) (PDP)	Minister for civil affairs and communications Tihomir Gligorić (2000-2001) (SNSD) Svetozar Mihajlović (2001-2002) (SNS)	Minister for civil affairs and communications Marko Ašanin (SRS, at that time)	Minister for civil affairs and communications Spasoje Albijanić (since the end of 2006)(SDS)
PROFILE OF THE PARTY OF THE MINISTER	SDP, Social democratic party; Nominally a socialist party, but the electorate mainly belonging to the Bosniak ethno-national group.	HDZ 1990 Croatian Democratic Union, nationalistic party; split from HDZ in 2006.	PDP Party of Democratic Progress, conservative party oriented towards the Serb electorate.	SNSD Alliance of Independent Social Democrats, a Serb political party, at that time considered as a soft right party, later engaging nationalist rhetoric. SNS, Serbian Progressive Party.	SRS Serbian Radical Party is far right, nationalistic party, with strong ties with SRS in Serbia, and with Vojislav Šešelj, indicted of war crimes.	SDS The leading, nationalistic Serb party whose political leader, Radovan Karadžić, was at that time already indicted for war crimes.

CROATIA

YEAR OF ELECTIONS	2011	2007	2003	2000	1995	1992	1990
RULING PARTY IN THE GOVERNMENT	SDP (Social Democratic Party / Kukuriku Coalition: SDP, HNS, IDS, HSU)	HDZ (Croatian Democratic Union)	HDZ (Croatian Democratic Union)	SDP (Social Democratic Party) / Coalition: HSS, IDS, LS, HNS, HSLS and SDP)	HDZ (Croatian Democratic Union)	HDZ (Croatian Democratic Union)	First pluralist elections but still in Socialist Federative Republic of Yugoslavia HDZ (Croatian Democratic Union)
PROFILE OF THE RULING PARTY IN THE GOVERNMENT	Left center	Right / conservative	Right / conservative	Left center	Right - nationalist	Right - nationalist	Right - nationalist
MINISTER IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY (PARTY AFFILIATION)	Andrea Zlatar Viočić	Božo Biškupić (HDZ) Jasen Mesić (HDZ)	Božo Biškupić (HDZ)	Antun Vujić (SDP)	Božo Biškupić (HDZ)	Vesna Girardi – Jurkić (HDZ) (1992-1994) Minister of Education, Culture and Sports; Zlatko Vitez (HDZ) (1994-1995)	Vlatko Pavletić (HDZ) Minister of Education, Culture and Sports
PROFILE OF THE PARTY OF THE MINISTER	Center (HNS) Croatian Peoples Party-Liberal Democrats	Right	Right	Left center	Right	Right	Right

MACEDONIA

YEAR OF ELECTIONS	2011	2008	2006	2002	1998
RULING PARTY IN THE GOVERNMENT	VMRO-DPMNE	VMRO-DPMNE	VMRO-DPMNE	SDSM	VMRO-DPMNE
PROFILE OF THE RULING PARTY IN THE GOVERNMENT	Demo-Christian	Demo-Christian	Demo-Christian	Social-Democrats	Demo-Christian
MINISTER IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY (PARTY AFFILIATION)	VMRO-DPMNE	VMRO-DPMNE	VMRO-DPMNE	DUI (Democratic Union for Integration)	DA (Democratic alternative)
PROFILE OF THE PARTY OF THE MINISTER	Demo-Christian	Demo-Christian	Demo-Christian	Ideology: Protection of the rights of Albanians	Centrist political party

SERBIA

YEAR OF ELECTIONS	2012	2008	2007	2003	2000	1997	1993	1992	1990
RULING PARTY IN THE GOVERNMENT	SPS+SNS+URS	DS+SPS+G17	DSS+DS+G17+NS	DSS+G17+SPO+NS	DOS	SPS+SRS+JUL	SPS+ND	SPS	SPS
PROFILE OF THE RULING PARTY IN THE GOVERNMENT	Populist + socialist + liberal	Democratic + socialist + liberal	National – democratic + liberal	National – democratic + liberal + conservative	Democratic	Nationalist	Nationalist	Nationalist	Nationalist
MINISTER IN THE GOVERNMENT RESPONSIBLE FOR MEDIA POLICY (PARTY AFFILIATION)	SNS	G17	DS	SPO	DS	SNS	SPS/JUL	SPS	SPS
PROFILE OF THE PARTY OF THE MINISTER	Populist (re-formed-nationalist)	Liberal	Democratic	Conservative	Democratic	Nationalist	Nationalist	Nationalist	Nationalist
		Bratislav Petković	Voja Brajović	Dragan Kojadimović	Branislav Legić	Aleksandar Vučić	Ratomir Vico / Aleksandar Pavlović	Milivoje Pavlović	Ratomir Vico
			Marković				Tijanić / Radmila Milentijević		

LAW

FACTS ABOUT MEDIA LEGISLATION RELEVANT FOR MEDIA INTEGRITY

ALBANIA

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)	PARTIALLY	The ownership should be reported to the regulator and to the National Center of Registration. Annual financial reports are submitted to the tax office and to the regulator, but media are not required to make ownership or finances public in a more general sense.	The latest law on audio-visual media was approved in March 2013 (Law 97/2013) and the regulator is still drafting complementary regulations, including rules on transparency. It is still too early to make conclusions regarding the trend.	The National Center of Registration can be accessed online, offering information on companies' ownership history. However, there is no official attempt to verify the real owners of the media and to offer transparency on media finances.
SPECIFIC TRANSPARENCY RULES FOR PSB	PARTIALLY	The PSB drafts annual reports to the parliament, including information on the financial operations (Law 97/2013, Article 102). There are no transparency rules regarding the decisions of Steering Council or those of other bodies.	This has not changed over the years.	Annual reports have detailed budget entries, comparing trends over the years. However, although the public can request such information, there is no pro-active approach in offering them.
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	The regulator should publish on its website part or all of its expenses and revenues (Law 97/2013, Article 102). Until April 2013 it was obliged to publish its decisions online and in the Official Gazette, but this is no longer requested by the new law. The law specifies though that the regulator should conduct public consultations on major strategies and decisions, online and offline (Law 97/2013, Articles 21, 48, 53). The regulator also submits annual reports to the Parliament (Law 97/2013, Article 28).	The new law added further obligations regarding transparency of finances and forcing the requirements stipulated by the previous legislation. However, the new law has omitted the obligation to publish the council decisions online and in the Official Gazette.	It is too early to see whether these requirements will be respected. So far the regulator has published its decisions online and in the Gazette, in the form of notifications, rather than full texts. Annual reports have been published online, though those for the last two years are not available anymore, or had been online only for a short period of time.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
ANTI-CONCENTRATION RULES	YES	The Law no. 9121 on Competition Protection applies to all commercial organisations, including media companies. Article 62 of the Law 97/2013 has specific regulations on media concentration: Not exceeding 40% ownership in a media with a national licence. The owner of a company with a national licence cannot own more than 20% of another company that owns a local or national licence. No exceeding 30% of advertising market.	The new law added the restriction on advertising market.	Formally, these rules have been observed. However, there have been ongoing speculations about hidden ownership.
GROSS-OWNERSHIP RULES	PARTIALLY	No more than two local licences, one audio and one audio-visual. (Law 97/2013, Art.62).	Print and audio-visual media cross-ownership has always been allowed.	Formally, these rules have been observed. However, there have been ongoing speculations about hidden ownership.
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	NO	The Law 97/2013 does not specify this. However, the complementary regulation by the authority is still under discussion.	Previous legislation banned ownership of electronic media by political parties or politicians.	Formally these rules have been respected, but links between owners and politicians have been subject of speculations.
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	NO	The Law 97/2013 or any other related laws do not specify any limits to foreign ownership in the media.	The same criteria as for domestic owners apply.	Foreign ownership has been scarce and limited.
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	NO			
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	YES	The Authority for Protection of Competition is in charge of all cases related to competition, although no special rules are envisaged for media.	The Law 9121 on Competition Protection was approved in 2003 and there has been no new regulation issued.	In practice there have been no cases of intervention from the Authority in the media field.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	<p>They cannot be:</p> <ul style="list-style-type: none"> - members of political parties and associations; - candidates for MP or MP in the last two parliamentary terms; - candidates for local government units in last elections or Mayors; - members of Council of Ministers or prefects for the last three years; - members of the Council of Complaint or AKEP (including employees); - owners of shares in commercial associations related to audio-visual media, advertisement, content production, electronic communication networks; members of directing or advisory bodies to these associations. <p>Members of a regulator should declare any interest they have in subjects licenced by the regulator or applications for licence, and should not participate in the discussions on these licences. Regulator members cannot make public political statements that affect their objectivity. Members of the regulator should be free from political or financial influence (Law 97/2013, Article 7).</p>	Conflict of interest rules have always been present in legislation. In 2006 the regulator also adopted an internal regulation on conflict of interest, in the framework of a general attempt to regulate conflict of interest in public administration.	There have been no public cases of conflict of interest for members of regulatory bodies.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	<p>They cannot be:</p> <ul style="list-style-type: none"> - members of political parties and associations; - candidates for MP or MP in the last two parliamentary terms; - candidates for local government units in last elections or mayors; - members of Council of Ministers or prefects for the last three years; - members of the Council of Complaint or AKEP (including employees); - owners of shares in commercial associations related to audio-visual media, advertisement, content production, electronic communication networks, members of directing or advisory bodies to these associations. <p>Members of Steering Council should declare any interest they have in subjects RTSH will work with or contracts RTSH will engage in and they should not participate in the discussions on these licences (Law 97/2013, Article 97).</p>	Such rules have been present, but the new law brought further restrictions.	There have been no public cases of conflict of interest for governing bodies of PSB.
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	YES	<p>General Director cannot be:</p> <ul style="list-style-type: none"> - member of political parties and associations; - candidate for MP or MP in the last two parliamentary terms; - candidate for local government units in last elections or Mayor; - member of Council of Ministers or prefect for the last three years; - member of the Council of Complaint or AKEP (including employees); - owner of shares in commercial associations related to audio-visual media, advertisement, content production, electronic communication networks, members of directing or advisory bodies to these associations; - employed in other position during the term (Law 97/2013, Article 104). 	Such rules have been present, but the new law brought further restrictions.	There have been no public cases of conflict of interest for management of PSB.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	NO	The same rules as for the other members apply.		There have been no public cases of conflict of interest for chairman of regulator.
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	N/A			There is no regulation and no decision making body for media subsidies.
MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY	YES	No less than 10 years of experience in the areas of media, broadcasting, content, media technology, competition, Albanian language development, art, vulnerable groups, law, technological development, consumer protection (Law 97/2013, Article 8).	The merit system has been more or less the same, the nomination process has varied.	Although the members appointed have had their merits, the main criteria for appointing them have been political decisions of MPs, rather than professional skills, following the formula.
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	YES	No less than 10 years of experience in the areas of media, broadcasting, content, media technology, competition, Albanian language development, art, vulnerable groups, law, technological development, consumer protection (Law 97/2013, Article 93).	The merit system has been more or less the same, the nomination process has varied.	Although the members appointed so far had their merits, the main criteria for their appointment has been political decision of MPs, rather than professional skills required in the law.
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	YES	Media should refrain from political bias when reporting on politics (Law 97/2013, Article 46). Broadcasting sub-regulation is pending.	According to law, political propaganda has been always banned.	Although open propaganda is missing, the quality of reporting, the news agenda and the selection and tone of coverage show that one media prefers one political wing over another.
OBLIGATION OF FAIR AND BALANCED REPORTING	YES	Obligations of accuracy, objectiveness, and fairness in news reporting and public interest issues (Law 97/2013, Article 46).	This obligation has been present in all legal drafts and amendments.	In general, mainstream media have been balanced in their reporting, although nuances of bias have been noticed, especially during electoral campaigns.
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	PARTIALLY	Media should refrain from political bias when reporting on politics (Law 97/2013, Article 46).	Previous regulation stated that editorial independence is guaranteed by the law for all media. Such provision is missing in the current legislation (regulating audio-visual media), approved in March 2013.	Although the regulation guaranteed editorial independence, this provision has not been observed by creating other mechanisms that would assist independence. Media independence has been constantly doubted.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
EDITORIAL INDEPENDENCE RULES FOR PSB	PARTIALLY	PSBs should refrain from bias in the coverage of news events (Law 97/2013, Article 91).	Previous regulation stated that editorial independence is guaranteed by the law for all media. Such provision is missing in the current legislation (regulating audio-visual media), approved in March 2013.	The law used to guarantee editorial independence for all media, but in practice, the main accusation against PSB over the years has been lack of independence, no matter who was in power.
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	NO		This has never been part of the work contracts of journalists.	When there are contracts they refer to general work conditions, not to content or editorial independence.
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	NO		This has never been part of legislation or internal practice in the newsrooms.	In practice, journalists have no influence on appointments and dismissal of editors.
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	NO		The Code of Labour obliges all employers to have contracts with employees, but not necessarily collective agreements as well. There is no specific labour requirement for media organisations.	Collective contracts in the media have not been signed so far.

BOSNIA AND HERZEGOVINA

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
<p>TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)</p>	<p>PARTIALLY</p>	<p>In the Broadcasting sector there are three relevant rules (Rule 55/2011, 58/2011, and Rule 34/2008) which stipulate registering of the ownership structure of licenced broadcasters. There are no specific rules on registration of online and print media, except local court registries for all businesses.</p>	<p>The Communication Regulatory Agency (CRA) is now in the process of amending the Rule 34/2008 on establishing and maintaining unique register of licences, to adapt to technological developments and gather new information on the market of electronic communication. Press Council is now advocating for print and online media to publish information about the management and contact information, which is not practice among online media platforms at the moment.</p>	<p>Communication Regulatory Agency collects and publishes the data on the directors and editors in chief of broadcasting media. Major print media do publish information on the personnel and management, but they lack transparency on the business indicators and sources of revenues. Websites of the media often do not contain information on the ownership. Online media often do not exercise a minimum of the transparency. Some online media are not registered as business subjects. Many of them neither publish the information on ownership and management nor the contact information on their websites. Parts of information on ownership structure are available in 15 different court registries. The online register of businesses provides information on initial capital and founders of businesses in FBiH.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
SPECIFIC TRANSPARENCY RULES FOR PSB	YES	For PSB additional obligation is to publish annual reports. Audit reports are also provided (as stipulated in the Law on Public RTV system BIH, the Law on Public RTV service BIH, the Law on RTV FBiH, the Law on RTRs, and the Rule 57/2011 on public RTV broadcasters).	No major effort has been made over the years to increase transparency of PSB.	Annual reports of three broadcasters have not always been easily accessible. However, financial and business reports of RTRs for years 2008-2012 are available at RTRs website, as well as (since recently) reports of BHRT for 2010-2012, and reports for RTVFBiH for 2007-2012, at their respective websites. The audit office gave a negative mark for business performance of RTVFBiH in the period 2009-2011, but the management of RTV FBiH have been stressing out that both the financial performance and the view-ership is enhancing over the past several years. These audits are not fostering positive changes in PSBS.
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	The Law on Communications proscribes transparency in the procedures of appointing CRA officials, developing regulations, reaching decisions upon complaints, etc. As stipulated in the Article 45, the CRA submits the yearly financial and activities report. Freedom of Information Act stipulates that as a public institution, the CRA is also obliged to reply to requests for information.	There have been no major critiques of the CRA's transparency. CRA is obligated by the law to publish the documents, annual reports, draft rules etc. Publishing on the website is not specifically required.	The CRA publishes yearly reports on their functioning at their websites, and seems to be generally acting in accordance with the laws and regulations in terms of transparency. In the context of this research, CRA officials provided all requested information, as stipulated by the Freedom of Information Act.
ANTI-CONCENTRATION RULES	NO	The concentration of ownership in media sector has not been regulated at all for several years.	Previous anti-concentration regulations were under the jurisdiction of the CRA. In past few years, the CRA has been advocating for development of concentration rules that would pertain to the media sector as a whole. However, so far no significant interest has been demonstrated by the relevant institutions, including the Council of Competition.	Few media actors are holding significant ownership share, but no major concentration has been reported so far. Still, lack of regulations, along with the possibility that real owners might not be officially registered as owners, makes the concentration of ownership an open risk.
CROSS-OWNERSHIP RULES	NO		Ibid.	

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	PARTIALLY	The Law on conflict of interest in the government institutions of BiH (Article 4) stipulates that any engagement in private business, "under circumstances that create a conflict of interest", is incompatible with the public duties of the elected official, executive officeholder or adviser; these functions are also incompatible with the membership in the supervisory, managerial, executive boards, as well as the position of authorized person within public companies (ibid) – which includes public media. The Rule 57/2011 on public radio and TV stations pertains only to the positions of editor-in-chief, director and member of editorial board of a public media, who cannot simultaneously hold public office, while it does not affect media owners.	Given that the media ownership is mainly unregulated since 2006, media ownership by politicians is an imminent risk; it is also unclear which "circumstances" constitute conflict of interest in the Article 4.	Dnevni avaz, one of the major dailies was owned by Fahrudin Radončić, leader of the Alliance for Better Future (SBB). Just before he was appointed the Minister of Security of BiH, in order to avoid possible accusations of conflict of interest (as stipulated by the Law), he transferred ownership to his (since then) ex-wife, Azra Radončić, in July 2012.
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	YES	As stipulated by the Law on the policy of foreign direct investments of BiH, foreign investments in an enterprise dealing with radio, TV, print and electronic media, shall not exceed 49% of capital of that business (Article 4).	No identifiable trends.	These stipulations can be surpassed in cases of indirect ownership, i.e. if a company registered in BiH is the owner of a media outlet (e.g. Al Jazeera Balkans, OBN).
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	NO			
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	YES	The Council of Competition of BiH decides on the prohibited competition activities in the market, including concentration, as stipulated by the general Competition Act (especially Article 12). However, no specific rules and jurisdiction over media concentration is in place.	The trends are worrying since the relevant institutions did not show interest in developing regulation on media concentration. The Council of Competition does not systematically deal with media sector, but reacts if specific cases of prohibited competition and concentration are reported.	So far there were no prominent cases processed by the Council of Competition, related to media sector. We did not identify any decision of the Council of Competition related to media concentration.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	<p>The Law on Communications (Article 39) stipulates that: Officials in legislative and executive functions at any level of government, or members of political party organs cannot be candidates for the membership in the Council of the CRA.</p> <p>A member of the CRA Council should declare any interest related to a telecommunications operator or a broadcaster, and should recuse himself/herself in cases representing a conflict of interest.</p>	<p>The process of appointment of the Council members has been hindered and politically manipulated for years without any sanctions. In 2012, an amendment to the Law on communications was adopted, potentially investing more power in the Council of Ministers to influence the process.</p> <p>It seems that the formulation “cases representing a conflict of interests” in the Article 39 is overly broad, allowing questionable interpretations.</p>	<p>Over several years, the procedure of appointing the members of CRA Council has been hindered, which was interpreted as a political pressure on the CRA.</p> <p>Among the members of the Council which were appointed by the end of 2013, some are considered to have close political affiliations.</p>
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	<p>The Law on Public RTV service BiH, the Law on RTV FBiH and the Law on RTRS stipulate that the members of the Board of Governors of a PBS cannot be performing functions in legislative, executive and judicial government, on any level, and cannot hold membership in political party organs.</p> <p>The Rule 57/2011 on public radio and TV broadcasters stipulates that members of Editorial council cannot be appointed public officials (Article 10). The members are obliged to submit to the Agency a statement confirming their non-affiliation to political institutions.</p>	<p>No major changes were made in the regulation of this area. The rules are in place, but even if they are formally respected, it is generally believed that the governing bodies are not independent from the political influences.</p> <p>The worrying trend is that the CRA, which is already excluded from the process of appointing the Board of Governors of RTV FBiH, was also left out by the recent amendments to the Law on RTRS in 2013.</p> <p>Marginalisation of the CRA's role in the process may lead to more political reckoning in appointing the managerial board, and to less transparent procedures.</p>	<p>There are no reports on violation of the rule. Still, there are doubts regarding affiliations between the members of the PSB Councils and political parties in power.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	YES	The Rule 57/2011 (Article 10), as well as the Law on Public RTV service BH, the Law on RTV FBH and the Law on RT RS involve stipulations that editor in chief and director cannot be appointed officials, party officials or representatives of organisations linked to a political party. The director general also cannot be a (co) owner of a broadcaster. Rules pertaining to other management and editorial positions are possible, but not obligatory, and are in domain of the Statutes of individual public media.	No major changes in this regard were made over the years. The legislation is solid, but the implementation remains questionable.	There is no procedural evidence on violation of this rule, but media continuously expressed and reported on speculations about unofficial political affiliations of the PSB management and editors .
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	PARTIALLY. Specifically for director general	As stipulated by the Law on Communications of BH, the candidates for director general cannot be officials in legislative or executive functions at any level of government, cannot be members of political party organs, or have any financial relations with the telecommunications operators or broadcasters (Article 40). Some provisions are included in the internal Code of Conduct of CRA, and the general provisions of conflict of interests also apply.	There were no major reports on the violation of these norms.	The whole procedure of appointing director general of the CRA has been stalled for several years. On 13 February 2014, CRA made a decision to publish a call for appointment of the new director.
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	N/A	There are no specific decision-making bodies on media subsidies, the decisions are made by the officials at different levels of government.	This area remains largely unregulated.	There are doubts about the transparency of and criteria for allocation of funds to media, which are being provided at different governmental levels.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
<p>MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY</p>	<p>YES</p>	<p>The Law on Communications stipulates the merit system for members of the CRA Council and the director general. Candidates for director general need to have relevant experience in the telecommunication and/or broadcasting sector, and management skills. Candidates for members of the CRA Council need to fulfill the following conditions:</p> <ul style="list-style-type: none"> a) BiH citizenship; b) University degree, technical or social sciences; c) Minimum of five years' experience in posts within the jurisdiction of the Agency; d) Knowledgeable on the issues of business and broadcasting aspects of public and commercial broadcasting media; and e) Experience in telecommunications and broadcasting. 	<p>Amendments to the Law on Communications was adopted in the second reading in the Parliamentary Assembly on 4 December 2012, raising concerns that it will give more power to the Council of Ministers in appointing members of the CRA Council. The Parliamentary Assembly is supposed to establish an ad hoc body, envisaged to propose the members of the CRA Council. The procedure for appointment and composition of the ad hoc body is not precisely defined. The list of candidates is first sent to the Council of Ministers (whose role is not elaborated) and then subject to the parliamentary approval. Despite engagement of professionals, there are suspicions that the majority of current ad hoc body members are affiliated to the leading political parties.</p>	<p>In the past years, the Parliament of BiH has been blocking the appointment of the director general, and the members of the CRA Council, presumably due to political calculations, thus hindering implementation of the merit system. The media have been reporting that the political parties were unofficially negotiating the future appointment of the director general, taking into account primarily ethnic principle.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	PARTIALLY	There are no specific criteria stipulated by the laws and binding government decisions with regard to appointment of Board of Governors. The Law on Public RTV service BiH, the Law on RTV FBiH and the Law on RTRS stipulate that the "most qualified candidates" should be selected. In addition, the relevant laws on ministerial and other appointments (for both state and entity level) stipulate that the criteria are established when conducting a selection procedure, and that the criteria should correspond to the needs of the body in question. Therefore the criteria are not firmly established, but depend on the interpretation of the body that is conducting the procedure. Such interpretation could be questionable especially given that a body within the Parliament FBiH (for RTVFBiH) and, since recently, a body within the National Assembly of RS (for RTRS) are conducting the procedure.	There have been continuous doubts about the way members of the governing boards are being selected. Members of the Governing Boards are perceived to be rather politically suitable than competent individuals contributing to the performance of PSB.	In practice, for example, the recent call for appointment in the Board of Governors of RTRS set the "specific" criteria (published on 4. November 2013): higher education, expert knowledge in the field of appointment, at least five years of work experience, familiarity with the content and the manner of functioning of the managerial body. Relatively recently, the initiative of the Parliament of Federation of BiH to appoint an interim Board during 2012, which was made in haste and contrary to legal procedures, was perceived as an attempt to re-establish the political control over this broadcaster.
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	PARTIALLY, for PSB only	The Law on Public RTV service BiH (Article 32), the Law on RTV FBiH (Article 46) and the Law on RTRS (Article 30) prohibit propaganda messages of political parties and candidates, except in the period of the official election campaign, as regulated by the Election Law of BiH and the rules of BiH Election Commission.	It is difficult to detect the trends in this regard, given that practically there is no continuous monitoring of the political propaganda.	Although there are not many reliable continuous content analysis (beyond election period), there are claims that certain media continuously act as PR services of certain political actors (for example Dnevni avaz as an advocate for SBB, and RTRS for SNSD).

DE JURE - RULES	YES / NO / PARTIALLY		DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
	YES	PARTIALLY			
OBLIGATION OF FAIR AND BALANCED REPORTING	YES		There are stipulations within the Code on Audiovisual and Radio Media Services, the Code for Press and Online Media, as well as within the laws and rules pertaining to public broadcasters.	It is difficult to identify trends in terms of implementation of these provisions, given that there is no systematic monitoring of the media content.	Violations of these norms occur in practice, but there is a system of regulation and self-regulation that addresses this problem. The CRA has the executive competence regarding violations of such norms in broadcasting sector. On the other hand, the implementation of the decisions of Press Councils depends on the voluntary acceptance of media outlets.
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	NO		There are no provisions dealing directly with the editorial independence in private media.		Representatives of the CRA state that the regulations enable maximum editorial independence.
EDITORIAL INDEPENDENCE RULES FOR PSB	YES		The Rule 57/2011 on public radio and television broadcasters; the Law on Public RTV service BiH, the Law on RTV FBiH, the Law on RTRK and the Statute of RTV BiH all stipulate editorial independence.		Despite the regulations, the reports on situation in the media sector express serious doubts about editorial independence of PBS.
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	NO				
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	NO				
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	PARTIALLY		The general collective agreement (existing on the level of FBiH and RS) is binding for all employers, including media sector; and it defines the basic principles of labour relations, such as signing the agreement, providing the salary, etc. Separate collective agreements pertaining to the media industry are also signed at the entity level. Particular collective agreements, on the level of individual media, are signed in some media outlets, specifying in more detail the rights of employees and the labour relations.	As stated at the website of the Trade Union of RS (webpage of Trade Union of Media and Graphics) the latest collective contract at the level of industry is adopted in 2006, providing the workers within the sector with 'considerably better rights'. It is also stated that by 2000 already 50% of the media had signed the particular collective agreements.	If the employees are not organized into trade unions, the employer is not obliged to sign and respect particular collective agreement, which means that many media are left out of these trends. Additionally, the available reports suggest that the labour rights are often violated, above of all the stipulations related to the salaries, working hours and vacation.

CROATIA

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)	YES	<p>The Media Act (Article 14) – Annual report by all media outlets, including ownership structure, financial results, data on average listenership/readership/viewership shall be published in the media.</p> <p>The Media Act (Article 32) – Ownership data shall be published in the Official Gazette by 28 February every year.</p> <p>The Media Act (Art. 34) – Data on business results including: total income, average circulation, average readership/listenership/viewership in the past year – shall be published in own media by 30 April every year.</p> <p>The Media Act (Article 12) – Obligation of print outlets and distributors to register and provide data to the Croatian Chamber of Economy (CCE). The data collected include: annual reports on ownership structure (Article 32) and financial results (Article 34); obligation of distributors to submit financial reports (Article 38).</p> <p>Electronic Media Act (Article 52) – Media outlets are obliged to provide to the Electronic Media Council the data on media ownership shares until 31 January every year. The same data has to be published in the Official Gazette.</p>	<p>Reinforcement.</p> <p>In 2011, the Media Act was amended banning any type of concealment of ownership structure.</p>	<p>Not implemented properly. Data are not easily available/searchable.</p> <p>If some of the data required exists on the websites – it is un-standardized, incomplete and not easy to found.</p> <p>In addition, data on specific media outlets are presented more as a kind of advertising than reliable facts. The regulators should define a standardized form that would be easy to access via the websites of the media.</p> <p>Not properly defined categories of data collection.</p> <p>It is unclear to what extent the regulator controls this.</p> <p>It is also unclear why the Croatian Chamber of Economy was designated to collect the data on print media.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
SPECIFIC TRANSPARENCY RULES FOR PSB	YES	<p>The Croatian Radiotelevision Act (Article 13) – The Contract (consisting of program obligations and financial plan) between public service broadcaster HRT and the Croatian Government has to be published on the internet site of HRT, as well as the annual working plan and financial plan.</p> <p>The Croatian Radiotelevision Act (Article 26) – Annual reports of the Council of HRT have to be published on the internet site of HRT.</p> <p>HRT is obliged to report to external institutions such as the Croatian Parliament and the Electronic Media Council.</p> <p>The Croatian Radiotelevision Act (Article 41) – The Statute of HRT has to be published on the internet site and in the Official Gazette.</p> <p>The Croatian Radiotelevision Act (Article 11) – The General Terms and Conditions has to be published on the internet site.</p> <p>The Right to Access Information Act obliges all public institutions to make their activities and data available to the public via their internet sites and upon individual request.</p>	Reinforcement.	The first five year contract was signed this year (2013–2017). The process of restructuring has not been set in motion properly.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	<p>The Electronic Media Act (Article 19) – The Electronic Media Council is obliged to publish the list of electronic media with concession on their website.</p> <p>The Electronic Media Act (Article 23) – The Electronic Media Council is obliged to publish the program principles on which the concession is based on their internet site.</p> <p>The Electronic Media Act (Article 64) – The Electronic Media Council is obliged to publish the list of the media outlets financed through the Fund for Promotion of Pluralism and Diversity (including the name of a media outlet, program and content and their reports) on its internet site.</p> <p>The Electronic Media Act (Article 67) – The Electronic Media Council is obliged to publish its annual report and to submit it to the Croatian Parliament.</p> <p>The Electronic Communications Act (Article 14) – Registers and databases, documents, public tenders, statistics, annual program of work, annual financial plan, annual report of activities – which all have to be publicly available and frequently updated on the internet site of the Croatian Post and Electronic Communications Agency. The annual report on the activities and decisions that have significant influence on specific markets also have to be published in the Official Gazette.</p> <p>The Law on Audiovisual Activities (Article 9) – The Supervisory Board is obliged to submit annual reports to the Ministry of Culture.</p> <p>The Law on the Right of Access to Information obliges all public institutions to make their activities and data available to the public via their internet sites and upon individual request.</p>	No change.	<p>The work of the Electronic Media Council – that holds considerable power and manages a substantial budget – has been non-transparent for long period. It has not ensured that legislative stipulations are implemented in practice.</p> <p>The Croatian Chamber of Economy with its nontransparent mode of conduct is hidden from the public eye.</p> <p>It is not stipulated where they should publish the annual report specified in the Article 67 of the Electronic Communications Act.</p> <p>The area of electronic communications is under the purview of the Ministry of Maritime Affairs, Transport and Infrastructure (in charge of technical aspects of electronic communication networks and services, and the maintenance and development of electronic communication infrastructure such as the radiofrequency spectrum and digitalisation process).</p> <p>There are no specific stipulations that would ensure transparency of activities of the Croatian Chamber of Economy and the Croatian Audiovisual Center.</p> <p>However, information on their operations can be (de jure) accessed through application of the Law on the Right of Access to Information.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
ANTI-CONCENTRATION RULES	YES	<p>The Competition Act applies to all market players including media organisations.</p> <p>The Media Act (Article 35) stipulates the protection of market competition that applies to all media.</p> <p>The Media Act (Article 36) stipulates that the media are obliged to declare their intention to merge to the Croatian Competition Agency.</p> <p>The Media Act (Article 37) restricts media concentration for press media outlets if the market share exceeds more than 40% of the total sold copies in Croatia.</p> <p>The Electronic Communication Act (Article 68) stipulates that electronic communication operators must notify the Croatian Competition Agency on intention to merge.</p> <p>The Electronic Media Act (Article 53) defines the meaning of 'linked persons' as individuals connected through family and marriage, or as shareholders; individuals connected through marketing contracts, members of various supervisory boards. According to the Article 55 these 'linked persons' are taken into consideration in the estimation of media concentration.</p>	No change.	The Croatian media market is highly concentrated.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CROSS-OWNERSHIP RULES	YES	<p>The Electronic Media Act restricts cross-media ownership on different levels.</p> <p>Article 54 establishes restrictions for cross-media ownership for a television and radio outlet operating on national level if:</p> <ul style="list-style-type: none"> - it holds more than 25% of shares in a media outlet on any other regional, county or municipal level; - it holds more than 10% shares in a media outlet publishing daily newspaper with more than 3,000 copies; - it holds more than 10% share of a press agency; - it simultaneously publishes a daily newspaper with more than 3,000 copies. <p>It also restricts cross-media ownership for television and radio outlets operating on a local or regional level if:</p> <ul style="list-style-type: none"> - it holds more than 30% shares in a media outlet operating in the same local or regional market; - if it simultaneously publishes a daily newspaper of local importance in the same or neighboring area; <p>It also restricts cross-media ownership for satellite, internet or cable operator that:</p> <ul style="list-style-type: none"> - it simultaneously publishes a daily newspaper with more than 3,000 copies; - it holds more than 10% of shares in a media outlet that publishes a daily newspaper with more than 3,000 copies. <p>The Electronic Media Act (Article 60) prevents legal entities holding more than 10% of shares of advertising agencies from holding shares in television or radio outlets.</p> <p>The Electronic Media Act (Article 57) stipulates that all changes in the ownership structure have to be reported to the Electronic Media Council.</p>	No change.	
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	PARTIALLY	<p>It is regulated indirectly through the Prevention of Conflict of Interests Act: any engagement of public officials creating conflict of interest is banned.</p> <p>The Prevention of Conflict of Interests Act (Article 16) stipulates that a public official holding more than 0,5% shares in a company shall transfer his/her rights in the company to another person or a special body, while on duty.</p>	No change.	

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	NO		Relaxation. The Media Act was amended in 2013. It introduced relaxation of barriers for foreign owners based in the EU – in terms of the possibility to register the media outlet in Croatia without having their headquarter or permanent address in Croatia (as a result of EU membership).	The same treatment as Croatian citizens.
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	NO			
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	YES	It is the Croatian Competition Agency. This area is regulated by the Competition Act.	No change.	
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	The Electronic Media Act (Article 68) stipulates that the following persons shall not be appointed for members of the Electronic Media Council: officials of political parties, state officials, officials in the executive or judicial authorities, persons involved in ownership, management or supervision of the media outlets that are regulated by the Electronic Media Act, persons performing tasks which could lead to a conflict of interests. The Electronic Communication Act (Article 8) stipulates that that following persons shall not be appointed for members of the Croatian Postal and Electronic Communication Agency: state officials; officials of political parties; persons involved in ownership, management or supervision, or connected to legal entities regulated by the Electronic Communication Act; or persons performing tasks which could lead to a conflict of interests. The Prevention of Conflict of Interest Act (2013) should also be applied.	Reinforcement.	Non-transparent. Conflict of interest is recently regulated by the Prevention of Conflict of Interest Act (2013), but the implementation is still lacking.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	The Croatian Radiotelevision Act (Article 25) stipulates that members of the Council cannot be state officials, officials of political parties, and of local or regional authorities, persons connected to other competing legal entities or persons performing tasks which could lead to a conflict of interests. The Prevention of Conflict of Interest Act (2013) also should be applied.	Reinforcement.	
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	YES	The Croatian Radiotelevision Act (Article 20) stipulates that director and editors in chief cannot be at the same time members of the state authority bodies, bodies of local or regional authorities and political party organs. The Prevention of Conflict of Interest Act (2013) also should be applied.	Reinforcement.	The current director of HRT was accused of conflict of interest due to the fact that he did not declare all his assets. In his defense he claimed that the position of the director of PSB was not a position of public official. These arguments were refused by the Committee for Conflict of Interests. However, the director did not offer his resignation, nor was he dismissed from his position.
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	NO	Not specific provisions for top management position in regulator. The same provisions are applied as for members of the regulatory bodies. The Prevention of Conflict of Interest Act (2013) also should be applied.	No change.	
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	YES	The conflict of interest rules for the Electronic Media Council are applied here as well. If specific expert committees are established to deal with media subsidies they are regulated by subsidiary legislation. The Prevention of Conflict of Interest Act (2013) also should be applied.	Reinforcement. The amendments of the Electronic Media Act in 2013 have enabled nonprofit electronic media to compete for the funds allocated from the Fund for the Promotion of Pluralism and Diversity of Electronic Media, including online publications (web portals) for the first time.	

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY	YES	<p>The Electronic Media Act (Article 68) – Members of the Electronic Media Council are appointed by the Parliament. It is specified that the members have to be professionals with knowledge and experience in the radio, television, publishing, cultural or similar field. The members shall be public persons who have distinguished themselves in public life by advocating respect for democratic principles and the rule of law, building and promotion of the highest values of the constitutional system of the Republic of Croatia, development of civil society, defense of human rights and freedoms, as well as protection of the freedom of expression.</p> <p>The Electronic Communication Act (Article 8) – In the case of the regulatory body of the Croatian Postal and Electronic Communication Agency a member of the Agency's Council shall hold a Master degree in electronic communications, postal transportation, law or economy; have active knowledge of at least one foreign language (English, French or German).</p> <p>The members of the Agency's Council shall have 5 years of working experience in the area of electronic communications or postal services.</p> <p>The Electronic Communication Act (Article 10)</p> <p>– Director of the Croatian Postal and Electronic Communication Agency shall hold Master degree in electronic communications, postal services, law or economy; have at least three years of working experience in managerial positions in the area of electronic communications or postal services, and knowledge of at least one foreign language (English, French, German).</p>	No change.	The nominations and appointments are often influenced by political affiliations or based on loyalty to patrons.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	YES	<p>The Croatian Radiotelevision Act (Article 20) – Director shall hold Master degree, have knowledge of at least one foreign language (English is obligatory), minimum 10 years on managerial positions in the media or other business systems, have knowledge in the field of media policy and legislation, as well as in new information technologies.</p> <p>The Croatian Radiotelevision Act (Article 22) – Supervisory Board members shall hold Master degree, have knowledge of at least one foreign language and have 10 years of working experience. One member of the Board has to be a professional in the area of law, and one in finances/economy. Most of the members should have working experience in the field of media.</p> <p>The Croatian Radiotelevision Act (Article 25) – Members of the Council of HRT shall be media experts, well known intellectuals, artists, professionals, public persons who have distinguished themselves in public life by commitment to democratic principles, rule of law, the values promoted in the Constitution, development of civil society; protection of human rights and freedoms, enhancement of culture, science and art and protection of freedom of speech and media. In the appointment process, pluralism of worldviews and other types of pluralism shall be ensured.</p>	No change.	The nominations and appointments are often influenced by political affiliations or based on loyalty to patrons.
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	YES	The Electronic Media Act – Political advertising (Article 30) and sponsorship (Article 35) are banned outside an election period.	No change.	There are common practices of indirect 'promotion' of political parties/personalities in the media all the time.
OBLIGATION OF FAIR AND BALANCED REPORTING	YES	Electronic Media Act (Article 25), Media Act (Article 3), Croatian Radiotelevision Act (Article 7), Croatian News Agency Act (Article 5).	No change.	Not implemented. No one monitors this, only the Croatian Journalists Association provides occasional reflections. Numerous research reports show the breach of this provision and the overall lowering of the quality and ethical standards of the media.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	PARTIALLY	<p>The Media Act (Article 26) – The relations between media owner, editor in chief and journalists should be regulated by the Statute of the media (self-regulation). The Statute needs to be approved by the majority of the total number of journalists in the media.</p> <p>The Electronic Media Act (Article 23) stipulates that in order to change the media program orientation, owner has to get the opinion of the editorial board.</p>	<p>Reinforcement.</p> <p>In July 2013, the Value Added Tax Act was introduced. Its Article 38 stipulates tax reduction for daily newspapers (with general news) containing minimum 25,000 words (the tax is reduced to 5%), and for other newspapers and magazines (the tax is reduced to 10%). However, this should only apply to the print media which have a statute.</p> <p>No change.</p>	<p>Many media do not have a statute. This area is not monitored by regulators. With the new regulation on tax reduction the print media are encouraged to adopt such internal regulation.</p>
EDITORIAL INDEPENDENCE RULES FOR PSB	YES	Croatian Radiotelevision Act (Article 17) guarantees autonomy through editorial independence.	No change.	<p>There are indications of close connections between centers of political power and managerial/editorial positions at the PSB in Croatia.</p> <p>The 2010 Croatian Radiotelevision Act has been criticized for strengthening political control, especially through the appointment procedure for the director.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	YES	The Media Act (Article 26) stipulates that the relations between media owner, editor in chief and journalists should be regulated by the Statute of the media (self-regulation). It should regulate the appointments and dismissal of editors in chief, and the procedure and conditions in which editors and journalists have to exercise their rights in case of change of ownership or management that results in considerable changes in the program orientation of the media (conscience clause). The Media Act (Article 27) stipulates that journalists have the right to express their opinion with no consequences for their working contracts and conditions. The Media Act (Article 28) stipulates that journalists have the right to refuse an assignment which is not in accordance with good journalistic practice without consequences for their working contracts and conditions.	No change.	Many media outlets do not have a statute and when they do, the provisions are often not implemented. This area is not monitored by regulators. Large number of journalists works under unlawful contracts (so called RPO contracts). With such employments the employers in the media industry avoid taxes while putting journalists in insecure, precarious in the labour market).
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	YES	The Croatian Radiotelevision Act (Article 20) – Before the appointment of editors in chief the opinion of journalists and other employees participating in the creative process is required. The Croatian Radiotelevision Act (Article 21) – Before the appointment of editors in chief, the director of the psb asks for the opinion of journalists and other employees included in the creative process.	No change.	
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	NO			The Trade Union of Croatian Journalists has made some efforts over the years, and attempts to sign a collective contract on national level. However there are no legal obligations on labour rights in the media.

MACEDONIA

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
<p>TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)</p>	<p>PARTIALLY</p>	<p>Transparency is regulated as an obligation for the broadcast and print media. Article 15 of the new Media Law adopted in December 2003 stipulates that: broadcasters are obliged, at least three times per year, to publish on their program service (within the prime time) the following data: data on their ownership structure; names of the editor in chief and editors of other program departments; data on their sources of finances in the previous year; data on their total income and expenditure in the previous year; data on their average viewing and listening figures in the previous year. In addition, broadcasters are obliged to submit the same data to the Agency for Audio and Audiovisual Media Services, by 31 March at the latest. If the broadcaster does not fulfil these obligations, the Agency will issue written warning and will oblige the broadcaster to provide the data within 45 days. In case the broadcaster does not provide the data within the additional deadline, the Agency can withdraw its broadcasting licence. The print media are obliged to publish the same data at least in one daily newspaper, once per year, by 31 March at the latest and to provide the Agency with the prove (extract from the printed data in the daily newspaper) within 15 days since their publication. In the Article 30 of the Media Law, fines are envisaged for all media outlets (from 4.000 to 5.000 euro) if they don't submit the data to the Agency within the specified deadline and in the required format (for broadcasters) or if they don't publish the data as specified in the Law (both for broadcasters and for the print media). The print media can be also fined (1.500 to 3.000 euro) if they don't submit a copy of all their printed editions to the National University Library (Article 30).</p>	<p>Transparency rules were introduced for the first time with the 2005 Broadcasting Law. In the new Media Law are incorporated almost the same obligations for the broadcasters. The new Media Law extended these rules also to the print media.</p>	<p>Until December 2013, these obligations were monitored by the Broadcasting Council. Most of the broadcasters complied with the legal provisions related to transparency. According to the new Media Law, the obligations of the broadcasters and of the print media related to media transparency will be monitored by the new Agency for Audio and Audiovisual Media Services.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
SPECIFIC TRANSPARENCY RULES FOR PSB	YES	MRTV is obliged to submit its annual Working program and Financial Plan for the next year to the Parliament by 30 October the latest (Article 106 Law on Audio and Audiovisual Media Services). In addition, MRTV is obliged to submit its annual operational and financial report (for the previous year) to the Parliament, by 31 March the latest. The annual report and the Working plan have to be published on MRTV website. According to Article 122 of the Law on Audio and Audiovisual Media Services the sessions of the Council of MRT (supervisory body) are public and the MRTV is obliged to publish on its Web site the Rules of Procedure of the Council, the agendas and minutes from its sessions, approved decisions, etc.	The transparency rules for the public broadcaster were more clearly stipulated in the 2005 Broadcasting Law. These transparency obligations are reinforced with the Law on Audio and Audiovisual Media Services, but the transparency rules are not clearly defined for all managing bodies.	Not all obligations have been implemented so far. Most of the documents could not be found on MRT website, especially the reports and decisions of the MRT Council are not published regularly. Neither the regulator nor any other body monitors the implementation of these specific transparency rules for the PSB.
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	Article 8 of the new Law on Audio and Audiovisual Media Services relates to the accountability of the regulator: the Agency submits annual working report, Financial Report, Working plan and Financial Plan to the Parliament. Article 9 stipulates the transparency rules for the Agency. It is obliged: to publish research and analyses related to the market development and current situation on the media market; to conduct public consultations at least once every three months in order to enable all the stakeholders to express their concerns and opinions regarding the current situation on the market and the work of the Agency; to published the results from the public consultations on its website. Article 10 provides the manner of securing the influence of the public over the work of the Agency. Before the adoption of the by-laws and its annual Working program the Agency is obliged publish the draft documents on its website and to open a public consultation process that lasts at least 30 days. The summarised opinions from the public and reasoned positions of the Agency should be published on its website. There are also other provisions in the Law that stipulate obligations for the Agency to publish its Rules of Procedures, by-laws, public competitions, the decisions and minutes of its meetings and other documents on its website.	These rules were reinforced with the 2005 Broadcasting Law, but with new Law on Audio and Audiovisual Media Services they are further elaborated, so there are now three separate groups of provisions for the Agency on Audio and Audiovisual Media Services: accountability, transparency and influence of the public over the Agency's work.	Most of the regulator's obligations according the Broadcasting Law were formally implemented. The listed documents were published on its website, but the minutes and decisions made during the sessions were not always duly reasoned and detailed. This practice has been evidenced since the beginning of 2008. It is yet to be seen how the provision of the new Law on Audio and Audiovisual Services will be implemented.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
ANTI-CONCENTRATION RULES	YES	The Article 37 of the Law on Audio and Audiovisual Media Services allows <i>horizontal integration</i> of capital (entities on a single market), but foresees certain restrictions with regards to the share in the founding capital, as well as with regards to the number of broadcasters that a natural person or a legal entity may own. For instance, a natural person or a legal entity may hold additional four licences - one on national level (not exceeding 50% of the capital), one on regional and two on local level, provided that the two areas do not share a common border. Further, a person or entity that holds a licence to pursue broadcasting activity on regional level may hold additional three licences - one on regional and two on local level, provided that the two regions do not share a common border. A third form of allowed horizontal integration is when a legal entity or a natural person holding a licence to pursue broadcasting activity on local level appears at the same time as an owner in at most two other broadcasters with licences to pursue broadcasting activity on local level, provided that the two areas do not share a common border.	The Broadcasting Law 2005 introduced more liberal provisions on media concentration compared to the previous law. The main explanation was that the previous restrictive regulations prevented circulation of capital and transfer of ownership. During the course of the law's adoption, the media industry committed itself firmly to liberalisation. Most of these rules remained the same in the new Law on Audio and Audiovisual Media Services.	Over the past years, the Broadcasting Council regularly monitored the illegal media concentration and reacted in all cases when it noted it. Several stations were under scrutiny because their owners or managers owned companies for advertising and propaganda or film production. In the past, the public attention was mostly diverted towards the consequences that some larger cases of illegal media concentration had over the public opinion, market and competition (the case of A1 and its related daily newspapers Vreme, Špic and Koha).
CROSS-OWNERSHIP RULES	YES	Regarding the ownership connections (<i>diagonal integration</i>) of broadcasters with media which belong to other markets, the restriction (Article 39 of the Law on Audio and Audiovisual Media Services) only refers to daily newspapers and news agencies. Neither the broadcaster, nor its founder may participate in the ownership of a press company that publishes a daily newspaper or runs a news agency. <i>Vertical integration</i> or integration of the capital of a broadcaster and companies of other related activities is regulated by the same Article: advertising and propaganda, film production, distribution of audiovisual works and telecommunication services. Neither the broadcaster, nor its founder may own a share in the founding capital of companies registered for these activities. The Law also determines that broadcasting activity is incompatible with pursuing market and public opinion research.	Most of these rules existed in the 1997 Law, but they were reinforced and stipulated in quite more detailed manner in the 2005 Broadcasting Law. Most of these rules remained the same in the new Law on Audio and Audiovisual Media Services.	The only case of illegal concentration in the past was the one between A1 television and daily newspapers Vreme, Špic and Koha. Since their closure in 2011, there have been no other cases of diagonal concentration.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	YES	Article 38 of the Law on Audio and Audiovisual Media Services stipulates that political parties, state bodies, bodies of the state administration, public enterprises, local self-government units, public office holders and members of their families, may not pursue broadcasting activity or appear as founders or co-founders of broadcasters, or acquire ownership of broadcasters.	The provision was the same as the one in the 2005 Broadcasting Law.	Formally, this provision is implemented but in practice there are hidden relations between owners and politicians, while in some cases the names of the real owners do not formally appear in the registry.
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	NO	Article 35 of the Law on Audio and Audiovisual Media Services stipulates that a foreign natural or legal person can found or participate in the ownership of a domestic broadcaster under the same terms as domestic natural persons and legal entities.	The same provision like in the 2005 Broadcasting Law	Mainly implemented.
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	NO			
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	YES	It is the Commission for Protection of Competition.		Broadcasting Council and Commission for Protection of Competition have established cooperation and in 2008 and 2009 they had mutual activities related to cases of illegal media concentration.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	Article 16 of the Law on Audio and Audiovisual Media Services provides that the following persons may not be elected as members of the Council of the Agency: members of the Assembly and Government, persons appointed by the Assembly or the Government, senior officials in the local self-government units, director or member of managing or supervisory board of a public enterprise; persons performing duties in the bodies of a political party or a religious community; persons who are owners or shareholders, who are members of the managing boards, or who directly or indirectly have interests in a legal entity involved in audio or audiovisual activity, or in a company involved in related activity (advertising, electronic communications, production and sale of audio or audiovisual technical goods, etc.); persons whose family members (parents, sibling, spouse, offspring) own shares or sit in the managing bodies of broadcasters; persons lawfully sentenced to a term in prison longer than six months, etc.	Almost the same rules applied for the members of the regulator in the 2005 Broadcasting Law.	Formally implemented, but there are strong affiliations with political parties.
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	Article 119 of the Law on Audio and Audiovisual Media Services provides that members of the Programming Council of MRTV shall not be: members of the Assembly, members of the Government, appointed and elected officials, senior officials in the state administration, the local self-government units or regulatory bodies, directors or members of Executive Boards of public enterprises; persons that in the last five years were public officials or performing duties in political party bodies or religious community; persons employed in MRTV or in external entities which have concluded working contracts with MRTV, persons who as owners of share or stocks, as members of management bodies or as employees or engaged to work on any basis, have interest in other broadcasting organizations or news agencies, advertising companies etc. The same rules apply for the MRTV Supervisory Board (Article 127).	Reinforced with the 2005 Broadcasting Law. They remained almost the same in the new Law on Audio and Audiovisual Media Services.	Mostly implemented, but there were cases of electing members who have affiliations with political parties.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	PARTIALLY	Article 130 of the Law on Audio and Audiovisual Media Services: The Director and Deputy Director of MRTV shall not be members of the Programming Council and of the Supervisory Board of MRTV.	According to the 2005 Broadcasting Law there was also Managing Board. The new Law on Audio and Audiovisual Media Services envisaged only Director and Deputy Director as management of PSB.	Not fully implemented in the past. There were members of the PSB Managing Board who were senior officials in public institutions.
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	YES	Article 19 of the Law on Audio and Audiovisual Media Services. The Director, his spouse, as well as close relatives may not own shares, directly or indirectly in entities that are regulated by the Agency. There are no such bodies.		
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	N/A			
MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY	YES	Article 16 of the Law on Audio and Audiovisual Media Services: Members of the Council of the Agency may be persons who are citizens of the Republic of Macedonia, who have higher education, at least five years experience in their field of activity and with public prominence in the fields of communication sciences, journalism, telecommunications, information sciences, culture, economy, law and other fields relevant to the competences of the Broadcasting Council.	Similar provision like in the 2005 Broadcasting Law.	There have been many examples in the past of appointed members who did not have any expertise in the respective fields (without completed higher education) or had expertise in totally irrelevant fields for the work of the Broadcasting Council (machine engineering, chemistry, etc.)
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	YES	Article 117 of the Law on Audio and Audiovisual Media Services: Candidates for the Members of the Programming Council of the MRTV shall be citizens of the Republic of Macedonia, who have higher education, and who are prominent persons known in the public by their commitment to the democratic values and principles, rule of law, development of highest values of the constitutional order of the Republic of Macedonia, development of the civil society, protection of human rights and freedoms, as well as freedom of expression.		

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	NO	Not explicitly stated in the Law.		Political propaganda is constantly being run outside election period.
OBLIGATION OF FAIR AND BALANCED REPORTING	YES	Article 68 of the Broadcasting Law: Radio and television programmes shall be based on the following principles: Openness to diverse political views and positions; objective and unbiased presentation of events, with equal treatment of diverse views and opinions, enabling the free creation of a public opinion on individual events and issues.		There are plenty violations, especially during the election campaigns.
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	YES	Article 61 of the Law on Audio and Audiovisual Media Services: Broadcasters, while performing their activity, shall comply with the following principles: Autonomy, independence and accountability of editors, journalists and other authors involved in the creation of programmes and editorial policy.		The editorial policy of the biggest broadcasters (TV stations) has not been independent (from ruling parties, owners, and business) for many years now.
EDITORIAL INDEPENDENCE RULES FOR PSB	YES	Article 111 of the Law on Audio and Audiovisual Media Services: The journalists and editors of MRTV and other persons directly involved in the production of MRTV programs are obliged to respect the principle of political independence and autonomy of the journalists.		The editorial policy of the public broadcasters has been influenced by the ruling parties for many years now.
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	NO	There is only the Code of ethics of the Association of Journalists.		
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	YES	Article 8 of the Media Law from December 2013. Before the appointment or dismissal of the editor, the publisher is obliged to as for an opinion of the journalists.		
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	NO	The provisions of the Labour Law equally apply to journalists, but there is no specific provision in the Media Law that obliges media employers to sign collective contracts.		

SERBIA

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
<p>TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)</p>	<p>PARTIALLY</p>	<p>Transparency rules are minimal. All media outlets are required to register in the Media Register, kept by the Business Registers Agency, and report only the size of the founding capital. Broadcasting media have to report their ownership structure to the regulator, but only through ownership stakes and names of individual natural persons and legal entities. Real owners behind legal persons are not registered. No specific financial reports are required from the media. They submit annual financial reports to the Business Registers Agency in the same way as other enterprises, without data on types and sources of revenues, circulation or size of the audience.</p>	<p>Reinforcement. New media laws are in preparation. The Draft Public Information and Media Bill introduces a new Media Register for newspapers and agency services, while broadcasters will be registered by the Republic Broadcasting Agency. The Media Register will include data on owners with stakes above 10%, on related persons (spouses, close relatives, etc.), the amount of state aid received and types of revenues earned from state bodies (advertising, reporting, etc.).</p>	<p>Crucial information on media – their ownership, business performance, types and sources of revenues, wages of journalists – are not publicly available. All these types of information are considered a business secret. Individual owners behind registered legal persons are unknown, especially if legal persons come from off-shore zones. Data in the Media Register and Register of Broadcast Licences is available on specific websites, but it is scarce, incomplete and inaccurate. Data is related to individual media outlets and cannot be processed by a website user. Annual financial reports of media outlets are available on the website of the Business Registers Agency. However, they do not reflect the specific media economy.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
SPECIFIC TRANSPARENCY RULES FOR PSB	NO	<p>PSB institutions are not treated in any special way. Their only obligation is to submit financial reports to the Business Registers Agency, like all other media and like all other business companies. Since PSB institutions are in state ownership, they are subject to yearly financial control by the State Audit Institution (Article 91, Broadcasting Law), like all other companies owned by the state.</p>	<p>Reinforcement. The Media Strategy (2011) treats PSB institutions as different from other media. It introduces the obligation for PSB to make publicly available their programming as well as financial plans and reports on their implementation. These documents are to be publicly debated. The Strategy also stipulates a public financial control of PSB. Public broadcasters will be required to keep separate records on different types of revenues (commercial and subscription fee).</p>	<p>Very few data are available on republican public broadcaster RTS and provincial public broadcaster RTV. Their annual financial reports show only a number of employees and total sums of revenues and expenditures. There is no transparency in regard to the structure of revenues and expenditures, loans and debts, financial contracts, subscription fee payments, investment in programming production, salaries of journalists, or on decision making concerning programming and business operations. The only source of information data on RTS is its Director General. In 2008-2010, RTS refused to obey 8 orders of the Public Information Commissioner to provide data on its business operations. RTS' Director General preferred to pay penalties for not respecting the Access to Information Law than to disclose financial documents. The Republic Broadcasting Agency has monitored the (genre) structure of PSB programming (2010, 2011 and 2012) but has not controlled if PSB institutions meet their other programming obligations.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	IDE FACTO - SITUATION (Comments)
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	<p>The Broadcasting Law obliges the Republic Broadcasting Agency, i.e. its Council, to make its work public (Article 32). However, the Agency is allowed to decide on the way in which to conduct this by its own Statute. Its only imposed obligation is to publish the annual report on its work, like all other state bodies. According to the RBA's Statute, the Agency makes its decisions and work public by making available online the Council's meetings minutes (except those designated as official secret), by allowing journalists to follow open meetings (there could be closed ones too), by holding press conferences or issuing press releases, etc. Financing of the RBA is based on the plan it makes by itself, which is approved by the Government. Its annual financial reports consist of balance sheets only.</p>	<p>Expected to be reinforced. A new law on broadcasting is under preparation. Transparency of the regulator should be reinforced.</p>	<p>Insufficient transparency in the work of the Republic Broadcasting Agency is the main cause of strong and wide doubts about its independence, which have been present in the media community and the public at large since its establishment. Although in recent years the availability of data on the work of the RBA has been increased – all of the Council's acts and decisions are available on its website – the way the Council makes its decisions is not sufficiently transparent. Most often, the Council communicates with the public through official releases and statements of its top officials.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
ANTI-CONCENTRATION RULES	PARTIALLY	<p>Specific anti-concentration rules pertain to broadcast media only. They are rather general and unelaborated. Three criteria are used – ownership stakes in capital, simultaneous performance of broadcasting activities and presence of same natural persons and connected persons as founders of different broadcasters. Precise thresholds for non-allowed concentration are defined for a national broadcaster (above 5% ownership stake in the capital of another national broadcaster) and for a regional/local broadcaster (above 30% stake in the capital of another broadcaster on the same market) (Article 99, Broadcasting Law). A broadcaster may not have several broadcasting licences. It could simultaneously have only one radio and one TV licence, but only in the case it is not a sole broadcaster in the same market. Shares in the management or voting rights or in the advertising market are not taken into account. Respect of anti-concentration rules is the responsibility of the Republic Broadcasting Agency in issuing broadcasting licences and approving changes in ownership structure.</p>	<p>Reinforcement. New media laws are in preparation. The Draft Public Information and Media Bill introduces the rules for print media that did not exist before. It prevents concentration of publishers of daily newspapers whose circulation exceeds 50% of the total annual circulation of daily papers in Serbia. The criterion for broadcast media is a share of audience, which was not used before. Broadcasters are not allowed to merge if their share in the audience exceeds 35% of radio or TV audience in the market (Article 50).</p>	<p>The first Public Information Law (2003) did not include the concept of illegal concentration because the problem seemed far away in the then highly diversified media sector. In the meantime, the market became quite concentrated. However, due to the lack of transparency of media ownership, too general rules on illegal concentration and lack of methodology for control, no measures were taken to prevent it. There is no effective check of media concentration. It is the responsibility of broadcasters to prove they obey the anti-concentration rules and to report changes in the ownership structure. The Republic Broadcasting Agency is believed to have approved several doubtful changes in the ownership structure of national broadcasters (TV Avala, RTV B92, TV Fox) but it claims that the documents submitted did not show breach of the valid rules at the time. Large media owners have actively obstructed a 2009 attempt to bring new anti-monopoly regulation.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	IDE FACTO - SITUATION (Comments)
CROSS-OWNERSHIP RULES	PARTIALLY	<p>Cross-ownership is not allowed on two lines only: broadcasters-daily newspaper publishers and broadcasters-news agencies (Article 97, Broadcasting Law). Specifically, cross-ownership exceeding 5% of the ownership stake in the total capital is forbidden for a national broadcaster in relation to a publisher of a daily paper with circulation over 30,000, and in relation to a news agency. Illegal is also cross-ownership between a regional/local broadcaster and a publisher of a daily local paper in the same or the neighbouring market (Article 99).</p>	<p>Partly reinforcement, partly relaxation. New media laws are in preparation. The Draft Public Information and Media Law regulates new forms of illegal concentration between newspaper publishers and distribution organisations and between newspaper publishers and media buying (advertising) agencies. Concentration is now related to both founding and governing (voting) rights. However, the allowed threshold for the ownership stake of a national daily paper publisher in a national broadcaster (and vice versa) is increased from 5% to 25% (Article 51).</p>	<p>There is no check of cross-ownership. It is the responsibility of media themselves to report changes in ownership structure. New forms of cross-ownership appear in the telecommunication market (mobile providers-cable channels), which are not regulated by any law.</p>
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	PARTIALLY	<p>Media ownership is banned for specific types of political organisations. The Broadcasting Law prevents political parties, organisations and coalitions and legal persons established by them to be holders of a broadcasting licence (Article 42). The Public Information Law prevents legal persons mostly financed by public funds from being (direct or indirect) media founders (Article 14). As far as individuals are concerned, their rights are regulated by the laws on conflict of interest prevention. These rules do not allow public servants to establish a commercial company in any sector. Public officials, while in office, must transfer their governing rights to another legal or natural person. No legal document prevents party officials as individuals to be media owners.</p>	<p>New media laws are in preparation. It is unknown if there will be changes in this area.</p>	<p>A number of media are actually owned by politically influential individuals, usually former or current officials of political parties. Their ownership is often hidden behind members of their families, off-shore companies, publicly unknown individuals or journalists as registered owners.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	PARTIALLY	Media legislation does not restrict foreign participation in print and online media. The Public Information Law insists on the same rights of foreign and domestic legal and natural persons in regard to media. Broadcast media, however, are subjected to some restrictions. The licence holder must be a Serbian entity, situated in Serbia. The threshold for foreign ownership in the founding capital of the licence holder is 49%. Foreign organisations registered in countries where it is not possible to determine the origin of the founding capital are not suitable for being co-owners in a Serbian entity (Article 41, Broadcasting Law). Foreign ownership is not allowed in PSB.	Relaxation. Draft Information and Media Bill reinforces the principle of equal rights of domestic and foreign legal and natural persons in the field of public information.	There is no much foreign capital in the media market. Foreign capital holds two out of four commercial national TV broadcasters (TV Prva and TV B92), two most circulated national dailies (Blic and Alo) and some online portals. No foreign capital is present in regional or local media. The limit of 49% of foreign capital in broadcasting licence holders did not prevent a complete foreign ownership of some broadcast media. In these cases domestic legal or natural persons only formally act as majority owners. At the same time, nominal foreign owners are often only a mask concealing real domestic owners behind them.
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	PARTIALLY	Since specific anti-monopoly measures are prescribed for broadcast media only, they fall in competencies of the Republic Broadcasting Agency.	New trend. A new solution, envisaged in the Draft Public Information and Media Bill, goes away from establishing a separate body for the entire media industry and puts anti-concentration measures in the competence of the general anti-monopoly body.	The Republic Broadcasting Agency has not proven effective in preventing media concentration. It operates with data supplied by broadcasters, without independent check and without a mandate to identify the true owners behind registered legal entities. It is generally assumed that national broadcasters B92 and TV Prva have the same owner, but their respective changes in ownership structure were allowed by the RBA. The RBA also allowed the change of ownership structure of TV Avala, although there were indices that a new owner Željko Mitrović (a sole owner of national TV Pink) gained a bigger ownership stake than the allowed 5%. TV Košava got a national licence in 2006, although it was generally known that it took a large loan for the founding capital from the owner of TV Pink.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	PARTIALLY	<p>The Commission for Protection of Competition does not deal with broadcasting media, since they fall in the competence of the Republic Broadcasting Agency. Definitions of concentration in the Broadcasting Law differ from the ones in laws respected by the Commission for Protection of Competition. However, the Commission is in charge of concentration in the print media market and print distribution market according to general anti-concentration rules for all market players.</p>	<p>New trend. The Draft Public Information and Media Bill makes the national anti-monopoly body responsible for checking and deciding on concentration in the media industry. It will have the obligation to make a sector analysis of media market and related markets at least once in three years (Article 59).</p>	<p>The Commission for Protection of Competition reacted in 2011 to prevent concentration on the print distribution market. In 2010, German company WAZ accused the Commission for improper behaviour regarding WAZ's request to allow it a purchase of Novosti Company and left the Serbian market.</p>
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	<p>There are several discriminatory rules for membership in regulatory bodies. They are rather general and do not include a time limit for the unacceptable status of the member candidate. At the moment of candidacy for the post, they cannot be members of parliaments, officials of executive state bodies and political parties, or spouses or close relatives of persons holding those positions. Restrictions also pertain to owners, shareholders, members of governing and controlling bodies and employees of organisations engaged in production or distribution of radio and TV programming or related activities (advertising, telecommunication and similar) and to spouses and close relatives of such persons (Article 25, Broadcasting Law).</p>	<p>Expected to be reinforced. A new law on broadcasting is in preparation. Conflict of interests rules are expected to be reinforced.</p>	<p>Conflicts of interests are not checked. Candidates for regulatory body members claim themselves that they meet all the conditions required. A lack of time limits for unacceptable status for membership in regulatory bodies creates confusion. The RRA's decision to commission a paid job from an organisation where a member of the RRA Council used to be an employee was perceived by the Anti-Corruption Council as a case of conflict of interest (ACC's report on media, 2011), although it is not strictly defined as such in the rules.</p>

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	Members of the governing bodies of PSB cannot be members of parliament, members of government or other executive bodies, officials of political parties or members of the Broadcasting Council (Article 87, Broadcasting Law). Except for these general discriminatory rules, there are no other, specific rules on conflicts of interest or a time limit for unacceptable status.	Expected to be reinforced. A new law on PSB is in preparation. Conflict of interests rules are expected to be reinforced.	The Anti-Corruption Council (ACC) considered that business relations of some members of the governing body of RTS with RTS made clear cases of conflict of interest, although such rules are not prescribed by existing regulation (ACC's report on media, 2011). In the view of the ACC, it was unacceptable that members of the RTS Governing Board were authors or producers of programs broadcasted by RTS, or were closely related to private production companies which cooperated with RTS.
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	PARTIALLY	The rules apply only to the Director General of PSB (Article 90, Broadcasting Law), but also to directors and editors in chief of regional and local broadcasters with the status of public enterprises (Article 96). The rules are the same as for governing bodies of PSB. Members of management bodies cannot be members of national, provincial or local parliaments, members of executive bodies of power at any level, and officials of political organisations.	Expected to be reinforced. A new law on PSB is in preparation. Conflict of interests rules are expected to be reinforced.	No institution monitors conflict of interest of management bodies of PSB. Due to non-transparency of management decisions, conflicts of interests are difficult to identify.
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	NO			

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	N/A	There are no specific bodies making decisions on media subsidies. There are no specific rules on members of any bodies making decisions on aid to media.	Expected to be introduced. The Draft Public Information and Media Bill envisages the establishment of special decision-making bodies on media project funding through public competitions. Their members should be independent media experts "who have no conflict of interests and do not hold a public office." However, the nature of the conflict of interest and rules for preventing them are not specified.	Decisions on media subsidies are taken by executive bodies of power (usually the highest office holders). They are granted to state-owned media, without set criteria except for past practices and available budgets. The practice of the Ministry of Culture and Information in making decisions on project funding is changing towards greater transparency but still lacks established criteria.
MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY	YES	Only one, scarce and imprecise, legal provision defines qualifications for members of the regulator. They should be "respectable experts in fields of significance for performing the work in competence of the Republic Broadcasting Agency (media experts, advertising experts, lawyers, economists, telecommunication engineers and others) (Article 22, Broadcasting Law).	Expected to be reinforced. A new law on broadcasting is in preparation. The merit system is expected to be more specific.	The rules are ambivalent and provide ground for different interpretations. In some cases it is obvious that they are not respected. The chairman of the Council is a priest with no expertise in media. In 2011, out of two candidates for the Broadcasting Council – a lawyer Goran Petrović, who had a working experience in a health and pharmacy institution and used to be a journalist in his young age, and telecommunication expert Nataša Gospić, with a PhD degree and a large number of scientific works on information society, the Parliament elected the former.
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	PARTIALLY	Criteria for nomination of members of governing bodies of psb are very general and superficial. Members are elected among "journalists and affirmed experts for media, management, law, finances and among other respectable persons" (Article 87, Broadcasting Law).	Expected to be reinforced. A new law on psb is in preparation. The merit system is expected to be more specific.	Among 9 members of the present Board of Governors of rtrs (since 2011) there is one media expert and two journalists, and no experts in management, law or finances. Two members are historians, while others include a sociologist, political scientist, psychologist and economist. Majority are university professors.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	YES	Several legal acts forbid advertising by political organisations outside election periods (Advertising Law, Election Law and Broadcasting Law).	No change is expected in new media laws in preparation.	The ban is generally respected. The control is done by the Republic Broadcasting Agency, which punished some media for broadcasting political messages outside the campaigning time for (local) elections.
OBLIGATION OF FAIR AND BALANCED REPORTING	YES	The normative ideal of journalistic reporting is truthful, complete, credible and current reporting, free of censorship and pressures. Media laws, however, do not use the phrase "fair and balanced" reporting. The ideal is only indirectly defined, through the institution of due journalistic attention. The Public Information Act stipulates the obligation of a journalist and responsible editor to check the "origin, truthfulness and completeness of information" before its publishing, with attention adequate to circumstance, and to publish the information "credibly and completely" (Article 3).	No change. The Draft Public Information and Media Bill uses the same definition and terms. Additional obligation is envisaged for PSB, whose reporting should be "current and impartial" (Article 8).	Media strive for free reporting, liberated from censorship and direct and indirect pressures; in the public interest. The ideal of balance is not a part of journalistic professional ideology. The stories often follow the model "one event, one topic, one source". Media studies show that fair and balanced reporting is rare.
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	PARTIALLY	Media legislation treats editorial independence as part of the concept of free information dissemination. The Public Information Law prohibits any restriction to the freedom of information, particularly by the abuse of state or private authority as well as any form of pressure on a media outlet or its personnel (Article 2), regardless of the ownership structure of media. Although editorial independence is implied as desirable, it is not precisely defined nor secured by specific mechanisms.	New media laws are in preparation. It is unknown if there will be changes in this area.	In practice, journalists have no specific mechanism available to protect themselves from either owners' or other actors' interference in their daily work.

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
EDITORIAL INDEPENDENCE RULES FOR PSB	YES	The Broadcasting Law prescribes the duty of psb institutions to ensure that their programs are protected from any influence that may be exerted by the authorities, political organisations or economic centres of power (Article 78). However, the manner in which this should be ensured is not stipulated. psb institutions should by themselves regulate, through their statutes, the internal organisation, the mode of operation, the manner in which to fulfil public interest and the rights and obligations of journalists (Article 93). Yet, these statutes do not contain any rules on the manner in which to achieve editorial independence from political influence.	A new law on psb is in preparation but it is unknown if there will be changes in this area.	There are neither legal nor institutional guarantees for psb editorial autonomy. psb institutions in fact are close to those in power. They are not financially viable and therefore they are financially dependent on the state. The procedure prescribed for the formation of management bodies and enormous power in the hands of a single person (director general) render them extremely vulnerable to political influence.
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	YES	Journalists are explicitly guaranteed the right to refuse to obey a work order which would violate legal, professional or ethical rules or would contravene the editorial concept of a media outlet (Article 31, Public Information Law). There cannot be sanctions for such behaviour, such as loss of a job, salary cut or demotion.	No change. The Draft Public Information and Media Bill contains the same contentious clause.	There is no evidence that journalists often use this right.
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	NO	There is no legal regulation of this right of journalists.	No change.	The voice of journalists in appointment of editors is very rarely respected. Still, basing on long tradition, some media do take into account the opinion of journalists in editors' appointments (daily Politika, for example).

DE JURE - RULES	YES / NO / PARTIALLY	DETAILS	TRENDS (e.g. relaxation, reinforcement)	DE FACTO - SITUATION (Comments)
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	NO	Media laws only acknowledge the right of journalists to organize freely in their professional associations (Article 33, Public Information Law).	<p>No change.</p> <p>The Media Strategy does not deal with the economic status of journalists as an important problem in the media sector.</p> <p>None of the proposals (given by the trade unions) to include employer's obligation to sign a collective contract were adopted.</p>	<p>Labour rights of media professionals are not protected beyond the minimum guaranteed by the Labour Act for all the other employed workers.</p> <p>Somewhat broader rights for journalists had been enforced by the Separate Collective Agreement for Graphics, Publishing, News and Film Industries, which expired in 2005.</p> <p>As of May 2014, there is not even the General Collective Agreement in place of the expired one, which was signed by employers, trade unions and the Government in 2008. Employers are not interested in collective bargaining.</p> <p>As a rule, trade union organisations do not exist in private media companies. Many journalists work without signing any form of labour contract.</p>

REGIONAL OVERVIEW

DE JURE - RULES	ALBANIA	BIH	CROATIA	MACEDONIA	SERBIA
TRANSPARENCY RULES FOR ALL MEDIA (MEDIA REGISTER, PUBLISHED REPORTS ETC.)	PARTIALLY	PARTIALLY	YES	PARTIALLY	PARTIALLY
SPECIFIC TRANSPARENCY RULES FOR PSB	PARTIALLY	YES	YES	YES	NO
TRANSPARENCY RULES FOR MEDIA REGULATOR(S)	YES	YES	YES	YES	YES
ANTI-CONCENTRATION RULES	YES	NO	YES	YES	PARTIALLY
CROSS-OWNERSHIP RULES	PARTIALLY	NO	YES	YES	PARTIALLY
BAN/RESTRICTIONS OF MEDIA OWNERSHIP FOR POLITICIANS	NO	PARTIALLY	PARTIALLY	YES	PARTIALLY
BARRIERS/THRESHOLDS FOR FOREIGN OWNERSHIP IN THE MEDIA	NO	YES	NO	NO	PARTIALLY
SEPARATE ANTI-MONOPOLY BODY FOR MEDIA INDUSTRY	NO	NO	NO	NO	PARTIALLY
GENERAL ANTI-MONOPOLY BODY IN CHARGE OF MEDIA CONCENTRATION	YES	YES	YES	YES	PARTIALLY
CONFLICT OF INTEREST RULES FOR MEMBERSHIP IN REGULATORY BODIES	YES	YES	YES	YES	YES
CONFLICT OF INTEREST RULES FOR GOVERNING BODIES OF PSB	YES	YES	YES	YES	YES
CONFLICT OF INTEREST RULES FOR MANAGEMENT OF PSB	YES	YES	YES	YES	PARTIALLY
CONFLICT OF INTEREST RULES FOR TOP MANAGEMENT POSITION IN A REGULATOR	NO	PARTIALLY	NO	NO	NO
CONFLICT OF INTEREST RULES FOR MEMBERS OF DECISION MAKING BODY ON MEDIA SUBSIDIES	N/A	N/A	YES	N/A	N/A
MERIT SYSTEM FOR NOMINATION AND APPOINTMENT OF MEMBERS OF A REGULATORY BODY	YES	YES	YES	YES	YES
MERIT SYSTEM FOR NOMINATION OF MEMBERS OF PSB GOVERNING BODIES	YES	PARTIALLY	YES	NO	PARTIALLY
BAN OF POLITICAL PROPAGANDA OUTSIDE ELECTION PERIOD	YES	PARTIALLY FOR PSB ONLY	YES	NO	YES
OBLIGATION OF FAIR AND BALANCED REPORTING	YES	YES	YES	YES	YES
EDITORIAL INDEPENDENCE RULES FOR PRIVATE MEDIA	PARTIALLY	NO	PARTIALLY	YES	PARTIALLY
EDITORIAL INDEPENDENCE RULES FOR PSB	PARTIALLY	YES	YES	YES	YES
JOURNALISTS' AUTONOMY - CONSCIENCE CLAUSE	NO	NO	YES	NO	YES
JOURNALISTS' OPINION ON APPOINTMENTS AND DISMISSALS OF EDITORS IS REQUESTED	NO	NO	YES	NO	NO
LEGAL OBLIGATION FOR EMPLOYERS TO SIGN COLLECTIVE CONTRACTS ON LABOUR RIGHTS IN THE MEDIA	NO	PARTIALLY	NO	NO	NO

ECONOMY

FACTS AND FIGURES ABOUT MEDIA ECONOMY

	ALBANIA 2012	BIH 2012	CROATIA 2012	MACEDONIA 2012	SERBIA 2012
TOTAL AMOUNT OF ADVERTISING PER YEAR (GROSS AMOUNT)	54.5 million euro (EST)	50.46 million euro	196 million euro	N/A	172 million euro
BREAKDOWN OF TOTAL AMOUNT OF ADVERTISING FOR TELEVISION, RADIO, PRINT, ONLINE PER YEAR	N/A	TV: 33.7 million euro Radio: 2.5 million euro Print: 8 million euro Internet: 1 million euro Outdoor: 5 million euro (EST)	TV: 92.7 million euro Radio: 21.5 million euro Print: 50.7 million euro Internet: 11.9 million euro	N/A	TV: 97 million euro Radio: 9 million euro Print: 36 million euro Internet: 12 million euro Outdoor: 18 million euro
THREE BIGGEST ADVERTISERS	N/A	Procter&Gamble; Henkel, Coca-Cola	Agrokor; Henkel, T-HT	Coca-Cola, Euroimpexs, ONE	Procter&Gamble, Beohemija, Telekom Srbije
THREE BIGGEST ADVERTISERS AMONG DOMESTIC COMPANIES OR INSTITUTIONS	N/A	BH Telekom, Eronet, M:tel	Agrokor , Podravka, Grupa	Euroimpexs, Government, Pivara Skopje	Beohemija, Telekom Srbije, Državna lutrija Srbije
ANNUAL AMOUNT OF MEDIA SUBSIDIES	N/A	Overall data N/A; The Government of RS provided 1.87 million euro for media in 2012 and 9 million euro in 2009-12; Cantonal and municipal public media regularly receive 7.87 million euro per year	N/A	There are no subsidies.	25 million euro
NUMBER OF MEDIA	N/A	276 (EST)	1149 (TV - 31 ; Radio - 150 ; Press - 865 ; Portals - 103)	184 (129 broadcast , 10 print dailies, 45 online news)	1,156 (Press - 647, broadcast - 319, online - 133, other - 57)
NUMBER OF TELEVISION CHANNELS	81	44 (12 public, 32 private) + 3 PSB	31	77	91

	ALBANIA 2012	BIH 2012	CROATIA 2012	MACEDONIA 2012	SERBIA 2012
NUMBER OF DAILY NEWSPAPERS	26	9	12	10	20
NUMBER OF ONLINE NEWS MEDIA	N/A	80 (EST)	103	45	103
CIRCULATION OF EACH OF TOP THREE DAILY NEWSPAPERS	N/A	12,860 copies per news-paper (EST)	24 sata - 125,194 Večernji list - 62,494 Jutarnji list - 58,948 (sold copies)	Vest - 15,000 Dnevnik - 9,000 Nova Makedonija - 6,000 Utrinski vesnik - 5,000	Alo - 118,461 Večernje novosti - 116,919 Blic - 115,779
COST OF 1 MINUTE ADVERTISING IN PRIME TIME AT THE COMMERCIAL TV PROGRAM WITH HIGHEST AUDIENCE SHARE	N/A	Pink BiH: 6,120 euro	RTL: approx. 33,000 EUR	TV Sitel: 600 - 1,500 EUR	TV Pink: 9,540 EUR
NUMBER OF JOURNALISTS	3,100 (EST)	2,000 - 3,500 (EST)	4,923	1,129	above 4,000 (EST)
NUMBER OF JOURNALISTS WITH FULL TIME EMPLOYMENT	2,200 (EST)	1,574 - 2,755 (EST) average 2,164 journalists	N/A	850-900	N/A
NUMBER OF JOURNALISTS WITH OTHER THAN FULL TIME EMPLOYMENT (CONTRACTS, SELF-EMPLOYED ETC.)	860 (EST)	426 - 745 (EST)	N/A	N/A	N/A
NUMBER OF MEMBERS OF ASSOCIATION OF JOURNALISTS (INDICATE SEPARATELY NUMBER OF ACTIVE JOURNALISTS AMONG MEMBERS, IF THERE ARE ALSO RETIRED JOURNALISTS IN THE EVIDENCE)	N/A	1,077 Association of Journalists of Republika Srpska 327, Association of BH jour-nalists 750	2,797	N/A	UNS - 6,767 NUNS - 3,483 NDNV - 545
NUMBER OF JOURNALISTS ORGANISED IN NATIONAL TRADE UNION	870	1,800 (EST)	2,800 (EST) Croatian Journalist Union	770 (EST) (570 + PBS 200)	above 400 (EST)
NUMBER OF JOURNALISTS ORGANISED IN TRADE UNION SECTION WITHIN BIGGEST COMMERCIAL TV BROADCASTER	N/A	N/A	N/A	31	0

	ALBANIA 2012	BIH 2012	CROATIA 2012	MACEDONIA 2012	SERBIA 2012
NUMBER OF UNEMPLOYED JOURNALISTS	N/A	625 (530 journalists + 86 communicologists)	599	500 - 700	1,209
AVERAGE WAGE FOR JOURNALISTS IN THE COUNTRY	32.0 euro (EST)	407 euro (EST)	N/A	250 euro	300 euro (EST)
AVERAGE WAGE IN THE MEDIA	390 euro (EST)	425 euro (EST)	N/A	250 euro	N/A
HIGHEST WAGE FOR JOURNALISTS IN THE MEDIA	1,500 euro	1,280 - 1,800 euro (EST) in exceptional cases, 820 euro more frequent	9,000 euro (EST) in Jutranji list (EPH)	500 euro	N/A
LEGEND:	EST - estimation N/A - no answer				
SOURCES:	Abacus Research, IREX Media Sustainability Index 2013; Authority of Audiovisual Media; Albanian Media Institute; Union of Albanian Journalists.				
ALBANIA:	Advertising Agency Fabrika; IREX MSI report 2013; Data basis of Center for Investigative Journalism, Cin: http://www.cin.ba/vlada-rs-a-dala-medjima-vise-od-33-miliona-km/ ; Magazin: http://www.media.ba/bs/magazin-medjiska-politika-regulativa/majmuni-najavno-servisu ; Communication Regulatory Agency: http://www.rak.ba/bih/index.php?uid=1273787112 ; Press Council: http://www.vzs.ba/index.php?option=com_content&view=article&id=200&dnevne-novine-u-bih&catid=5;tampani-mediji-u-bih&Itemid=8 ; Gemius Audience; Freedom House; Marketing office of Pink BiH (20 August 2013); Dragan Jerinić, Association of Journalists of Republika Srpska, and Borka Rudić, Association BH Journalists (August –September 2013); Amer Toskić, Representative of Trade union of graphics, publishers and media workers in FBiH, and Marijana Sarčević, Trade union of Media and Graphics in RS (August 2013); Bulletin of Employment Agency RS for 2012; Marijana Ibišević, Employment Agency FBiH (August 2013); Agency for Statistics BiH.				
BOSNIA AND HERZEGOVINA:	Hura: http://hura.hr/objave-za-medije/ ; JRTgovac: http://www.jatrgovac.com/2013/03/tv-oglasavanje-tko-sto-kada-i-koliko-gleda/ ; Agency for Electronic Media; Croatian Chamber of Economy; Agency for Electronic Media: http://www.e-mediji.hr/nakladnici/tel-evizijski_nakladnici.php ; Census 2011; Croatia Journalists Association: http://www.snh.hr/index.php?ezik=hr&idMenu=1 ; Croatian Employment Service; Index HR: http://www.index.hr/ .				
CROATIA:	Market analysis of the Broadcasting Council (2012): http://www.avmu.mk; Macedonian institute for Media; Agency for Audio and Audiovisual Media Services; Trade Unions of Journalists .				
MACEDONIA:	AGB Nielsen; Media Strategy; Register of Public Media, September 2012; EurActiv: http://www.euractiv.rs/mediji/4638-strategijom-40-boljih-medija-u-srbiji.html ; ABC Serbia http://www.abcsrbija.com/images/stories/vest/National_Newspapers_total_circulation_30_12_13.pdf ; TV Pink: http://www.rtvpink.com/ ; Media associations; Biro za društvena istraživanja Tvoj stav: http://www.tvojestav.com/results/EsqEAKv8jhmULrW6nvxn/novinari-i-novinarstvo-u-srbiji; National Employment Agency; RTS's official price list: http://static.rtv.rs/pdf/2013/07/22/izvestaj-nezavisnog-revizora-za-2012-g-pdf.pdf .				
SERBIA:					

FACTS AND FIGURES ABOUT PUBLIC SERVICE BROADCASTERS ECONOMY

	ALBANIA 2012	BIH 2012	CROATIA 2012	MACEDONIA 2012	SERBIA 2012
TOTAL BUDGET OF PSB	13,250,874 euro	RTKS: 11,776,785 euro BHRT: 21,805,731 euro RTVFBH: 15,816,762.2 euro	173,104,032.8 euro	22,898,211 euro	RTS - 139,504,000 euro RTV - 26,891,000 euro
LICENCE FEE (MONTHLY AMOUNT PAID BY HOUSEHOLDS)	0.766 euro	3.76 euro	10.44 euro	3.10 euro	4.40 euro
PERCENTAGE OF TOTAL BUDGET FROM LICENCE FEE	45%	RTKS: 6,702,357 euro (56.91%) BHRT: 12,249,256 euro (56.17%) RTVFBH: 6,458,499.5 euro (40.83%)	81.66 % 154,324,330.2 euro	Macedonian Television - 67.76% Macedonian Radio - 71.19%	RTS - N/A RTV - 95%
PERCENTAGE OF TOTAL BUDGET FROM ADVERTISING	9%	RTKS: 1,778,715 euro (15.1%), BHRT: 1,958,705 euro (8.98%), RTVFBH: 6,297,372.5 euro (39.81%)	9.37 % 17,711,004.09 euro	Macedonian Television - 6.1% Macedonian Radio - 4.67%	RTS - N/A RTV - around 4%
PERCENTAGE OF TOTAL AMOUNT OF LICENCE FEE ACTUALLY COLLECTED FROM LIABLE HOUSEHOLDS	89%	Officially 73.94%, but possibly lower, reaching 46.50%	96%	36.75% 4.32 million euro	around 36% (15% in least developed areas, to 65% in most developed ones)
NUMBER OF EMPLOYEES IN PSB	933	1,841 (RTS: 512, BHRT: 963, RTVFBH: 366)	3,568 in addition, HRT hires app. 3,700 stringers	873 (TV 597, Radio 276)	RTS - 3,247 RTV - 1,251
NUMBER OF JOURNALISTS IN PSB	115	Whole country - N/A RTKS: 130 BHRT: 218 (EST) RTVFBH: N/A	N/A	320 TV 148 + 42 (eds.), RA 85 + 45 (eds.)	683 (at TV part of RTS)
AVERAGE WAGE FOR JOURNALISTS IN PSB	420 euro	RTKS: 560 euro net BHRT: 534 euro RTVFBH: N/A	1,414 euro gross (EST)	290 euro net / 400 euro gross	unknown for journalists, 406 euro for RTS employees

	ALBANIA 2012	BIH 2012	CROATIA 2012	MACEDONIA 2012	SERBIA 2012
BIGGEST WAGE FOR JOURNALISTS IN PSB	512 euro	RTRS: 818 euro net BHRT: N/A, RTVFBH: N/A	3.926 euro (EST)	370 euro net / 530 euro gross	N/A
TOTAL NUMBER OF JOURNALISTS ORGANISED IN TRADE UNION SECTION WITHIN PSB	app. 60% of journalists	RTRS: 330, BHRT: 689, RTVFBH: 240	N/A (there are around 10 unions)	200 (EST)	app. 100 TU members in TV only in RTS
COST OF 1 MINUTE OF ADVERTISING IN PRIME TIME IN TV PROGRAM OF PSB WITH HIGHEST AUDIENCE SHARE	178 euro	RTVFBH: 2.450 euro - 3.100 euro	HTV: app. 2.744 euro	MRT 1: 90 - 150 euro	RTS: 9.180 euro
LEGEND:	EST - estimation				
SOURCES:	N/A - no answer				
ALBANIA:	eds. - editors				
BOSNIA AND HERZEGOVINA:	app. - approximately				
	RTSH Annual Report 2012, Albania Census 2011, RTSH Human Resources Department, Union of Journalists.				
	RTRS and RTV BIH annual reports; Data on FBH from the CRA report "Analysis of Broadcasting Market", available at: http://rak.ba/bih/index.php?uid=1381314621 ; RTRS and BHRT annual reports; the CRA report "Analysis of Broadcasting Market", available at: http://www.mediab.ba/bs/magazin-medijaska-politika-regulativna/argumenti-za-odluku-rak ; Mirza Huskić, representative of the Autonomous Trade Union of Employees of Public Service Broadcasting; Siniša Mihajlović, representative of the Trade Union of RTRS Employees (August 2013); RTVFBH website.				
CROATIA:	HRT annual audit report; HRT, source available at: www.hrt.hr/.../2013_PROGRAM_BADA_I_FINANCIJSKI_PLAN_HRT- ; Žuta ekonomija, available at: http://zutaekonomija.neno-pregleje.iz.hr/?p=22 ; Monitor, available at: http://www.monitor.hr/vijesti/place-od-16-do-30-ti-suca-kuna-za-zvijezde-htv-a/81715/ ; HRT, source available at: http://www.hrt.hr/cjenici/cjenik-izborne-promidzbe-za-2013-godinu; rtl, source available at: http://www.rtl.hr/static/sales/cjenik/rtl_cjenik.pdf .				
MACEDONIA:	Agency for Audio and Audiovisual Media Services, available at: http://www.avmu.mk ; Legal Dpt. Macedonian Radio and Television; Trade Union of journalists in the PSB; PSB Marketing Dpt., available at: http://www.mtv.com.mk/mk/marketing.aspx .				
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MEDIA INTEGRITY MATTERS

RECLAIMING PUBLIC SERVICE VALUES IN MEDIA AND JOURNALISM This book is an attempt to address obstacles to a democratic development of media systems in the countries of South East Europe by mapping patterns of corrupt relations and practices in media policy development, media ownership and financing, public service broadcasting, and journalism as a profession. It introduces the concept of media integrity to denote public service values in media and journalism. Five countries were covered by the research presented in this book: Albania, Bosnia and Herzegovina, Croatia, Macedonia and Serbia. The research – conducted between July 2013 and February 2014 – was part of the regional project South East European Media Observatory – Building Capacities and Coalitions for Monitoring Media Integrity and Advancing Media Reforms, coordinated by the Peace Institute in Ljubljana.

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