

Report on pressures on and control of media in Serbia – summary

The Anti-Corruption Council collected data on the basis of which it can be concluded that the media in Serbia are exposed to the strong political pressure and therefore, a full control has been established over them. There is no longer a medium from which the public can get complete and objective information because, under strong pressure from political circles, the media pass over certain events in silence or report on them selectively and partially.

Since the media freedom has been jeopardized, and without free media the fight against corruption does not exist, over the previous months the Anti-Corruption Council has requested from the 50 most significant government bodies in Serbia documentation about all forms of cooperation with media, public-relations agencies, marketing agencies, production companies and other media subjects in the period from January 2008 until the end of June 2010. These documents helped us to find out the methods by which the state bodies exercise their influence on the media. The analysis covered all the ministries of the Serbian Government, certain state-owned companies, some city utility companies, agencies and other government bodies. The Anti-Corruption Council has also analyzed the formal ownership structure of the biggest Serbian media.

Three basic problems of media in Serbia

One of the most important tasks for understanding the problem of corruption is to define clearly the problem of corruption in the public; therefore, there is no effective fight against corruption without the media. Corruption in the media makes objective informing of the public ill-advised and the public supervision of social activities impossible. When the control over media by state institutions is stronger than the control the media should have, when the interest of hidden media owners do not coincide with the interest of the citizens, when the interests of individuals are realized at the expense of the public interest, than we have the relativization of the problem of corruption in society.

While analyzing the extensive documentation, the Anti-Corruption Council perceived three major problems with the media:

- 1. lack of transparency in media ownership;**
- 2. economic influence of state institutions on the work of the media through various types of budget payments;**
- 3. the problem of RTS, which, instead of being a public service, has the role of the service of political parties and ruling elites, and the consequence of all this is that media are closed due to numerous problems encountered in Serbia, including the problem of corruption.**

Lack of transparency in media ownership

Though the media-related laws in Serbia and the international recommendations and conventions foresee transparency of the media ownership structure and speak about the need of establishing the pluralism of media and prevention of forbidden media concentration, the public does not have complete information about the media owners in Serbia. The Broadcasting Law (Article 41) provides that a domestic legal person, established by foreign legal person registered in countries where, according to the domestic regulations of those countries, it is not allowed or it is not possible to establish the origin of the founding capital, cannot take part in a tender for broadcasting a programme. A great number of media in Serbia have owners in the aforementioned countries despite of such legal provision.

The Anti-Corruption Council found out that among the 30 most significant media in Serbia (12 daily newspapers, 7 weekly magazines, 6 TV and 5 radio stations) even 18 media had lack of transparency in the ownership - their real owners are not formally known. The main reason for the lack of transparency is the presence of the off-shore companies in the media ownership. The real owners of the media are hidden behind the off-shore companies and the interest of these media is unknown. *TV Prva*, *TV B92*, *Radio B92*, *Radio Index* and *Radio Roadstar* which have a national coverage, and also the print media *Vecernje novosti* and *Press* have the owners registered in Cyprus, while *TV Avala* and the weekly *Standard* have unknown owners from Austria. The significant group of media with non-transparent ownership has the formal owners and the informal owners are domestic businessmen or politicians (Happy TV, Happy Kids, Radio S, Pecat and Akter).

Financial influence of state institutions on media through various types of budget payments

The state institutions have influence on the media reporting and editorial policy through the advertising, which is the main income for the private broadcasts and publishers. The media are under strong governments` pressure which undermines their autonomy. The state institutions of Serbia spend significant budget money on advertising, which enables making personal and party promotions in the media. Annual spending by the state institutions on advertising in the media, based on a sample of the 50 most significant institutions from which the Anti-Corruption Council has obtained the data, exceeds 15 million euros.

Besides the above-mentioned amount of 15 million euros, the media receive an additional 21 to 25 million euros through public tenders. Specifically, the data on this are incomplete and, according to the Media Study of the Ministry of Culture, this amount was 25 million euros in 2010, while certain documents, also from the Ministry of Culture and the Provincial Secretariat, show that the amount was approximately 21.5 million euros. If we compare this with the total market advertising, which according to some estimates amounts to approximately 160 million euros, it means that the media get almost one quarter of their total income from state institutions.

However, most of the funds paid to the media were given precisely through different types of campaigns that most frequently did not have a humanitarian character, as foreseen by the Advertising

Law, but whose aim was to promote the work and activities of the relevant ministries. The biggest amount of money were paid to the media by the company Telekom Srbija, the Ministry of Environment and Spatial Planning, the Privatization Agency, the Ministry of Economy and Regional Development, the Ministry of Health, the Ministry of Agriculture, Forestry and Water Management. Therefore there is no analytical text or research journalist approach when they are reporting about the work and activities of the ministries or other state institutions.

Influence of the public-relations agencies and private production

The public relations agencies, marketing and production companies, which are owned by the politicians or persons related to them, have a special place in media financing and keeping media in the economic dependency. These agencies have controlled the advertising market for years. These agencies lease advertising space from media, and then they sell it to their clients or individual buyers at much higher prices. The agencies get these jobs because the media, which are in a poor financial situation, agree, under the condition of advance payment, to lease advertising space at lower rates than the actual market rates. During the research of this phenomena the Anti-Corruption Council obtained the information that the agencies pay the media only a part of the advance payment amount and the payment of the remaining part is used to exert pressure on the media, and they stop paying if the medium starts pursuing a topic which is not in the interest of the agency owners` party, or if it is not in his personal interest.

The important role on the advertising market has the agencies which are owned by the high officials of the Democratic party and the close associates of the President of the Republic of Serbia, Boris Tadic. The Anti-Corruption Council has analyzed in the Report the influence of the *McCann Erickson* Agency, which is owned by Srdjan Saper and the Multikom and Direct media, which are owned by Dragan Djilas, who is the mayor of Belgrade and the Democratic party deputy president. These two agencies have a significant role in the advertisement market. These agencies are buying the advertisement space from the media and they have a numerous contracts with the state institutions and other state bodies.

The role of the Public Service RTS

The state institutions have impact through the RTS, which instead of being the Public Service of the citizens RTS is Public Service of political structures and the production which are closely related to the highest officials of political parties and the Members of the Managing Board of the RTS. The RTS, as Public Service, breaks the Broadcasting Law because it does not fulfill the obligations related to the public interest. Some members of the *RTS* Management Board, who make decisions on the appointment of the director of this medium and control the finances, also appear as authors of programmes. That can be a reason why they support the General Director of the RTS, Aleksandar Tijanic. Thus Predrag J. Markovic, PhD, a member of the *RTS* Management Board and an official of the Democratic Party (DS), was also the author of a number of quizzes for which he received, besides the high monetary compensation he gets as a member of the Management Board, fees through the company *Film and Tone*, owned by his father. Dusan Stokanovic, also a member of the *RTS* Management Board, was the leader of the production preparing the programmes "The Religious

Calendar” (“Verski calendar”) and “The Religious Mosaic” (“Verski mozaik”), for which *RTS* pays significant fees through the Eparchy of Backa.

During the research process we had a problem when we were working on the part related to the Public Service because the management of *RTS* refused to send us documentation which we asked according to the Law on Free Access to Information of Public Importance. The Anti-Corruption Council has not yet received the requested documents, even the Commissioner for Information of Public Importance brought decision in which is said that *RTS* had to deliver us documentation and had to pay fine because they had violated the law.

The Anti-Corruption Council has analyzed the work of the Republic Broadcasting Agency (RBA), for which it can be said that it has never been really independent, but rather has worked under the constant pressure and influence of political parties.

All aforementioned indicate that the Serbian media have lost their basic and important role to inform citizens about topics which are important for their lives and to increase the public awareness of certain problems. The media owners and the politicians use the media as a tool for creation of public opinion which will have impact on the rating, elections` results or for the augmentation of personal wealth. In the majority of media there is no critical approach to the work and activities of the states` institutions. It is almost impossible to publish research articles and texts in the media, besides in the rare circumstances when it is in accordance with the interest of the political parties or business elite.

The Anti-Corruption Council submitted the Report on pressures on and control of media with the recommendations to overcome the described situation on 29 August 2011 to the Serbian Government, journalist associations, and other local and international institutions which are dealing with these issues. With join efforts we can break the media blockade and open public debate about these significant problems in Serbia.