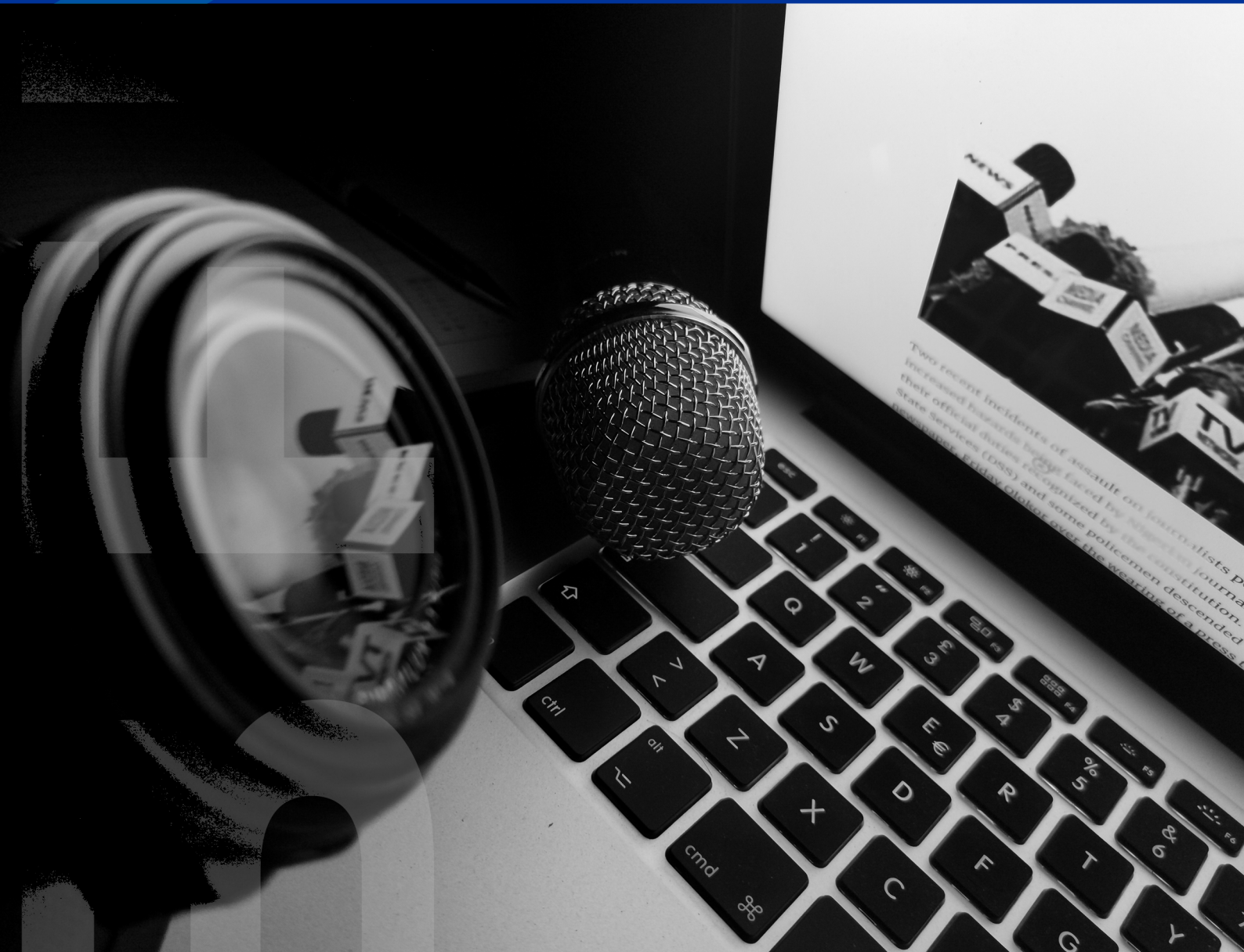


THE INVISIBLE HAND OF MEDIA CENSORSHIP IN THE BALKANS

THE EXAMPLES OF BULGARIA
SERBIA AND NORTH MACEDONIA

October 2021



Foreword

State control of the media, which includes interference in media markets, is the most widely deployed strategy to silence free media around the globe. Yet surprisingly, very little detailed research and analysis on the subject has been published.

The Invisible Hand of Media Censorship: Three Examples from the Balkans shines a light on these often-overlooked practices. The examples and trends it highlights unpick some of the murkier commercial practices that governments deploy to silence free speech in Bulgaria, North Macedonia and Serbia. Its findings echo MDIF's experience that state control of the media is particularly pervasive in the Balkans.

Fair media markets are dependent on a complex interplay between many actors – states and non-state actors alike – including media owners, infrastructure and distribution companies, suppliers, advertisers and rating agencies, and regulators. The exact points of interference with a particular media market therefore may vary, depending on the health of the structures that shape each market. This means that interfering state actors have a wide range of tools to choose from when they try to shape the media to their will.

These points of interference range from maintaining weak and non-transparent media regulation, withholding of licenses, failure to implement and enforce regulation, abuse of state funding, direct ownership of media by political figures, pressure on advertisers, control of ad rating agencies, undue tax audits and many others. This report illustrates many of these techniques and demonstrates the lengths to which governments will go to control the flow of news and information.

MDIF was founded 25 years ago to provide financing to independent media on the principles of strict non-interference with editorial policy and not investing in government-owned or controlled media. In countries like those in this region – without strong rule of law, deeply engrained democratic principles and highly developed governance mechanisms for protecting against editorial interference – we consider government ownership and direct or indirect media control by default incompatible with editorial independence.

The Balkans was among our first target regions and remains a high priority. In our 25 years of working in the region, we have witnessed many examples of media market interference. Regrettably, efforts at democratic change have never brought a media renaissance to Bulgaria, North Macedonia and Serbia. Instead, a culture of state interventionism has continued, solidifying state media capture as a new business and political model. It continues to be extremely difficult for independent media outlets to launch, run and maintain sustainable business operations in such a hostile climate.

Across many parts of Europe we are seeing a reduction in media pluralism and diversity. This is in stark contrast to the states' international obligations, understood, at a minimum, to be those expressed in the International Bill of Human Rights, which include protection of freedom of expression and freedom of the media. States have an obligation to regulate markets to ensure fair market play by all actors, as well as an obligation to refrain from any interference with media markets, including by state-owned companies and other non-state actors.

Sadly, this report demonstrates how those obligations remain woefully unmet. In doing so, we hope it will ultimately contribute to greater media freedom and open societies in the region.

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CEO

Media Development Investment Fund

DISCLAIMER: The opinions expressed in this report are those of the authors. They do not purport to reflect the opinions or views of MDIF or its officers. Although this report is designed to provide accurate information in regard to the subject matter covered, MDIF assumes no responsibility for errors, inaccuracies, omissions, or any other inconsistencies herein.

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Executive Summary

Across the Balkan region, media freedom is under threat. However, while cases of intimidation of journalists, including physical violence, are well documented and attract attention, there is less focus on the commercial practices frequently employed by state actors to undermine objective journalism, control public discourse and consolidate political power.

This report examines three methods used to control media markets:

1. Control of public broadcasters and regulatory authorities tasked with upholding media laws.
2. Abuse of weak regulation on transparency of ownership or its enforcement, to enable unlawful control of media outlets by governments or their proxies.
3. Use of government subsidies to foster clientelism in weak, over-saturated media markets.

The report focuses on three Balkan states: Bulgaria, Serbia and North Macedonia. All three exhibit to varying degrees each of the behaviours listed above. They have all experienced near-constant political interference in their respective media markets in recent years. As a result, all three countries suffer from a lack of media freedom, demonstrated by low scores in relevant global indexes and the continued dominance of mainstream media by pro-government voices, while independent media outlets remain under pressure.

Bulgaria's media market is dominated by a small number of powerful players, many with government ties. Major issues include political figures being allowed to own media outlets and the government buying support through non-transparent distribution of EU funds. However, recent upheavals to the political landscape mean there are opportunities for change. The influential businessman Delyan Peevski sold his media assets in late 2020, providing opportunities for new players to enter the market. As part of a broader realignment of interests in the country, the GERB party that oversaw widespread corruption during its 11 years in office also lost power in elections in May 2021.

In Serbia, the government has promised media reforms in response to EU concerns about the deterioration of the media environment, but there are no signs of implementation. Many media owners and operators have close ties to the ruling SNS party and the government is increasingly using state-owned entities such as Telekom Srbija to manipulate the commercial market.

North Macedonia has amended its media laws and promised widespread reform of the media sector since the fall of the VMRO-DPMNE coalition in 2017. However, implementation of these changes has been slow. Government financing of the media sector continues and political figures still dominate media ownership through proxies. This has led to concerns that the government lacks the will to follow through with further reform of the media sector.

While each of the three markets has its own distinct problems, several issues highlighted in this report affect them all. Our recommendations for improving media freedom in the three countries analysed include:

- Strengthening regulation to enable effective monitoring of media ownership and increased transparency across all media sectors
- Reinforcing the independence of public broadcasters and state regulators to reduce the risk of political interference in their work; this should include public participation in the appointment of senior management or council members.
- Scrutinising allocation of public funds to media entities, including funds distributed through state-owned companies, or through advertising contracts.

For real change to occur, civil society, commercial partners and the EU must do much more to make it harder for national governments in Balkan countries to manage the media space as they would like, to the detriment of the public good:

- Civil society organisations and their funders in the region should pay closer attention to the commercial techniques being used to undermine independent voices in media markets across the Balkans
- Commercial partners must be vigilant when entering these markets, to ensure local partners respect the editorial values essential to a free media .
- By virtue of its strategic interest in the democratisation of the region as well its financial leverage, the EU should make a much greater effort to hold national governments to their commitments.

Encouragingly, there is considerable evidence across the Balkans of how journalist associations and civic activists campaign tirelessly for the rights and wellbeing of their colleagues. The Balkan Free Media Initiative hopes that this report will encourage these groups to expand their focus to address the use of commercial instruments to undermine media freedoms. The longer these insidious practices are allowed to continue, the harder it will be to undo the damage they are causing.

In short, when political forces have licence to distort the media market for their benefit, it is not only media professionals who suffer. Society pays a heavy price, because the media are unable to perform the role required of them in a democracy.

Introduction

The media landscape in the Balkans is under threat. Media freedoms are being eroded more seriously than they have been at any other time over the past 30 years. The most glaring abuses of the media include physical attacks and threats against journalists which go unpunished. Reporters Without Borders (RSF) noted in its 2021 Global Press Freedom Index that violence against journalists in Europe had increased, and that the mechanisms the EU established to protect fundamental freedoms had been unable to halt draconian measures by governments in some European countries to restrict reporting of sensitive issues, including the Covid-19 pandemic.¹

The fact that growing violence across the Balkan region is regularly reported by NGOs and journalists is a disturbing indicator of the threat in those countries to freedom of expression. Yet open violence is not the only danger facing free media, nor can such attacks alone explain the dominance of pro-government voices in mainstream media across the Balkans. Just as important, though less straightforward to trace and report, are the tactics being used by governments to manipulate different media sectors in the Balkans. The purpose of this report is to unpick the murkier commercial practices employed by authoritarian state actors to undermine objective journalism, control public discourse and consolidate political power.

The main tactics found in each country analysed can be broadly summarised as follows:

1. Control of public broadcasters and regulatory authorities tasked with upholding media laws.
2. Abuse of weak regulation on transparency of ownership or its enforcement, to enable unlawful control of media outlets by governments or their proxies.
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Bulgaria's accession to the EU in 2007 was supposed to be a major milestone in the country's transition to democracy and rule of law. However, media freedom in Bulgaria has deteriorated significantly since then. In Reporters Without Borders' (RSF) first press freedom

¹ Reporters Without Borders (2021), 'RSF 2021 Index: EU struggles to defend values at home', 20 April 2021, <https://rsf.org/en/rsf-2021-index-eu-struggles-defend-values-home> (accessed 23 Aug. 2021).

index in 2002, Bulgaria, then an EU membership candidate, ranked 38th. By 2013, it was 87th. This year, it dropped to 112th out of 180 countries surveyed.² This makes Bulgarian media the least free in the EU. The index concluded that “the situation of the media is very worrying because no one is interested in investigating or condemning violence against journalists.”³ The EU’s annual Rule of Law Report for 2021 found that in Bulgaria, “political interference in the media continues to be a pressing issue.”⁴

Media freedom in Serbia has also deteriorated in recent years. Harassment of journalists, legal intimidation, questionable regulation, and anti-competitive practices are all common. Since President Aleksander Vučić came to power in 2014 Serbia has fallen from 54th out of 180 countries to 93rd in the 2021 RSF World Press Freedom Index. According to the latest report, Serbia is now a country where “journalists are subjected to almost daily attacks that increasingly come from the ruling elite and pro-government media.”⁵ Last year the Independent Journalists’ Association of Serbia (NUNS) documented 119 incidents of pressure or violence against journalists.⁶ In March 2021, a European Parliament report highlighted a “deterioration of media freedom and increase in abusive language, intimidation and even hate speech towards members of the parliamentary opposition, independent intellectuals, NGOs, journalists and prominent individuals” and urged the government to take “immediate measures” to ensure media freedom.⁷

For years, North Macedonia saw a marked decline in professional and ethical standards in the media. In 2017, North Macedonia was ranked a “non-free” state for the second year running by Freedom House, which noted that the media in the state is subject to political pressure and harassment, resulting in self-censorship.⁸ RSF labelled North Macedonia as “the bad boy in the Balkans”, ranking the country 111th, the worst in the region for media freedoms in 2016.⁹ However, unlike Serbia and Bulgaria, North Macedonia has improved its rankings since the 2017 fall of the VMRO-DPMNE government that had held power for 11 years. According to the 2020 Freedom House report on the country, “Macedonia continues to struggle with corruption” and journalists and activists face pressure and intimidation. At the same time, the report noted that “the media and civil society participate in vigorous public discourse.”¹⁰ The country now ranks 90th in the 2021 RSF World Press Freedom Index. However, many issues remain and the 2021 RSF index states that cyber, verbal

2 Reporters Without Borders (2021), ‘World Press Freedom Index: Bulgaria’, <https://rsf.org/en/bulgaria> (accessed 23 Aug. 2021).

3 Ibid.

4 European Union: European Commission (2021), Commission Staff Working Document: 2021 Rule of Law Report ‘The rule of law situation in the European Union’, 20 July 2021, p. 16.

5 Reporters Without Borders (2021), ‘World Press Freedom Index: Serbia’, <https://rsf.org/en/serbia> (accessed 23 Aug. 2021).

6 NUNS Nezavisno Udruženje Novinara Srbije [Independent Association of Journalists of Serbia] (2021), <http://www.nuns.rs/> (accessed 23 Aug. 2021).

7 European Parliament (2021), ‘Report on the 2019-2020 Commission reports on Serbia’, 10 Mar 2021, p. 12-13, 43.

8 Freedom House (2017), ‘North Macedonia: Freedom in the World 2017 Country Report.’ <https://freedomhouse.org/country/north-macedonia/freedom-world/2017> (accessed 23 Aug. 2021).

9 META.MK (2017), ‘Reporters Without Borders: In 111th Place, Macedonia IS ‘Balkans’ Bad Boy’. 26 April 2017. <https://meta.mk/en/reporters-without-borders-in-111th-place-macedonia-is-balkans-bad-boy/> (accessed 23 Aug. 2021).

10 Freedom House, ‘Country Report 2020 North Macedonia’, <https://freedomhouse.org/country/north-macedonia/freedom-world/2020>, (accessed 23 Aug. 2021)

and physical threats to journalists have continued to “reinforce the well-entrenched culture of impunity.”¹¹ While amendments to media law and promised reforms are encouraging, implementation of promised reforms from the SDSM-led coalition government has been slow and there is much work still to be done.

Another reason for choosing these three countries is that they each reflect different stages of integration with the EU and adoption of its norms and legal safeguards. Bulgaria joined the EU in 2007. Serbia is an accession candidate (since 2012) committed in principle to European integration, even if accession negotiations started in 2014 remain effectively deadlocked because of Belgrade’s lack of enthusiasm for closer relations and the EU’s frustration with the absence of progress. North Macedonia is also an accession candidate (since 2005) but accession negotiations only began in 2020 because of disputes with Greece and Bulgaria related to its name and its cultural and linguistic heritage.

Accession candidates must meet certain legal requirements in line with EU standards (*acquis*) to become members. In the case of media, this requires evidence of laws and a regulatory framework that upholds the principles of media freedom and pluralism defined in the EU’s Charter of Fundamental Rights.¹²

To varying degrees, the three countries have media laws designed to protect the market and the right of their citizens to receive unbiased information. The issue is that these laws are not being respected or upheld. This reflects the growing divergence between EU-style liberal democracy and illiberal currents running through the Balkan region and some parts of Central Europe. Serbia’s President Aleksandar Vučić is one of the clearest examples of a leader attracted by closer ties with Russia and China, inspired perhaps by Hungarian Prime Minister Viktor Orbán’s erosion of press freedoms and weakening of democratic institutions. The ruling coalition in Poland recently initiated legislation aimed at restricting foreign ownership of the media – a move widely interpreted as an effort to silence a TV station critical of the government. Against this background it is hardly surprising that ‘de-democratization’ is accelerating in parts of the Balkans. Unencumbered by free media, politicians can rule unchallenged by denying the public the possibility to debate and make informed choices.

The EU is not indifferent to the strategic challenge it faces in the region. In May 2021, the EU’s Council of Foreign Affairs stated the region is of “key geostrategic importance for the EU,” and that its commitment to the Balkans “needs to be very visible”.¹³ To mark World Press Freedom Day in 2021, the EU foreign policy chief committed to do more “in Europe and abroad”¹⁴ to defend the

11 Reporters Without Borders (2021), ‘World Press Freedom Index: North Macedonia’. rsf.org/en/north-macedonia, (accessed 23 Aug. 2021).

12 See Article 11, Charter of Fundamental Rights of the European Union (2012/c 326/02)

13 Council of the European Union (2021), ‘Foreign Affairs Council, 10 May 2021, Main Results’, 10 May 2021, <https://europa.eu/!tU74mW> (accessed 23 Aug. 2021).

14 Banks, M. (2021), ‘EU Marks World Press Freedom Day’, The Parliament Magazine, 4 May 2021, <https://www.theparliamentmagazine.eu/news/article/eu-marks-world-press-freedom-day> (accessed 23 Aug. 2021).

freedom of the press. What this means in practice is not yet clear, but for any action to have true influence, the issues affecting the media landscape in the Balkans must be diagnosed and treated in all their forms.

The purpose of this report is to inform policy makers, civil society groups and observers of the Balkans about the neglected issue of how governments are manipulating the commercial media market to bring about censorship and undermine the free discourse that is the lifeblood of democracy.

Bulgaria

Bulgaria's media landscape is disturbingly weak for an EU member state. For more than a decade, the mainstream media have been dominated by a small network of powerful individuals who bought up major media outlets for political influence, the most prominent being Delyan Peevski, who became the subject of U.S. sanctions in June 2021 for his alleged role in widespread corruption.¹⁵ Some politicians and influential businesspeople own entities outright, others wield control from behind non-transparent ownership agreements. Readership of print media has declined rapidly since the 1990s. They were then hit by the aftermath of the 2008 financial crisis. Meanwhile, television, by far the most influential form of media in the country, is dominated by just three companies that have historically been pro-government in their output. Independent journalists are fewer in number and less organised than in other Balkan states. The pressure from the authorities on those remaining independent journalists is relentless and there seems to be little desire for change.

Before the inconclusive elections in May 2021, Bulgarian politics had been dominated by Prime Minister Boyko Borissov and his centre-right GERB party. Borissov's time in power (2009-2021) became synonymous with widespread corruption that filtered into Bulgaria's media sector. The ability of Borissov's government to influence and control the media can be put down to three main factors. The first was its role in overseeing the purchase of major outlets by business and political allies. The second was its control of EU funds, which could be handed out to allies or used to buy support. Given the relatively small advertising market in a country of seven million people, government-distributed funds provided an important incentive for outlets to toe the line in order to receive financial support. Thirdly, Borissov's control over Bulgaria's media regulatory bodies allowed for these anti-competitive practices to go unchallenged.

¹⁵ U.S. Department of the Treasury (2021), 'Treasury Sanctions Influential Bulgarian Individuals and Their Expansive Networks for Engaging in Corruption', Press Statement, 2 June 2021, <https://home.treasury.gov/news/press-releases/jy0208> (accessed 23 Aug. 2021).

However, there are some encouraging signs of change. Peevski sold much of his media empire in late 2020 and early 2021, with many in Bulgaria speculating that he wanted to reduce his assets after being warned about impending U.S. sanctions. There is a new independent presence in the country in the form of United Group, the Netherlands-based media conglomerate, which has a reputation for objective reporting in the Balkan region, especially Serbia. Most important of all, two rounds of parliamentary elections this year have removed GERB from office and mean that it is unlikely to regain power in the short-term. Nevertheless, lack of control and oversight of Bulgaria's highly concentrated media market means many serious issues remain.

Regulation

In Bulgaria, freedom of speech and media freedom are guaranteed by Bulgaria's 1991 Constitution. Article 39 states that everybody is free to express and distribute her/his opinion by any means. According to Article 40, the "press and the other mass information media shall be free and shall not be subjected to censorship."¹⁶ However, in practice, the laws designed to protect media freedom are limited. For example, there is no law explicitly forbidding politicians from directly owning outlets. As a result, several stations are owned by political figures, as detailed later in this report. The European Commission 2021 Rule of Law Report for Bulgaria cited this lack of legislation preventing politicians and parties from owning media outlets as an "important factor" related to political interference in the media".¹⁷

Efforts to ensure transparency on ownership were introduced very late and are ineffectively implemented. For example, it was only in 2010 that it became mandatory for publishers of print media to declare their ownership.¹⁸

The main legal foundation for Bulgaria's broadcasters is the 1998 Radio and Television Act.¹⁹ It sets out the role of the Council for Electronic Media (CEM), which is the body responsible for licensing, registering and supervising radio and television providers.²⁰ However, the CEM is powerless to bring transparency to the sector since the established system does not prevent the use of proxy owners. The European Commission's second annual report on the rule of law in the EU notes that "the lack of transparency in media ownership remains a cause for concern".²¹

The CEM is regarded by some as a passive force exposed to influence from the government.²² This is, in part, due to the rules governing the appointment of the five CEM council members. Two members are appointed directly by the President, and the other three are elected by the Parliament, leading to concerns that the regulator is overly exposed to political influence. The Centre for Media Pluralism and Media Freedom, which is part-financed by the EU, noted in its 2021 report on Bulgaria that genuine citizen participation in nominating CEM members "is not guaranteed." As a result, the constitution of the

16 Constitute Project, 'Bulgaria's Constitution of 1991 with Amendments through 2007', https://www.constituteproject.org/constitution/Bulgaria_2007?lang=en (accessed 23 Aug. 2021).

17 European Union: European Commission (2021), Commission Staff Working Document: 2021 Rule of Law Report 'The rule of law situation in the European Union, Country Chapter on the rule of law situation in Bulgaria', 20 July 2021, p. 16.

18 Lex Bulgaria, 'Law on the Mandatory Deposit of Printed and other Works and on the Announcement of the Distributors and Suppliers of Media Services', Normative Acts, <https://lex.bg/laws/ldoc/2134956545> (accessed 23 Aug. 2021).

19 Republic of Bulgaria, Ministry of Transport, Information Technology and Communications (2011), 'Radio and Television Act', <https://www.mtirc.government.bg/en/category/168/radio-and-television-act> (accessed 23 Aug. 2021).

20 CEM - Съвет за електронни медии [Council for Electronic Media] (2021), <https://www.cem.bg/index.php?lang=en> (accessed 23 Aug. 2021).

21 European Union: European Commission (2021), Commission Staff Working Document: 2021 Rule of Law Report 'The rule of law situation in the European Union, 20 July 2021, https://ec.europa.eu/info/policies/justice-and-fundamental-rights/upholding-rule-law/rule-law/rule-law-mechanism/2021-rule-law-report/2021-rule-law-report-communication-and-country-chapters_bg (accessed 23 Aug. 2021).

22 Ganev, G., Smilov, D. and Primatarova, A. (2013), 'Bulgaria' in Freedom House, Nations in Transit 2013, p. 166.

CEM is inevitably exposed to risks of political influence.²³ In its composition in the summer of 2021, the members nominated by GERB have a majority of three. President Betina Joteva was elected by President Rosen Plevneliev (2012-2017), who was nominated for the post by GERB. Two other members – Sofia Vladimirova and Galina Georgieva – are from the parliamentary quota but were again nominated by GERB.²⁴ In the election, Georgieva was supported by GERB and MRF – the party that the media mogul Peevski represented as a member of parliament for many years. This led for the then opposition party Bulgarian Socialist Party (BSP) to announce that “Peevski also took over the CEM”.²⁵ Georgieva herself has no special media experience. She graduated in agrarian economics.²⁶



3 out of 5

current members of the
Council for Electronic Media,
Bulgaria's main media
regulator, were nominated
by the GERB Party

There have been suggestions that the current Council's loyalty to the previous GERB government, which appointed them, has led to confrontation with the new caretaker government.²⁷ In 2021, Ivelina Dimitrova, elected by President Rumen Radev resigned. Dimitrova said her reason for stepping down was the CEM's lack of will to improve media freedoms in Bulgaria.²⁸

Government control then filters through to Bulgaria's state broadcasters since the CEM is responsible for choosing – after an open competition – the heads of the two public media outlets,

23 Spassov, O., Ognyanova, N. and Daskalova, N. (2021) 'Monitoring Media Pluralism in the Digital Era: Application of the Media Pluralism Monitor in the European Union, Albania, Montenegro, Republic of North Macedonia, Serbia & Turkey in the year 2020', Centre for Media Pluralism and Media Freedom, July 2021, p.11.

24 CEM - Съвет за електронни медии [Council for Electronic Media] (2021), 'Членове' [Members], <https://www.cem.bg/infobg/2> (accessed 23 Aug. 2021).

25 Mediapool (2019), 'БСП обяви: Делян Пеевски превзе и CEM' [BSP announced: Delyan Peevski took over CEM], 17 July 2019, <https://www.mediapool.bg/bsp-obyavi-delyan-peeviski-prevze-i-sem-news295772.html> (accessed 23 Aug. 2021).

26 Mediapool (2019), 'Новият член на CEM завършила с 3.89 аграрна икономика' [The new member of the CEM graduated with a 3.89 in Agricultural Economy], 18 July 2021, <https://www.mediapool.bg/noviyat-chlen-na-sem-zavarshila-s-389-agrarna-ikonomika-news295870.html> (accessed 23 Aug. 2021).

27 SEGA (2021), 'Минеков: Съществуването на CEM е под въпрос' [Minekov: The existence of the CEM is in question], 11 June 2021, <https://www.segabg.com/node/184183> (accessed 23 Aug. 2021).

28 Fileva, L. (2021), 'Член на Съвета за електронни медии напусна: Не се намесихме в конфликта Минеков – Кошлуков' [Member of the Council for Electronic Media left: We did not intervene in the conflict Minekov – Koshlukov], Dnevnik, 28 June 2021, <https://tinyurl.com/4d4avra9> (accessed 23 Aug. 2021).

Bulgarian National Television (BNT) and Bulgarian National Radio (BNR). The CEM's appointment in 2019 of the current Director General of BNT, Emil Koshlukov, was seen as highly controversial.²⁹ The Association of European Journalists in Bulgaria was among those who strongly opposed the decision.³⁰ Koshlukov is a former MP who was part of TV7 – the media entity financed by the bankrupt Corporate Commercial Bank and associated with Peevski. His application for the role stated he had held a leading position at Alfa TV, which is owned by a foundation headed by Volen Siderov, the leader of Ataka, the pro-Russian nationalist party.³¹ The Ataka party was then a coalition partner of GERB. After Koshlukov joined BNT, the channel began to take a more pro-government position during Boyko Borissov's time as prime minister. Attempts were made to axe programs that criticized the government.³² BNT journalists testified to pressure to present guests in a certain way on political shows.³³

In May 2021, BNT interrupted its scheduled programming to broadcast a press conference by the GERB party of former Prime Minister Boyko Borissov. This was after the country had appointed a caretaker government and no other party had received the opportunity to broadcast political press conferences in this manner on BNT. This led the caretaker Minister of Culture, Velislav Minekov, to demand Koshlukov's resignation.³⁴ CEM then defended BNT's director general and accused Minekov of spreading "false statements".³⁵

In 2019, the CEM also caused controversy with its choice of director for Bulgarian National Radio (BNR), Svetoslav Kostov. Just a few months later, one of the biggest scandals in the history of the radio station broke out. Kostov removed journalist Silvia Velikova from the air because of her critical attitude towards the only candidate for chief prosecutor, Ivan Geshev.³⁶ The day after the incident, BNR stopped broadcasting entirely.³⁷ BNR journalists say that broadcasting only ceased temporarily because of the tensions

29 Antonova, V. (2019), 'Един среден пръст от CEM' [One middle finger from CEM], Capital, 24 July 2019, https://www.capital.bg/biznes/media_i_reklama/2019/04/24/3424701_emil_koshlukov_otnovo_e_nai_podhodiasht_za_generalen/ (accessed 23 Aug. 2021).

30 Association of European Journalists Bulgaria (2019), 'The appointment of Emil Koshlukov to head BNT is a blow to public television', 23 April 2019, https://aej-bulgaria.org/24042019/?fbclid=IwAR2_eo5yvc79P2peXs89l3y6MORNbY4lLpQEcXwYxy9qj5-IDOU9FJfLNQA (accessed 23 Aug. 2021).

31 Alfa TV (2021), <https://www.alfa.bg/> (accessed 23 Aug. 2021).

32 Raunova, P. (2020) "Никой не ни е предупредил." БНТ отне правата на екипа на "Вяра и общество" във Фейсбук' ["No one warned us." BNT took away the rights of the team of "Faith and Society" on Facebook], Svobodna Evropa, 17 June 2020, <https://www.svobodnaevropa.bg/a/30675999.html> (accessed 23 Aug. 2021).

33 Club Z (2018), "Денят започва с култура": Кошлуков оказва натиск за гости и въпроси' ["The day begins with culture": Koshlukov puts pressure on guests and questions], 22 Jan. 2018, https://www.clubz.bg/63203-denqt_zapochva_s_kultura%E2%80%9C_koshlukov_okazva_natisk_za_gosti_i_vyprosi (accessed 23 Aug. 2021).

34 OFF News (2021), 'Минеков заговори за оставка на шефа на БНТ Емил Кошлуков' [Minekov spoke about the resignation of the head of BNT Emil Koshlukov], 25 May 2021, <https://offnews.bg/medii/minekov-zagovori-za-ostavka-na-shefa-na-bnt-emil-koshlukov-752186.html> (accessed 23 Aug. 2021).

35 Club Z (2021), 'CEM за Минеков: "неверни твърдения", "въвежда в заблуждение"' [CEM for Minekov: "false statements", "misleading information"], 30 June 2021, https://www.clubz.bg/115531-sem_za_minekov_neverni_tvardeniya_vavezhda_v_zabluzhdenie (accessed 23 Aug. 2021).

36 Dimitrov, S., and Kostadinova, S. (2019), 'БНР първо сваля Силвия Великова от ефир, а после я върна' [BNR brings back Silvia Velikova after removing her from the air], Mediapool, 12 Sep 2019, <https://www.mediapool.bg/bnr-parvo-svali-silviya-velikova-ot-efir-a-posle-ya-varna-news297892.html> (accessed 23 Aug. 2021).

37 Ashikova, V. (2020), 'Окончателно: Спирането на "Хоризонт" е в резултат на изрично решение, взето вътре в радиото' [Final: The suspension of "Horizon" is the result of an explicit decision taken by the radio], Bulgarian National Radio, 5 May 2020, <https://bnr.bg/post/101236655/ns-prie-okonchatelnia-doklad-za-spiraneto-na-signala-na-programa-horizont> (accessed 23 Aug. 2021).

among staff caused by Velikova's dismissal. Managers said that there was external political pressure to remove her.³⁸ After a public outcry, Velikova returned to her post. In the end, after some hesitation, the CEM removed Kostov from the post of general director ahead of schedule.

The CEM has also been chronically underfunded. The CEM, as well as BNT and BNR, have annual budgets which are approved annually by parliament.³⁹ The lack of longer budgeting timelines commonly found elsewhere in the EU means each of the organizations can be either punished if it does not toe the line, or rewarded for loyalty, on an annual basis. An increase of over half a million euros in the 2021 state budget was agreed. However, this was undermined when in March and April 2021, the GERB coalition Government reduced the budget of the regulator.⁴⁰ Furthermore, according to the same Rule of Law Report, "it remains to be seen if the planned increase in the budget will be adequate" in view of additional tasks taken on by CEM linked to the changes in legislation.⁴¹ The same EU Rule of Law Report notes: "The lack of transparency of media ownership remains a source of concern. Despite the regular updates of the CEM public register ... data on media ownership is still not fully disclosed to the public."⁴²

Artur Gerasymov, head of the OSCE mission that observed Bulgaria's April 2021 elections, concluded that the process had suffered because of the adverse situation in the media: "The media environment remains concerning ... In particular, editorial diversity and analytical coverage, crucial for voters to make an informed choice, is largely lacking."⁴³

38 Club Z (2018), "Денят започва с култура": Кошлуков оказва натиск за гости и въпроси' ["The day begins with culture": Koshlukov puts pressure on guests and questions], 22 Jan. 2018, <https://offnews.bg/interviu/stanah-svidetel-na-natiska-nad-programa-horizont-711413.html> (accessed 23 Aug. 2021).

39 Bulgarian National Television (2021), 'Financial Report of BNT', <https://bnt.bg/finansov-otchet-na-bnt-85pages.html> (accessed 23 Aug. 2021).

40 Ibid.

41 Ibid.

42 European Union: European Commission (2021), Commission Staff Working Document: 2021 Rule of Law Report 'The rule of law situation in the European Union, Country Chapter on the rule of law situation in Bulgaria', 20 July 2021, p. 16.

43 Organization for Security and Co-operation in Europe (2021), 'Bulgaria's competitive parliamentary elections well run, but impacted by media shortcomings and significant ruling-party advantage, international observers say', 5 Apr. 2021, <https://www.osce.org/odihr/elections/482807> (accessed 23 Aug. 2021).

Composition of the Media Market

After the collapse of the Communist system, large parts of Bulgaria's media underwent privatization. Germany's WAZ Media Group bought up two major newspaper groups, Trud and 24 Hours, in 1997. Rupert Murdoch's News Corporation entered the broadcast market in 2000 in partnership with the Bulgarian businessman Krassimir Gergov to form BTV. In the same year, Greece's Antenna Group acquired a regional channel which became the national TV station Nova.

However, after the 2008 global economic crisis, WAZ Media Group replaced its senior management and began to sell off its assets in southeast Europe. In 2010, WAZ sold its business in Bulgaria to Vienna-based company BG Privatinvest.⁴⁴ The official reason given was a redirection of investments, however, a former WAZ editor interviewed by BFMI said the group began to feel pressure from big business at the local level. Elsewhere in the print market, regional oligarchs with business interests spanning pharmaceuticals and natural gas vied for control after taking over ownership of various newspapers. News Corporation left shortly after WAZ, selling 94% of BTV to Central European Media Enterprises. Foreign investors have not complained publicly about attempts to exercise political influence on their professional work in Bulgaria. However, local management were tasked with employing journalists and deciding editorial policy, often managing the expectations of advertisers and politicians.

International funding remained in the form of state funding from the U.S., which has played a significant role in supporting media outlets in Bulgaria. Funding for Bulgaria's independent media dates back to the U.S. Support for East European Democracy (SEED) Act of 1989, which aimed to promote democracy and the transition to free markets in former communist countries.⁴⁵ In 2009 the U.S. government founded America for Bulgaria Foundation (ABF), which distributes grants of \$20 million per year, part of which supports civic organizations and the media sector.⁴⁶ Economedia, which claims to be the largest publisher of business media in Bulgaria, is one example of a media outlet supported by ABF.⁴⁷ In June 2020, the U.S. Agency for International Development (USAID), announced that it was making available \$200,000 of new funding for independent media groups and civil society actors in Bulgaria.

44 Dimitrova, D. (2010), 'Germany's WAZ Media Group Sells Bulgarian Business', SeeNews, <https://seenews.com/news/germanys-waz-media-group-sells-bulgarian-business-205341> (accessed 23 Aug. 2021).

45 U.S. Congress. (1989), 'Support for East European Democracy (SEED) Act of 1989'. U.S. Congress. <https://www.congress.gov/bills/101st-congress/senate-bill/1641?s=1&r=72> (accessed 23 Aug. 2021).

46 America for Bulgaria Foundation. (2021), 'Our History'. America for Bulgaria Foundation. <https://us4bg.org/about-abf/our-history/> (accessed 23 Aug. 2021).

47 Economedia. (2021), 'About Us'. Economedia. <https://www.economedia.bg/show.php?guid=540846>. (accessed 23 Aug. 2021).

This was to help strengthen civic engagement and transparency, particularly during the COVID-19 pandemic.⁴⁸ However, while independent outlets supported in this way are popular with sections of Bulgaria's elites and youth, they have a much smaller audience compared to the mainstream media.

Television is traditionally the most important form of media in Bulgaria and the main source of news for Bulgarians, although in recent years, more and more Bulgarians read their news online.⁴⁹ There were 109 registered companies that distribute 148 TV programmes via cable and satellite registered in 2020.⁵⁰ However, three broadcasters dominate the viewership: Nova, BTV and the state broadcaster BNT.

In Bulgaria, ratings are officially measured by GARB Audience Measurement Bulgaria. From 2014 to 2020 there was a second agency measuring the number of viewers - Nielsen Admosphere Bulgaria JSC. The reason for the split of the measurement between two agencies was a request by Nova Broadcasting Group that data be measured more honestly after an independent audit showed that the GARB system did not meet modern requirements.⁵¹

For most of the period from 2014 to 2020, BTV Media Group was the market leader according to GARB, and Nova according to Nielsen. After Nova was bought by Advance Media Group, GARB's data gradually changed, and Nova became the leader in terms of viewership and market share. For this reason, the media group terminated its contract with Nielsen and GARB is now the only agency reporting audience statistics.⁵² According to GARB's latest figures BTV had a share of 25%, Nova of 23% and BNT of 9% in the first half of 2021.⁵³ Nova and BTV also make up 69% of TV advertising expenditure.⁵⁴ The top four most trusted news sources are the state broadcasters, BNR and BNT, followed by the television stations BTV and Nova TV.⁵⁵

48 U.S. Embassy in Bulgaria. (2020), 'U.S. Government Announces \$200,000 USD To Support Independent Media and Civil Society In Bulgaria'. U.S. Embassy in Bulgaria, 19 Jun. 2020, <https://bg.usembassy.gov/u-s-government-announces-200000-usd-to-support-independent-media-and-civil-society-in-bulgaria/> (accessed 23 Aug. 2021).

49 Antonov, S. (2021), 'Bulgaria', Reuters Institute, <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2021/bulgaria> (accessed 23 Aug. 2021).

50 CEM - Съвет за електронни медии [Council for Electronic Media] (2021), 'Отчет на CEM за периода 01.01.2020 г. – 31.12.2020' [CEM report for the period 01.01.2020 - 31.12.2020], 31 Mar. 2021, <https://www.cem.bg/activitybg/2108> (accessed 23 Aug. 2021).

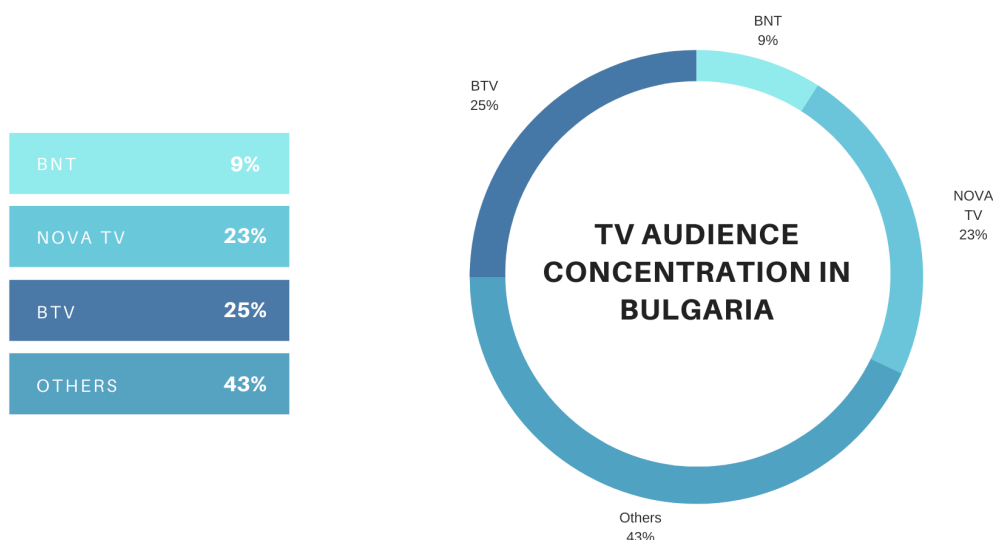
51 Nova (2013), 'Нова Броудкастинг Груп иска ефективна система за измерване на аудиторията' [Nova Broadcasting Group wants an effective audience measurement system], 11 Nov. 2013, <https://nova.bg/news/view/2013/11/11/61770> (accessed 23 Aug. 2021).

52 Antonova, V., (2020), 'Войната за пийпълметрията свърши' [The war for peoplemetry is over], Capital, 16 Apr. 2020, https://www.capital.bg/biznes/media_i_reklama/2020/04/16/4054876_voinata_za_piipulmetriiata_svrshi/# (accessed 23 Aug. 2021).

53 Media Connection (2021), 'Media Landscape Bulgaria H1 Report', <https://mediacconnection.bg/report/view/88> (accessed 23 Aug. 2021).

54 Antonov, S. (2021), 'Bulgaria', Reuters Institute, <https://reutersinstitute.politics.ox.ac.uk/digital-news-report/2021/bulgaria> (accessed 23 Aug. 2021).

55 Ibid.



Ownership of the major stations has changed significantly since 2020. BTV came under the ownership of PPF Group in October 2020 after CME was acquired by the late Czech businessman Petr Kellner.⁵⁶ Swedish conglomerate Modern Times Group bought Nova from Antenna Group in 2008, before selling in 2019 to Advance Media Group, owned by two Bulgarian brothers, Kiril and Georgi Domuschiev. The Domuschiev brothers are reportedly close to Boyko Borisov.⁵⁷ In January 2021, Nova was acquired by the Amsterdam-based conglomerate United Group, which provides telecommunications services and whose subsidiary United Media has a strong reputation for independent reporting, particularly in Serbia (see the section below on Serbia).

Radio is another popular media format in Bulgaria. There are 59 companies with licenses for terrestrial analogue radio transmission and 21 companies which transmit via cable and/or satellite.⁵⁸ However, again, the same broadcasters make up large parts of the market share audience. Nova Broadcasting group has 22%, Bulgarian National Radio (BNR) 18% and BTV 11%.

There are 239 newspapers in Bulgaria.⁵⁹ At present, there are no reliable national statistics on market share or audiences in the print market. What is certain is that the print media was dominated for years by Peevski and his New Bulgarian Media Group, which bought

56 PPF Group (2021), 'History', <https://www.ppf.eu/en/about-the-ppf-group/facts-and-strategies/history> (accessed 23 Aug. 2021).

57 Petkova, M. (2021), 'How Bulgaria hit rock bottom on press freedom', Al Jazeera, 18 Jun. 2021,

<https://www.aljazeera.com/news/2021/6/18/how-bulgaria-hit-rock-bottom-on-press-freedom>

58 CEM - Съвет за електронни медии [Council for Electronic Media] (2021), 'Отчет на CEM за периода 01.01.2020 г. – 31.12.2020' [CEM report for the period 01.01.2020 - 31.12.2020], 31 Mar. 2021, <https://www.cem.bg/activitybg/2108> (accessed 23 Aug. 2021).

59 Spassov, O., Ognyanova, N. and Daskalova, N. (2020), 'Monitoring Media Pluralism in the Digital Era: Application of the Media Pluralism Monitor in the European Union, Albania and Turkey in the years 2018-2019', Centre for Media Pluralism and Media Freedom, July 2020, p.7.

up major titles across the political spectrum. In 2018, RSF estimated that Peevski controlled up to 80% of Bulgaria's private print media.⁶⁰ Other reports suggest he controlled 40% of all national and regional newspapers.⁶¹ However, as with the television market, the print market has also changed after United Group purchased Peevski's *Telegraf EOOD* media group. The group contains six print titles, including *Telegraf* - Bulgaria's largest daily newspaper based on circulation. United Group has announced its intention to digitise many of its new assets, a step that some observers view as an effort to re-brand the titles and break their perceived association with Peevski.⁶²

60 Synovitz, R. (2020), 'Who Is Bulgaria's 'Potbelly' And Why Do People Claim He Controls The Government?' RFERL, 24 Jul. 2020, <https://www.rferl.org/a/who-is-bulgaria-s-potbelly-and-why-do-people-claim-he-controls-the-government-/30745743.html> (accessed 23 Aug. 2021).

61 Brunwasser, M. (2013), 'After Political Appointment in Bulgaria, Rage Boils Over', New York Times, 28 June 2013, <https://www.nytimes.com/2013/06/29/world/europe/after-political-appointment-in-bulgaria-rage-boils-over.html> (accessed 23 Aug. 2013).

62 United Group (2021), 'United Group agrees to acquire Bulgaria's Vestnik Telegraf EOOD' 27 Jan. 2021, <https://united.group/united-group-agrees-to-acquire-bulgarias-vestnik-telegraf-eood/> (accessed 23 Aug. 2021).

Political Influence on the Media Market

On top of the history of 'capture' of Bulgaria's official regulatory bodies and state media by politically connected groups, political interference in the commercial market is also common. One of the issues facing Bulgaria's media market is the non-transparent distribution of EU funds for development of the media. For the period from January 2017 to April 2021, the authorities distributed more than €5 million of official funds to television and radio programs, according to local reports.⁶³ The largest amount of all EU funding was received by Nova – about €1 million. Channel 3 took €330,000 in four years. bTV received around €750,000 for the same period.

From the time of Bulgaria's accession to the EU in 2007 and June 2019, a total of around €30 million (plus VAT) was distributed by the government to broadcasters using EU funding programs.⁶⁴ This is a significant sum for a competitive market that relies on small volumes of advertising revenue. Brussels is aware of the issue and criticized the administration for "misappropriation of EU funds" and the "deterioration of media."⁶⁵ RSF's 2021 World Press Freedom Index warns that in Bulgaria the government continues to allocate EU and public funding to media outlets in the full absence of transparency. This has the effect of encouraging recipients to go easy on the government in their reporting or to refrain from covering certain problematic stories altogether.⁶⁶

On top of funding from central government, it is legal for any political figures or parties to own media outlets in Bulgaria. The Media Pluralism Monitor, a research tool to identify potential risks in the Member States and Candidate Countries of the EU, reported that in 2019, the number of TV channels directly affiliated to political parties increased when Bulgaria's opposition BSP party launched its own network, BSTV. According to members of the European Parliament, this and other channels run by political parties directly contradict key obligations of EU member states.⁶⁷

BSP also has a newspaper - "Duma". Another former partner of GERB, VMRO has near total control of Bulgaria 24. As noted above, Alfa TV is owned by Volen Siderov, the leader of the Ataka party.⁶⁸ Television

63 Valkov, I. (2021), 'Над 10 милиона лева за медии. Толкова е дала властта за 4 години само от европейски програми (СПИСЪК)' [Over BGN 10 million for media. So much power has been given over 4 years only from European programs (LIST)], Club Z, 28 May 2021, https://www.clubz.bg/114140-nad_10_miliona_leva_za_medii_tolkova_e_dala_vlastta_za_4_godini_samo_ot_evropeyski_programi_spisak (accessed 23 Aug. 2021).

64 European Structural and Investment Funds Information Portal (2021), 'Справки За Изпълнение На Комуникационните Планове По Оп' [Information for Implementation of the Communication Plans Under Op], <https://www.eufunds.bg/en/node/456> (accessed 23 Aug. 2021).

65 European Parliament: Committee on Civil Liberties, Justice and Home Affairs (2020), 'Draft Motion for Resolution 2020/2793(RSP)', 30 Sep. 2020.

66 Reporters Without Borders (2021), 'World Press Freedom Index: Bulgaria, <https://rsf.org/en/bulgaria> (accessed 23 Aug. 2021).

67 Spassov, O., Ognyanova, N. and Daskalova, N. (2020), 'Monitoring Media Pluralism in the Digital Era: Application of the Media Pluralism Monitor in the European Union, Albania and Turkey in the years 2018-2019', Centre for Media Pluralism and Media Freedom, July 2020.

68 Alfa TV (2021), <https://www.alfa.bg/> (accessed 23. Aug 2021).

Skat's owner is a company managed by two of the leaders of the other nationalist party NFSB.⁶⁹

However, media outlets openly owned by politicians are often more transparent than supposedly independent media entities that are controlled by political interests. This latter type of political capture is made easier by a lack of pluralism and has not gone unnoticed by the EU. The Media Pluralism Monitor measured several risks to market pluralism in its 2020 report on Bulgaria. It recorded a risk of 90% for commercial and owner influence over editorial content as well as for "news media concentration".⁷⁰

This kind of influence was demonstrated in the capture of Nova TV by Kiril and Georgi Domuschievi, who took ownership in 2019. The brothers were known associates of former Prime Minister Borissov. There were also claims that they were controlled by Peevski. Nova certainly became less critical of the government with the change of ownership. Respected senior investigative journalists including Genka Shikerova, Mirolyuba Benatova and Marin Nikolov were removed from their positions almost immediately.⁷¹ Other TV presenters, producers and long-time members of the media also parted ways with Nova. Unofficially, journalists reported that editorial policy changed dramatically after the Domuschievs took office, with journalists critical of Borissov's management made to understand that such views were no longer acceptable.

Many of the new management and staff came from Kanal 3, a TV outlet linked closely to Peevski. Reportedly rumoured to control Kanal 3,⁷² Peevski's New Bulgarian Media Group (owned by his mother Irena Kristeva) made an official bid for ownership which was approved by the Commission for Protection of Competition.⁷³ Iva Stoyanova, who was previously the official owner of "Kanal 3", was made Nova's Executive Director in 2019.⁷⁴ In 2020, Nova purchased Kanal 3.

This led to more favourable coverage not just of the government, but also of Peevski himself. During the first weeks of the Covid-19

69 Skat Television (2021), <http://www.skat.bg/> (accessed 23 Aug. 2021).

70 Spassov, O., Ognyanova, N. and Daskalova, N. (2020), 'Monitoring Media Pluralism in the Digital Era: Application of the Media Pluralism Monitor in the European Union, Albania and Turkey in the years 2018-2019', Centre for Media Pluralism and Media Freedom, July 2020, p.8.

71 Paunova, P. (2019), 'Нова телевизия "освободи" Миролюба Бенатова и Генка Шикерова' [New TV "released" Mirolyuba Benatova and Genka Shikerova], Svobodna Evropa, 12 June 2019, <https://www.svobodnaevropa.bg/a/29995124.html> (accessed 23 Aug. 2021).

72 Synovitz, R. (2020), 'Who Is Bulgaria's 'Potbelly' And Why Do People Claim He Controls The Government?' RFERL, 24 Jul. 2020, <https://www.rferl.org/a/who-is-bulgaria-s-potbelly-and-why-do-people-claim-he-controls-the-government-/30745743.html> (accessed 23 Aug. 2021).

73 Republic of Bulgaria Competition Protection Commission (2015), 'New Bulgarian Media Group Holding EAD and Elite Media Bulgaria EOOD', 3 Sept. 2015. <http://reg.cpc.bg/Dossier.aspx?DossierID=300048352>

74 Antonova, V. (2020), 'Бившето лице на Пеевски в "Канал 3" Ива Стоянова поема управлението на "Нова телевизия"' [Peevski's former face in "Channel 3" Iva Stoyanova takes over the management of "Nova TV"], Capital, 5 Feb. 2020, (accessed 23 Aug. 2021). <https://tinyurl.com/5dtnw3th> (accessed 23 Aug. 2021).

pandemic. Nova published a report about Peevski's donations to healthcare providers, no longer referring to him as an 'oligarch', but as the biggest donor.⁷⁵

This is a case in point of how Peevski was able to control much of the media landscape from behind the scenes. Peevski's political career started at 21 when he became the youngest member of former Bulgarian King Simeon II's government in 2001. By 2013, the Oresharski government nominated him to head the State Agency for National Security, leading to widespread protests which saw the decision rescinded.⁷⁶ He was also at the centre of another major national scandal, the bankruptcy of the Corporate Commercial Bank (CCB), the fourth largest bank in Bulgaria in its day. For many years, he had a partnership with CCB's head Tsvetan Vassilev, the majority owner of the Bank and now a fugitive who is receiving protection from the Serbian government. Vassilev has since criticised Peevski for his involvement claiming the businessman is "one of the main tools that the Bulgarian political mafia uses to blackmail Bulgarian business—the visible part of a rather large iceberg of corruption."⁷⁷

Peevski is considered to have strong influence in the courts, the Prosecutor's Office, the Interior Ministry and other law enforcement agencies as well as the media. Alongside his suspected control of Nova and other television outlets, he has been the main player in the print sector for over a decade. In 2018, RSF estimated that Peevski controlled up to 80% of Bulgaria's private print media distribution.⁷⁸ In other words, almost a total monopoly on the distribution of newspapers.⁷⁹ Peevski-linked media outlets have consistently supported Borissov's government and in July 2020, claims by anti-government protestors that the ruling GERB party was being controlled from behind the scenes by Peevski led to Borissov announcing a government reshuffle.⁸⁰

However, recent years have seen signs of a shift away from local businesspeople owning major media players. As noted above, CME was purchased in October 2020 by PPF, the investment fund owned by the Czech businessman Petr Kellner. Despite marking a change from the status quo, the entrance of PPF into the market did raise some concerns. In October 2020, five international pressure groups focused on media freedom issued an open letter warning Kellner

75 Nova (2020), 'Още дарители протягат ръка на медици и нуждаещи се' [More donors are reaching out to medics and those in need], 3 Apr. 2020, <https://nova.bg/news/view/2020/04/03/283850/още-дарители-протягат-ръка-на-медици-и-нуждаещи-се/> (accessed 23 Aug. 2021).

76 Bulgarian National Radio (2013), 'National Assembly cancels Delian Peevski's election to chair SANS', 19 June 2013, <https://bnr.bg/en/post/100202676/national-assembly-cancels-delian-peeviskis-election-to-chair-sans> (accessed 23 Aug. 2021).

77 Coppola, F. (2015), 'Bulgaria's Failed Corpbank: The Former Owner's Story', Forbes, 5 Oct. 2015, <https://www.forbes.com/sites/francescoppola/2015/10/05/bulgarias-failed-corpbank-the-former-owners-story/> (accessed 23 Aug. 2021).

78 Synovitz, R. (2020), 'Who Is Bulgaria's 'Potbelly' And Why Do People Claim He Controls The Government?' RFERL, 24 Jul. 2020, <https://www.rferl.org/a/who-is-bulgaria-s-potbelly-and-why-do-people-claim-he-controls-the-government-/30745743.html> (accessed 23 Aug. 2021).

79 Goranova, K. (2020), 'Разпространението на вестници: Като няма Кой, трябва някой' [Newspaper distribution: When there is no one, there is a need for someone], Capital, 27 Feb. 2020, https://www.capital.bg/biznes/kompanii/2020/02/27/4034719_kato_niama_koi_triabva_niakoi/.

80 Todorov, S. (2020), 'Borissov Sacrifices Ministers to Appease Bulgarian Protests', Balkan Insight, 16 July 2020, <https://balkaninsight.com/2020/07/16/borissov-sacrifices-ministers-to-appease-bulgarian-protests/> (accessed 23 Aug. 2021).

that his acquisition of Central European Media Enterprises (CME) should not come at the cost of editorial freedom, citing his close commercial ties to the Chinese government as a major source of concern.⁸¹ CME's previous majority shareholder was the American company AT&T. The purchase by PPF prompted Senator Marco Rubio to demand a full review of the national security implication of AT&T's upcoming sale citing concerns about "PPF-owned telecommunications firms ... working with Huawei to develop 5G networks" in Serbia and accusing Kellner of spying on Czech politicians on China's behalf.⁸² Kellner's links to China created further controversy when it emerged that another Kellner company – Home Credit, which has extensive operations in China – hired a Czech public relations agency, C&B, to set up and covertly run a think tank to stage pro-China events and media outreach on behalf of the Chinese Communist Party (CCP).⁸³

More promising is the entrance of United Group, which bought Nova in January 2021. Alongside, its purchase of Nova, United Group also bought the newspaper group Telegraf EOOD from Intrust EAD, owned by Peevski. United Group has said it intends to digitise the newspapers in a bid to disassociate them from the pro-government titles backed by Peevski and align them with their media assets in other countries. Observers believe Peevski sold his media entities in a bid to reduce the size of his assets ahead of being sanctioned by the U.S. Treasury. It should be noted that the approval of United Group's acquisition of Peevski's assets raised eyebrows in Bulgaria, particularly since a similar deal was rejected two years earlier by the Commission for Protection of Competition (CPC). In 2018, PPF's attempt to buy Nova was rebuffed by the CPC on the grounds that the deal would risk increasing market concentration and provide an unfair advantage to the group.⁸⁴ The fact that United Group was able to take over Nova has been viewed by some as evidence of a closer relationship with the Bulgarian authorities which could lead to lenient coverage.⁸⁵ Likewise, the fact that these assets were not broken up before United Group acquired them means there is still a high concentration of ownership of mainstream media; however, while the structure of the market may not be optimal, the arrival of United Group restricts the influence of politically connected Bulgarian business groups in the media sector.

Conclusion

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- 81 International Press Institute (2020), 'Press freedom groups write to Czech billionaire after purchase of CME media group', 20 Oct. 2020, <https://ipi.media/press-freedom-groups-write-to-czech-billionaire-after-purchase-of-cme-media-group/> (accessed 23 Aug. 2021).
- 82 Rubio, M. (2020), 'Rubio Requests CFIUS Review of AT&T Sale to Czech Company With Ties to China', 26 Feb 2020, <https://www.rubio.senate.gov/public/index.cfm/2020/2/rubio-requests-cfius-review-of-at-t-sale-to-czech-company-with-ties-to-china> (accessed 23 Aug. 2021).
- 83 Tizard, V. (2020), 'New Czech Ownership of Central European Media Should Boost Profits, if Not Reputation', Variety, 22 Oct. 2020, <https://variety.com/2020/tv/global/att-central-european-media-enterprises-ppf-petr-kellner-buyout-1234810683/> (accessed 23 Aug. 2021).
- 84 Money (2018), 'Пропадна и сделката за "Нова"' [The deal for "Nova" has also failed], 19 July 2018, <https://money.bg/deals/propadna-i-sdelkata-za-nova.html>, (accessed 23 Aug. 2021).
- 85 Nikolov, K. (2020), 'Домусчиев продава "Нова тв" на собственика на БТК United Group', [Domuschiev sells Nova TV to the owner of BTC United Group], Capital, 11 Dec 2020, https://www.capital.bg/biznes/kompanii/2020/12/11/4150964_domuschiev_prodava_nova_tv_na_sobstvenika_na_btk/&pr-ev=search&pto=aue (accessed 23 Aug. 2021).

Ownership changes coupled with the removal of Borissov's government suggests this could be a moment of transition in Bulgaria. However, given the still defective legal basis and lack of regulation of Bulgaria's media market, it is too early to speak of successful reform of the media sector. Politicians are legally allowed to own outlets and the major broadcasters and regulators remain vulnerable to state control. There is evidence that the GERB has maintained a hold on the media market in Bulgaria, as seen in the lead up to a snap parliamentary election in July 2021. According to an OSCE election report on the election, BNT gave far more airtime to GERB than other parties, in coverage which was also "mainly positive in tone".⁸⁶ The same report cites that the outgoing GERB government provided additional funding of €10 million to the broadcaster in April, which was seen by some observers as "a reward for favourable editorial policy."⁸⁷ For any substantial and lasting change to be achieved, the next government will need to introduce comprehensive systemic reforms to strengthen the independence of public media outlets and regulatory bodies, as well as ensure transparency in the commercial market.

86 Organization for Security and Co-operation in Europe (2021), International Election Observation Mission, 'Statement of Preliminary Findings and Conclusions Bulgaria', 11 July 2021.

87 Ibid.

Summary Points

- ▶ Bulgaria's media market is dominated by a small number of powerful players, many with government ties
- ▶ Television remains the most influential form of media, while the print market is in decline
- ▶ Government influence over the media under former Prime Minister Borissov was possible due to its close ties to owners of major outlets, and its ability to buy support through non-transparent distribution of EU funds, as well as its control of Bulgaria's media regulatory bodies
- ▶ There has been a major shift of influence within the sector since 2020 due to the businessman Peevski selling his media assets and GERB losing power.
- ▶ Political parties can still legally own media outlets leading to high risk of interference.
- ▶ The public broadcasters and the main regulatory body CEM are still vulnerable to state control and the influence of the GERB party which helped elect its current membership.
- ▶ Despite new entrants, the market remains saturated and a lack of transparency persists.

Serbia

The deterioration of media freedom in Serbia has accelerated under the current leadership. President Aleksandar Vučić has been a dominant force in Serbian politics since 2012 when he became leader of the Serbian Progressive Party (SNS). He served two terms as prime minister between 2014 and 2017 before ascending to the presidency in May 2017. An SNS-led coalition then won a majority in 2020 Serbian parliamentary election. Since Vučić came to power in 2014, Serbia has fallen from 54/180 to 93/180 in the RSF World Press Freedom Index. The European Commission has concluded that no progress has been made in freedom of expression since at least 2015.⁸⁸

In January 2020, Serbia announced it had adopted its Strategy for the Development of Public Information System for the period 2020-2025, following consultations with the EU, OSCE and other institutions.⁸⁹ The strategy is viewed as Serbia's response to concerns in the European Commission about the lack of reform on media freedom issues. However, implementation of the strategy has been slow, reflecting Serbia's lack of interest in negotiating a rapid path to EU membership. The European Commission's progress report on Serbia from October 2020, noted "implementation of the new strategy has not yet started and no progress was made yet on the ground to improve the overall environment for freedom of expression."⁹⁰

Vučić was the Minister for Information under President Slobodan Milošević (1998-2000) and has a sophisticated understanding of how media operate and how to use them for political purposes. Under his leadership there is growing evidence of state entities being used strategically to strengthen government control. While Serbia suffers from easily observable issues such as regular attacks on independent journalists and other critical voices, the state also employs less visible methods to manipulate the wider media landscape.

The government owns significant assets in the media sector, while owners of private media outlets often have ties to the ruling SNS

88 Bajić, D., and Zweers, W. (2020), 'The EU: defender of media freedom in Serbia?' in *Declining media freedom and biased reporting on foreign actors in Serbia*, Clingendael, July 2020, <https://www.clingendael.org/pub/2020/declining-media-freedom-and-biased-reporting-in-serbia/4-the-eu-defender-of-media-freedom-in-serbia/> (accessed 23 Aug. 2021).

89 Government of the Republic of Serbia (2020), 'Serbian government adopts media strategy', Press Statement, 30 Jan. 2020, <https://www.srbija.gov.rs/vest/en/149736/serbian-government-adopts-media-strategy.php> (accessed 23 Aug. 2021).

90 European Commission (2020), Commission Staff Working Document: Serbia 2020 Report, 6 Oct. 2020.

party that dominates politics. These government-backed media companies receive funding from the state, as well as favourable treatment by regulators. Meanwhile, the same regulators together with government agencies are able to use their power selectively to undermine independent outlets that challenge the SNS line. One of the authorities' tricks is to use tax inspections to demonstrate the limits of journalistic freedom.

Regulation

Serbia's legal system has provisions designed to protect media freedoms and the media market. However, in practice implementation of the laws is deeply flawed. In 2014, the National Assembly introduced a new set of media laws: the Law on Public Information and Media, the Law on Electronic Media and the Law on Public Broadcasters.⁹¹ The Law on Public Information and Media establishes the basic rules for the media sector. All media in Serbia are regulated by The Law on Public Information and Media, which outlines the broad principles governing the sector such as protecting editorial independence and media pluralism. Crucially, Article 32 prohibits the state from owning media outlets. There are three exceptions to this law: the formation of public services; informing the population on the territory of the Autonomous Province of Kosovo and Metohija; and enabling national councils of national minorities to establish institutions and companies to exercise the right to public information in the language of the national minority. Outside of the above circumstances, any company or other legal entity that is partially or fully state-owned, or is partially or fully financed from public funds, cannot own media outlets.⁹² There are also rules prohibiting any ownership in print media from passing the limit of 50% of annual circulation. For electronic media, ownership of more than 35% of audience share is prohibited.⁹³ Under the same law, the media are obliged to provide information on their publishers.

The Law on Electronic Media provides the legislative basis for the Regulatory Authority of Electronic Media (REM), which is the main media regulator in Serbia. The REM is tasked with "controlling and ensuring the consistent application of the provisions of the Law", as well as duties including "issuing broadcasting licences and prescribing the licence form" and "supervising the work of broadcasters in the Republic of Serbia".⁹⁴ REM also appoints the leadership of Serbia's state broadcaster.⁹⁵ The Law on Public Broadcasters regulates the work of Serbia's public broadcaster Radio Television of Serbia (RTS).

In practice, the REM is widely viewed as another tool used by the SNS to control the media landscape. Members of the highest REM body -the REM Council- are appointed by the ruling majority in the National Assembly of Serbia.⁹⁶ The Assembly is also tasked with annually approving the financial plan of the REM. However, in practice approval is constantly delayed as a means of restricting the

91 Rankovic, L. (2021), 'Serbia: Media Legislation', Media Landscapes,

<https://medialandscapes.org/country/serbia/policies/media-legislation> (accessed 23 Aug. 2021).

92 Official Gazette of the Republic of Serbia (2014), 'The Law on Public Information And Media', No. 83/2014, 58/2015 and 12/2016, https://www.paragraf.rs/propisi/zakon_o_javnom_informisanju_i_medijima.html (accessed 23 Aug. 2021).

93 Official Journal of the Republic of Serbia (2005), 'Basic Provisions', No. 102/2005, 25 Jun. 2005 <http://www.rem.rs/uploads/files/Statuti/Statut%20Republike%20radiodifuzne%20agencije.pdf> (accessed 23 Aug. 2021).

94 *ibid.*

95 Mapping Media Freedom (2020), 'Serbia's public TV "is being used against the public"', 10 Jan. 2020, <https://www.mappingmediafreedom.org/2020/01/10/serbias-public-tv-is-being-used-against-the-public/> (accessed 23 Aug. 2021).

96 *Ibid.*

financial independence of the regulator.⁹⁷ The President of the Council Olivera Zekić (appointed in 2020) has been accused by the opposition of being close to the ruling party and biased towards it in her decision-making. In December last year, former REM Council member, Slobodan Cvejić, resigned his position before announcing: “all analyses of both domestic experts and relevant international organizations indicate that REM is passive and does not perform its basic function, which is to manage the electronic media scene”.⁹⁸

The U.S. State Department’s 2020 Country Report on Human Rights Practices for Serbia highlights criticisms that “the REM did not pursue its mandate effectively and continually sided with the ruling party, ensuring an unfair media environment before, during, and after electoral campaigns and thereby effectively denying the political opposition access to the media.”⁹⁹ The latest OSCE report on Serbia’s 2020 parliamentary elections states that the REM “remained passive overall in supervising media conduct” even as journalists were being threatened and attacked.¹⁰⁰ The report concluded that “most TV channels with national coverage and newspapers promoted government policy” during the electoral campaign. It also found that the few media outlets which offered alternative views had limited outreach and provided no effective counterbalance, which compromised the diversity of political views available through traditional media, through which most voters receive information.”¹⁰¹

In the Action Plan accompanying the Strategy for the Development of the Public Information System in the Republic of Serbia for the Period 2020-2025, amendments to 13 laws are planned, mostly the Law on Public Information and Media. The deadline for changes is the 4th quarter of 2021 and only on the last day of June was the Working Group formed to draft the changes. However, questions are already being raised by local independent journalists and NGOs about the independence of the Working Group tasked with implementing the changes. For example, the non-profit news site Cenzolovka reported that almost two-thirds of the Working Group members are representatives of the state and organizations that support the government.¹⁰² Zekić, the controversial President of the REM Council, was subsequently added to the list. While the adoption of the strategy is a positive starting point, real change is unlikely as long as the government sees no need to strengthen REM’s independence and create a competitive media environment.

97 Đurić, R., and Dobrilović, J. (2019), ‘Protection of Public Interest and Media Pluralism in Serbia’, Belgrade, Jan. 2019.

98 European Western Balkans (2020), ‘Cvejić: The Regulatory Body for Electronic Media does not perform its basic function in Serbia’, 25 Dec. 2020, <https://europeanwesternbalkans.com/2020/12/25/cvejic-the-regulatory-body-for-electronic-media-does-not-perform-its-basic-function-in-serbia/> (accessed 23 Aug. 2021).

99 U.S. Department of State (2021), ‘2020 Country Reports on Human Rights Practices: Serbia’, Bureau of Democracy, Human Rights, And Labor, 30 Mar. 2021, <https://www.state.gov/reports/2020-country-reports-on-human-rights-practices/serbia/> (accessed 23 Aug. 2021).

100 Organization for Security and Co-operation in Europe (2020), ‘ODIHR Special Election Assessment Mission Final Report’, Warsaw, 7 Oct. 2020, p.3.

101 Ibid.

102 Predić, I., (2021) ‘Izmene medijskih zakona kao predstava za javnost: Dve trećine članova Radne grupe predstavnici države i organizacija koje podržavaju vlast’ [Amendments to media laws as a public performance: Two-thirds of the members of the Working Group are representatives of the state and government-supporting organizations], Cenzolovka, 9 July 2021, <https://www.cenzolovka.rs/drzava-i-mediji/izmene-medijskih-zakona-kao-predstava-za-javnost-dve-trecine-clanova-radne-grupe-predstavnici-drzave-i-organizacija-koje-podrzavaju-vlast/> (accessed 23 Aug. 2021).

Composition of the Media Market

On paper, the Serbian media market is oversaturated. As of July 2021, there were 2,599 active media providers according to the Serbian Business Registers Agency (APR).¹⁰³ This includes publishers of print media, news agency services, broadcasters, and online news sites.¹⁰⁴ This only tells half the story. Despite the large number of registered media entities, a handful of individuals control most of the sector and there is near total dominance by pro-government voices.

The extent of government control of the current media landscape has its roots in the flawed process of privatisation after the fall of Milošević in October 2000. After almost no progress for a decade, privatisation looked to be gaining momentum in 2011 with the adoption of the Public Information System Development Strategy by 2016.¹⁰⁵ This media strategy was designed to ensure state withdrawal from the market. Privatisation of the media was supposedly officially completed on October 31, 2015. There were 33 media privatized by selling capital. A further 20 media outlets were shut down, 16 were offered for privatisation by transferring capital without compensation. Others changed their activities away from the media.¹⁰⁶ However, the state remains in charge of significant media assets.

The state still part-owns the daily newspaper *Politika*, as well as the two public broadcasters, the national RTS and regional RTV. According to the 2019 Serbia Media Ownership Monitor – the most comprehensive analysis to date of the Serbian media market – the government's role in print, digital, TV and radio made it “the only active owner in all four media sectors.”¹⁰⁷ It is also the owner of the largest cable provider, Telekom Srbija, which, as some commentators have noted, is increasingly being used to strengthen state control over private media outlets (see below).¹⁰⁸

Privatisation has done little to prevent the ruling party from wielding enormous influence over the industry. According to the 2019 IREX Media Sustainability Index (MSI), annual advertising revenue in Serbia's media sector amounts to only €180 million–€200 million.¹⁰⁹

103 Serbian Business Registers Agency (2021), <https://www.apr.gov.rs/home.1435.html> (accessed 23 Aug. 2021).

104 Republic of Serbia Legal Information System (2016), ‘Law on Public Information and Media: 83 / 2014-22, 58 / 2015-3, 12 / 2016-13’, Article 29, <http://www.pravno-informacioni-sistem.rs/SlGlasnikPortal/eli/rep/sgrs/skupstina/zakon/2014/83/4/reg> (accessed 23 Aug. 2021).

105 Organization for Security and Co-operation in Europe (2013), ‘Final Strategy for the Development of the Public Information System in the Republic of Serbia until 2016’, 28 Oct. 2013, <https://www.osce.org/serbia/107562> (accessed 23 Aug. 2021).

106 Gotev, G. and Poznatov, M. (2016) ‘Serbia's media privatisation leaves bitter aftertaste’. Euractiv Serbia, 19 Sept. 2016. <https://www.euractiv.com/section/enlargement/news/serbias-media-privatisation-leaves-bitter-aftertaste/> (accessed 23 Aug. 2021).

107 Balkan Investigative Reporting Network (2019), ‘Updated Serbian Media Ownership Monitor Database Presented’, 11 July 2019, <https://birn.eu.com/news-and-events/updated-serbian-media-ownership-monitor-database-presented/> (accessed 23 Aug. 2021).

108 See, for example: Čačić, D. (2021), ‘Telekom Srbija: Vucic's weapon to stifle media freedom’, Euractiv Bulgaria, 23 July 2021, <https://www.euractiv.com/section/digital/opinion/telekom-srbija-vucics-weapon-to-stifle-media-freedom/> (accessed 23 Aug. 2021).

109 Cetinić, G. (2019), ‘Serbia: Media Sustainability Index 2019’, International Research & Exchanges Board, p. 2.

Some estimates suggest that 25% of these revenues come directly from the state.¹¹⁰ In this market, many media organisations are reliant on state support and vulnerable to expensive lawsuits or other forms of harassment. Where the government does not have direct ownership, control is achieved by providing advertising revenue, direct funding through public procurement or other means to persuade media owners to be loyal to the state. In other words, most private outlets are either reliant on state support or owned and run by those who already support the SNS.

State control of the media is made easier by increasingly high concentration of ownership in individual markets over recent years. In 2019, over 63% of the TV market audience was split among four major owners. Serbia's public broadcaster was the market leader reaching 21.62% of the audience across three of its TV stations: RTS1, RTS2 and RTV1. This was followed by Pink Media Group, owned by Željko Mitrović, which has an audience share of 17.84%. Srđan Milovanović's Kopernikus Corporation channels O2 and Prva TV reach 15.72%, while channels provided by Happy TV, owned by Predrag Ranković, make up 8.15% of the audience.¹¹¹ All are pro-government.

The main TV station that reports critically on the government is N1, which is owned by United Group, the biggest provider of telecommunication services in Serbia through its ownership of Serbia Broadband (SBB). N1's 24-hour cable news channel was launched in 2014 with production centres for TV programs and online news sites in Belgrade, Sarajevo and Zagreb. N1 is the exclusive partner in the Balkans of the U.S. network CNN,¹¹² and its news programs provide a striking counterbalance to the pro-government media. However, N1 is only available on United Media's cable operator SBB and in 2019 had a market share of only 0.85%, meaning it has limited reach compared to the dominant channels of the four major mainstream broadcasters listed above.¹¹³

United Group has made clear its interest in broadcasting nationally and has called on the regulator to issue a tender for the one remaining national terrestrial broadcast license.¹¹⁴ However, there are no signs of the tender being launched in the near term.

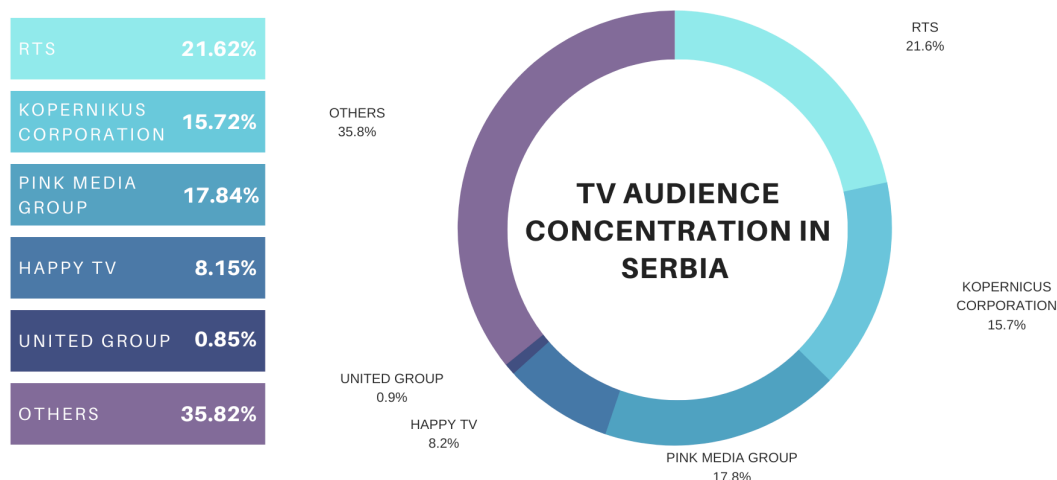
110 Resource Centre on Media Freedom in Europe (2019), 'Media capture: Toolkit for 21st century autocrats'. 19 Dec. 2019, <https://www.rcmediafreedom.eu/Dossiers/Media-capture-Toolkit-for-21st-century-autocrats> (accessed 23 Aug. 2021).

111 Reporters Without Borders, Media Ownership Monitor Serbia (2021), 'Indicators of Risks to Media Pluralism', <https://serbia.mom-rsf.org/en/findings/indicators/#!9fed61067e34232006ff7dcd0ed479d0> (accessed 23 Aug. 2021).

112 Reporters Without Borders, Media Ownership Monitor Serbia (2021), 'N1 TV', <https://serbia.mom-rsf.org/en/media/detail/outlet/n1-tv/> (accessed 23 Aug. 2021).

113 Istinomera. (2020), 'Rejting televizije N1 je jedan odsto' [The rating of H1 television is one percent], Istinomer, 6 Mar. 2020, <https://www.istinomer.rs/izjava/rejting-televizije-n1-je-jedan-odsto/> (accessed 23 Aug. 2021).

114 Danas (2020), 'Menadžment N1: Distributeri besplatno da emituju N1 kada dobije nacionalnu frekvenciju' [N1 Management: Distributors to broadcast N1 free of charge when it receives national frequency], 4 Mar. 2020, <https://www.danas.rs/drustvo/menadzment-n1-distributeri-besplatno-da-emituju-n1-kada-dobije-nacionalnu-frekvenciju/> (accessed 23 Aug. 2021).



The print landscape is the same. The sector is dominated by four major owners who make up an even greater audience share of over 70%.¹¹⁵ Again, the titles produced by these owners publish almost entirely pro-government content. The Swiss-German corporation Ringier Axel Springer Media has the largest audience of over 20% through *Blic* and *Nin*. According to Reporters Without Borders 2019 Media Ownership Monitor for Serbia, the government-owned titles *Večernje novosti* and *Politika* accounted for approximately 20.86%. *Večernje novosti* has since been privatised. The daily newspaper *Kurir*, owned by Igor Žeželj's Adria Media Group, has an audience share of 12.43%. Another popular tabloid, *Informer*, is owned by Dragan Vučićević. It had an audience share of 17.4% according to data from the same Media Ownership Monitor for Serbia. *Informer*, one of the cheapest dailies, is well known for attacking people who criticize the government, including independent journalists.¹¹⁶

¹¹⁵ Reporters Without Borders, Media Ownership Monitor Serbia (2021), 'Indicators of Risks to Media Pluralism', <https://serbia.mom-rsf.org/en/findings/indicators/#!9fed61067e34232006ff7dcd0ed479d0> (accessed 23 Aug. 2021).

¹¹⁶ Organized Crime and Corruption Reporting Project (2016), 'Serbian Newspaper Attacks OCCRP Partner', 16 Mar. 2016, <https://www.occrp.org/en/daily/5064-serbian-newspaper-attacks-occrp-partner> (accessed 23 Aug. 2021).

Political Influence on the Market

A closer look at some of these dominant owners shows how seemingly independent, privately owned companies are, in fact, closely linked to the SNS with the result that their output is near universally pro-government. Media pluralism in Serbia is not what it seems.

Not surprisingly, the leadership of the state broadcaster is populated by individuals close to the ruling SNS party. It receives 46% of its revenues from the licence fee, 28% from the state budget and 22% from advertising and other commercial activities.¹¹⁷ In 2019 widespread protests against Vučić included demonstrations at the offices of RTS.¹¹⁸ Protestors –taxpayers who fund the national broadcaster – were responding to RTS's decades-long failure to be independent in its output, including its efforts to stifle criticism of the government by preventing the political opposition from appearing on RTS.

Commercial media outlets are similarly influenced by government. TV Pink, one of Serbia's leading commercial TV stations, was founded in 1994 by Željko Mitrović, who is still its owner today. Mitrović has been close to every government since the 1990s, starting with Slobodan Milošević. Pink's political broadcasts have been consistently pro-government. For more than a decade, Mitrović has reportedly been supported through different types of state aid. The Tax Administration has repeatedly postponed the paying of tax debts of companies related to Pink (all owned by Mitrović). According to data from Serbia's business registry and minutes on the state of the tax debt from meetings of the Tax Administration obtained by the Center for Investigative Journalism of Serbia (CINS), the amount unpaid was as much as €13 million.¹¹⁹ In addition, Pink reportedly received money from the State Export Insurance and Financing Agency (AOFI) under unknown conditions. Data again obtained by CINS showed that Pink received at least €10 million from the agency between 2014 to 2017.¹²⁰

One government entity driving this kind of clientelism in the private sector is Telekom Srbija, the country's largest cable operating company. Founded in 1997, Telekom Srbija is 58% owned by the state.¹²¹ According to its own reporting, Telekom Srbija provides services to over 78.6% of Serbia's fixed line users, 44.3% of mobile

¹¹⁷ Mapping Media Freedom (2020), 'Serbia's public TV "is being used against the public"', 10 Jan. 2020, <https://www.mappingmediafreedom.org/2020/01/10/serbias-public-tv-is-being-used-against-the-public/> (accessed 23 Aug. 2021).

¹¹⁸ Balkan Insight (2019), 'Serbian Protesters Storm National Broadcaster Building', 16 March 2019, <https://balkaninsight.com/2019/03/16/serbian-protesters-storm-national-broadcaster-building/> (accessed 23 August 2021)

¹¹⁹ Tomić, J., (2021), 'Mitrovićevim firmama država ponovo odložila plaćanje milionskog poreskog duga' [The state is against postponing the payment of millions of tax debt to Mitrović's companies], Center for Investigative Journalism of Serbia, 19 May 2021, <https://www.cins.rs/mitrovicevim-firmama-drzava-ponovo-odlozila-placanje-milionskog-poreskog-duga/> (accessed 23 Aug. 2021).

¹²⁰ Ibid.

¹²¹ Telekom Srbija (2020), 'Consolidated Annual Business Report for 2019', p.7.

phone users, and 40% of internet users.¹²² In recent years it has emerged as an important vehicle for manoeuvring allies of Vučić into positions of control at major media outlets.

A telling example relates to Srđan Milovanović, owner of the popular national channels TV B92 (formerly known as O2 TV) and Prva TV. Milovanović's ties to the government could not be clearer. In 2016, his twin brother and co-owner of Kopernikus Television, Zvezdan Milovanović, was appointed as SNS Commissioner of the City Board for Niš, making him the chief SNS representative for Serbia's third-largest city. He stood down from the position citing health reasons in May 2021.¹²³

In November 2018, Telekom Srbija bought Kopernikus Technology (the group's cable provider), from Srđan Milovanović and Polish investment fund Adris. The fee was reported to be an estimated €195 million, a sum considered far above market rate by many analysts.¹²⁴ One month later, Kopernikus Corporation Ltd from Cyprus – a company Milovanović effectively owns outright¹²⁵ – bought the entire Antenna Group. This included the two TV stations Prva TV and TV B92, alongside Play radio, six cable channels and three web portals: prva.rs, o2tv.rs (now b92.tv) and b92.net.¹²⁶ The price paid was €180 million. Opposition politicians and local media experts¹²⁷ saw this as evidence that the money received from the deal with Telekom Srbija was intended for the purchase of the two popular national channels, with the goal of passing them into government control.¹²⁸

122 Ibid.

123 Tasić, T. (2021), 'Zvezdan Milovanović podneo ostavku na mesto poverenika niškog SNS-a' [Zvezdan Milovanović resigned from the position of commissioner of the Nis SNS], *Južne vesti*, 11 May 2021, <https://www.juznevesti.com/Politika/Zvezdan-Milovanovic-podneo-ostavku-na-mesto-poverenika-niskog-SNS-a.sr.html> (accessed 23 Aug. 2021).

124 McDonald, A. (2018), 'Telekom Srbija acquires local operator Kopernikus Technology', *Digital TV Europe*, 6 Nov. 2021, <https://www.digitaltveurope.com/2018/11/06/telekom-srbija-acquires-local-operator-kopernikus-technology/> (accessed 23 Aug. 2021).

125 Reporters Without Borders, *Media Ownership Monitor Serbia* (2021), 'Kopernikus Corporation', <https://serbia.mom-rsf.org/en/owners/companies/detail/company/company/show/kopernikus-corporation/> (accessed 23 Aug. 2021).

126 Antenna Group (2018), 'Antenna agrees sale of media operations in Serbia and Montenegro, following a successful business expansion', 12 Dec. 2018, <https://antenna-group.com/news/antenna-agrees-sale-of-media-operations-in-serbia-and-montenegro-following-a-successful-business-expansion/> (accessed 23 Aug. 2021).

127 Rudic, F., and Georgiev, S. (2018), 'Serbian Ruling Party-Linked Company Buys Two TV Stations', *Balkan Insight*, 4 Dec. 2018, <https://balkaninsight.com/2018/12/04/serbian-ruling-party-linked-company-buys-two-tv-stations-12-04-2018> (accessed 23 August 2021).

128 Dziadul, C. (2018), 'Antenna Group sells Serbian TV stations', *Broadband TV News*, 5 Dec. 2018, <https://www.broadbandtvnews.com/2018/12/05/major-change-in-serbian-tv-market/> (accessed 23 Aug. 2021).



A similar approach occurred in the print media with *Kurir*. The daily newspaper was founded in 2003 and is widely considered to be the main driver of tabloid journalism in Serbia. In 2019, *Kurir* was bought by its current owner Igor Žeželj. The change in ownership again involved Telekom Srbija. Žeželj's company Wireless Media had become a partner of the website Mondo, whose ownership was unclear but was rumoured to be owned by Telekom Srbija. In 2019, Žeželj said that Mondo was a joint commercial project with Telekom Srbija.¹²⁹ The exact value of this partnership is not known. However, the Vice President of the opposition Freedom and Justice Party, Marinika Tepić, claimed in August 2020, after allegedly receiving a leaked contract, that Telekom Srbija had simply given the website to Žeželj, growing the value of Žeželj's assets from two million to 40 million euros. Tepić claimed part of this sum was used to buy *Kurir*. The Serbian Prime Minister, Ana Brnabić, denied the claims made against Telekom Srbija.¹³⁰ In 2021, it was revealed that a second contract to create an information system for calculating salaries in the public sector worth €60 million had been awarded to Žeželj's Wireless Media and Telekom Srbija by the Ministry of Finance, with N1 reporting that this was allegedly over 2000 times the market price.¹³¹

The latest move by Telekom Srbija which could risk undermining media pluralism involves a dispute with SBB. As noted, SBB broadcasts N1, widely considered to be one of the few remaining independent media outlets in the country. In January 2021, it was revealed that Telekom Srbija and Telenor CEE had agreed a network

129 Živanović, K. (2019), 'Žeželj: Telekom je naš poslovni partner' [Žeželj: Telekom is our business partner], *Danas*, 16 Jan. 2019, <https://www.danas.rs/drustvo/zezelj-telekom-je-nas-poslovni-partner/> (accessed 23 Aug. 2021).

130 European Western Balkans. (2020), 'State-owned company in Serbia financed pro-government media, opposition claims', 26 Aug. 2020. <https://europeanwesternbalkans.com/2020/08/26/state-owned-company-in-serbia-financed-pro-government-media-opposition-claims/> (accessed 23 Aug. 2021).

131 N1 Belgrade (2021), 'Wireless Media paid 2,000 times more than cost for software deal', 25 Feb. 2021, <https://rs.n1info.com/english/news/wireless-media-paid-2000-times-more-than-cost-for-software-deal/> (accessed 23 Aug. 2021).

access arrangement that would allow Telenor to use Telekom Srbija's fibre optic network. As with previous contracts and acquisitions involving Telekom Srbija, the deal has been viewed as politically motivated by critics, who claim it is designed to undermine the position of SBB. According to reports, leaked internal documents from Telekom Srbija, obtained by N1, said that the agreement's goal was to "destroy SBB".¹³²

Telekom Srbija denies the claims that the deal is intended to undermine SBB or media pluralism. It says it intends to lease its optical infrastructure to Telenor on commercial terms, which it claims will liberalize the telecommunications market in Serbia. "Such cooperation would bring numerous benefits to customers and boost competition and innovation in the telecommunications industry, which is the basic intention of both companies," it said in a statement.¹³³

In April 2021, the Serbian competition commission approved the Telekom Srbija and Telenor deal subject to certain conditions without disclosing them. The Independent Journalists' Association of Serbia (NUNS) has voiced concerns that the agreement runs counter to the establishment of a "functional, sustainable and fair media market protected from political influence" as stated in Serbia's Media Strategy (2020-2025) and instead raises fears of further political control over the country's media.¹³⁴

High-level Serbian officials are known to have referred to N1's partnership with CNN as "CIA-N1".¹³⁵ United Group's founder and chairman is regularly attacked in the tabloids, including *Kurir*.¹³⁶ The Group's owners claim that SBB's activities have also been repeatedly disrupted by the regulatory authorities, leading to its decision to file an arbitration claim against the Republic of Serbia under a bilateral investment treaty between Serbia and the Netherlands.¹³⁷ The claim has been registered with the International Centre for Settlement of Investment Disputes (ICSID) and is due to be heard in Paris later this year.¹³⁸ It alleges that SBB has been denied access to telecommunications infrastructure, had arbitrary market restrictions imposed on its activities, and that Serbia's competition laws have been unfairly applied to undermine SBB while allowing Telekom

132 Dziadul, C. (2021), 'United Group/Telekom Srbija dispute involves Telenor', Broadband TV News, 27 Jan. 2021, <https://www.broadbandtvnews.com/2021/01/27/united-group-telekom-srbija-dispute-involves-telenor/> (accessed 23 Aug. 2021).

133 Ralev, R. (2021). 'Telekom Srbija to lease fibre optic infrastructure to Telenor Serbia', Seenews, 29 Jan. 2021. <https://seenews.com/news/telekom-srbija-to-lease-fibre-optic-infrastructure-to-telenor-serbia-729506> (accessed 23 Aug. 2021).

134 Council of Europe (2021), 'Telenor Sues News Outlets over "Negative" Media Coverage', 26 Feb. 2021, <https://go.coe.int/PS9qr> (accessed 23 Aug. 2021).

135 Voa News (2019), 'Serbia Besieged N1 Broadcaster Blames President for Harassment', 23 October 2019, <https://www.voanews.com/press-freedom/serbias-besieged-n1-broadcaster-blames-president-harassment> (accessed 23 Aug. 2021).

136 Kurir (2021), 'Dragan Šolak Zaboravio Da Je Srbini: Prebrojava krvna zrnca konkurenciji' [Dragan Šolak forgot that he is a Serb: He counts the blood cells of the competition], 19 Mar. 2021, <https://www.kurir.rs/vesti/politika/3647581/dragan-solak-zaboravio-da-je-srbini-prebrojava-krvna-zrnca-konkurenciji> (accessed 23 Aug. 2021).

137 N1 Belgrade (2021), 'United Group files arbitration claim against Serbia', 9 Mar. 2021, <https://rs.n1info.com/english/news/united-group-files-arbitration-claim-against-serbia/> (accessed 23 Aug. 2021).

138 Law360 (2021), 'Serbia Hit With Telecom Arbitration From Int'l Media Co.', 9 Feb. 2021, <https://www.law360.com/articles/1353578> (accessed 23 Aug. 2021).

Srbija to dominate the market.¹³⁹ It also claims that SBB has been the subject of abusive tax investigations and tax assessments.¹⁴⁰

Telekom Srbija is now the owner of a TV station linked to one of Europe's most prominent international broadcasters: Euronews. As noted above, it is not allowed for state entities to own media outlets. However, in May 2021, Telekom Srbija became the owner of Euronews Serbia, a branded affiliate of the Lyon-based broadcaster. Euronews was founded in 1993 to provide a strong, independent news channel that reflected European values. It states that its mission is to provide unfiltered, unbiased, fact-based journalism that empowers rather than unsettles.¹⁴¹ Today it broadcasts in 160 countries. Euronews Serbia was created to broadcast local, regional, national and international news on TV and digital platforms. Describing its editorial position, Euronews CEO Michael Peters has said that the ambition of Euronews Serbia is to be "in the middle."¹⁴²

However, public concern was raised, including by the Balkan Free Media Initiative (BFMI),¹⁴³ over Telekom Srbija's ownership. Aside from contravening Serbian law, Telekom Srbija's ownership of the channel is out of line with the recommendations of the European Commission's Progress reports for 2016 and 2018. These insist on consistent implementation of the law and strengthening of the normative framework to improve transparency of ownership and reduce undue influence in the media market.¹⁴⁴

The European Commission provides financial support to Euronews. It provided €122 million of funding to the channel between 2014 and 2018.¹⁴⁵ In a letter sent to BFMI, the European Commission said it had committed to further support Euronews until 2024.¹⁴⁶ BFMI says that it wrote to both the European Commission and Euronews to express concerns about Telekom Srbija (as well as a separate branded affiliate in Bulgaria). Both responded to say that there were sufficient safeguards in place to ensure editorial independence.¹⁴⁷

It is becoming increasingly clear that state entities such as Telekom Srbija are operating in a way that transfers control of significant areas

139 Ibid.

140 United Group (2020), 'Annual Report to Noteholders for Financial Year 2019', 29 Apr. 2020, https://s1.q4cdn.com/633346288/files/doc_financials/2019/q4/full-year-2019-results.pdf (accessed 23 Aug. 2021).p.45

141 'We believe all views matter', <https://www.euronews.com/about> (accessed 1 September 2021)

142 Dordević. N. (2021), 'Euronews set for Serbia launch but not everyone is happy', 14 May, 2021. <https://emerging-europe.com/news/euronews-set-for-serbia-launch-but-not-everyone-is-happy/> (accessed 1 September 2021)

143 Balkan Free Media Initiative (2021), 'BFMI calls on public service broadcasters and European Commission to question their Euronews relationship', 3 June 2021, <https://www.balkanfreemedia.org/initiatives/bfmi-calls-on-public-service-broadcasters-and-european-commission-to-question-their-euronews-relationship> (accessed 23 Aug. 2021).

144 Građanske inicijative [Civic Initiatives] (2019), 'Država Srbija i Euronews krše zakon [The state of Serbia and Euronews are breaking the law]', 16 August 2019, <https://www.gradjanske.org/drzava-srbija-i-euronews-krse-zakon/> (accessed 23 Aug. 2021).

145 Bayer, Lili. (2019), 'EU auditors raise concerns about Euronews funding', Politico, 14 May, 2019. <https://www.politico.eu/article/eu-auditors-raise-concerns-about-euronews-funding/> (accessed 15 Sept. 2021).

146 BFMI (2021), 'European Commission responds but gives no answers on Euronews partners', 19 Jul. 2021, <https://www.balkanfreemedia.org/initiatives/european-commission-responds-but-gives-no-answers-on-shocking-euronews-partners> (accessed 23 Aug. 2021).

147 Balkan Free Media Initiative (2021), 'Euronews responds to BFMI but will not act on problematic partners', 28 July 2021, <https://www.balkanfreemedia.org/initiatives/euronews-responds-to-bfmi-but-will-not-act-on-problematic-partners> (accessed 23 Aug. 2021); Balkan Free Media Initiative (2021), 'European Commission responds but gives no answers on Euronews partners', 19 July 2021, <https://www.balkanfreemedia.org/initiatives/european-commission-responds-but-gives-no-answers-on-shocking-euronews-partners> (accessed 23 Aug. 2021).

of the country's media landscape to owners or partners who are funded by state companies or have close ties to the SNS leadership. They use these measures to undermine providers of independent critical news and to blur the lines between independent and state ownership. All in a market that claims to be largely privatised.

Conclusion

Under the rule of Aleksandar Vučić, the space for media to operate freely and offer alternative views to the government's narrative has declined significantly. The media-savvy president has consolidated his party's control of the sector by ensuring that pro-government voices dominate in the mainstream media through its influence over national broadcasters. To put this into perspective, during March 2021 representatives of the ruling parties appeared in 87% of the prime-time news slots, while President Vučić addressed the public live via national broadcasters on 29 out of 31 days.¹⁴⁸ While there are some very active independent investigative media outlets and journalist associations, such organisations struggle to cut through to mainstream audiences. Any outlets which criticise the government are constantly undermined through outright verbal and physical attacks, or through manipulation of the commercial market by state-owned entities.

At the same time, the Serbian authorities present themselves as ready and willing to reform the media sector but take no real steps to do so. To protect democratic freedoms in Serbia, the measures outlined in the Media Strategy (2020-2025) must be implemented as soon as possible, and pressure from the EU and civil society must be maintained to ensure that the government fulfils its obligations ahead of the next elections in 2022.

¹⁴⁸ Centre for Contemporary Politics (2021), 'Serbian media: Threat to democracy, opportunity for anti-EU narratives', April 2021.

Summary Points

- ▶ Media freedoms have declined under Serbia's current leadership according to all major indexes.
- ▶ Serbia has adopted a new strategy to reform the media market and improve media freedoms, but there are not yet any clear signs of implementation.
- ▶ The government repeatedly fails to implement existing media laws.
- ▶ The public broadcasters and main regulatory body are vulnerable to state control due to financial dependence and rules on appointing staff.
- ▶ The Serbian media market is over-saturated and controlled by a handful of powerful owners.
- ▶ A lack of transparency and regulation means many of these owners have close ties to and are influenced by the ruling SNS party.
- ▶ State influence is further maintained through distribution of advertising revenues.
- ▶ Evidence suggests the government is increasingly using state-owned entities such as Telekom Srbija to manipulate the commercial market through entering lucrative partnerships and purchasing outlets.
- ▶ The mainstream media are totally dominated by pro-government voices, while independent media outlets are coming under increased pressure.

North Macedonia

North Macedonia's media market presents a complex case. On the one hand, a number of reforms of the media market were promised after the VMRO-DPMNE coalition lost power in 2017. It had governed for eleven years. The fall of the government occurred after the emergence two years earlier of evidence of a massive, government-sponsored wiretapping and surveillance programme. The media were not untouched by the resulting political scandal. Journalists and editors were among those placed under surveillance, a powerful indication of the efforts the previous government made to control the media.¹⁴⁹ The new SDSM-led coalition government immediately committed to widespread media reforms and has adopted positive changes to key media laws. Transparency of media ownership, particularly in the broadcasting sector, is also greater than in many other Balkan states and objective journalism less of an exception.

However, several problems remain. Implementation of the promised reforms has been slow with many still far from complete. State funding of the media has continued and political figures still dominate ownership of many major outlets through proxies. Corruption continues to be an issue across the political spectrum. The issue of dwindling advertising revenues in an oversaturated media market that has also been hit by Covid-19, means that some outlets are vulnerable to self-censorship or capture by either the state or powerful business interests which can provide funding.

Improvements in transparency and oversight have largely been restricted to TV and radio. The print market continues to decline. Increased polarisation of the pro-EU SDSM, which narrowly won the 2020 elections, and the nationalist conservative VMRO-DPMNE-led alliance has resulted in politicians on both sides dismissing critical reporting as fake news or disinformation, creating a hostile environment for journalists and undermining public trust in the media.

¹⁴⁹ Marusic, S. J. (2020), 'North Macedonia journalists tell wiretapping trial about surveillance', Balkan Insight, 22 September 2020, <https://balkaninsight.com/2020/09/22/north-macedonia-journalists-tell-wiretapping-trial-about-surveillance/> (accessed 23 August 2021).

Regulation

The legal framework that sets the rules for media ownership in North Macedonia is well established. The two laws governing media ownership are the “Law on Audio and Audiovisual Media Services”¹⁵⁰ and the “Law on Media”.¹⁵¹ Together, these two laws set out transparency requirements relating to ownership of print and broadcast media. Under the laws the acquisition of holdings and changes to ownership must remain open source. Entities must also provide data for the ownership structure, legal persons, and other requirements relating to shares and acquisitions.

At the end of 2018 the Parliament adopted changes to the Law on Audio and Audiovisual Media Services. This included changing rules on the appointment of council members and management of North Macedonia’s media regulatory body and public broadcaster, as well as prohibiting forms of government advertising in the media.¹⁵² However, as of 2021, both North Macedonia’s media regulator and public broadcasters are yet to receive new management. The European Commission in its last progress report for 2020 urged the government to “finalise appointments for the public service broadcaster’s programme council and media regulator’s council” as a priority.¹⁵³

For print and broadcast media, application of the media laws is monitored by the Agency for Audio and Audiovisual Media Services (AVMU).¹⁵⁴ AVMU publishes up-to-date registers on media owners in both the print and broadcast sectors. It also supervises media outlets to ensure they abide by their wider obligations under the two media laws, for example, on issues such as advertising and sponsorship. While this regulation is more thorough than other Balkan states, it should be noted that some experts believe this legislation has left the market overregulated. A study from two media experts for the Agency for Audio and Audiovisual Media Services recommended “a new quite liberalised model of ownership concentration is recommended.”¹⁵⁵ For example, the experts recommend “lifting entirely the ban on cross-ownership between broadcasting and newspapers which is rarely applied elsewhere in Europe”.¹⁵⁶ At present, the report concludes, too much fragmentation “prevents economically viable operations and professionalization” of media activity in North Macedonia.¹⁵⁷

150 Official Journal of Republic of Macedonia (2013), ‘Law on Audio and Audiovisual Media Services’, No.184, 26 Dec. 2013.

151 Official Journal of Republic of Macedonia (2013), ‘Law on Media’, No.184, 26 Dec 2013.

152 Assembly of North Macedonia (2018), ‘Закон За Изменување И Дополнување На Законот За Аудио ИАудиоВизуелни Медиумски Услуги’ [Introducing Amendments to the Law on Audio and Audiovisual Media Services], 28 Dec. 2018. <https://avmu.mk/wp-content/uploads/2017/11/001-Zakon-za-izmenuvanje-i-dopolnuvanje-na-ZAAVMU-248-18-od-31.12.2018-odina.pdf> (accessed 23 Aug. 2021).

153 European Commission (2021). ‘North Macedonia 2020 Report’. 6 Oct. 2020. p.28

154 Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2021), <https://avmu.mk/> (accessed 23 Aug. 2021).

155 Fürnemt, J., and Trpevska, S. (2020), ‘Pluralism of Media Ownership in the new Media Environment: A Study for the Agency for Audio and Audiovisual Media Services’, European Union: Council of Europe, May 2020, p.42

156 Ibid.

157 Ibid. p.38

The same level of regulation is not extended to online news, which is not covered under the media law, though online news portals are still obliged to implement defamation, copy-right, hate speech, privacy and other relevant laws. The AVMU also has no obligations to monitor online news sites. There is no register or obligation to report on ownership. Aside from the official regulator, the Council of Media Ethics of Macedonia (CMEM) was established in 2014 as a non-governmental, non-political and non-profit organization, which media outlets can join on a voluntary basis as a commitment to applying best media practice.¹⁵⁸ Members of the public can lodge complaints with CMEM if they believe a story has not met journalistic standards in line with the Council's principles and North Macedonia's media law. Complaints are reviewed by the Council and decisions are made public.¹⁵⁹

Online news providers that wish to become members have to fulfil certain criteria, such as having a listed editor or editorial desk and founder. They must also provide contact information and agree to comply with the Journalist Code of Conduct. This is effective for separating legitimate online sites from less trustworthy sources. Over 100 online news portals are registered on a platform founded by the CMEM and the Association of Journalists of North Macedonia, all of which have transparent ownership.¹⁶⁰

158 Ethics Council in Media in Macedonia (2014), 'Статут на Здружение Совет за етика во медиумите на Македонија' [Statute of the Association Council for Media Ethics of Macedonia], 7 Nov. 2014, <https://semm.mk/sovet-za-etika/statut> (accessed 23 Aug. 2021).

159 Ethics Council in Media in Macedonia (2014), 'Правилник За Работа' [Work Rules], 13 Oct. 2014, <https://semm.mk/komisija-za-zhalbi/delovnik> (accessed 23 Aug. 2021).

160 Promedia (2021), <https://www.promedia.mk/main> (accessed 23 Aug. 2021).

Composition of the Media Market

The media sector in the Republic of North Macedonia is dominated by television and radio while online websites are increasingly displacing print media. The broadcast market consists of three main segments: a public broadcasting service (Macedonian Radio and Television); commercial television and radio stations, and non-profit radio stations.¹⁶¹

The broadcast market is oversaturated. For North Macedonia's population of just over two million there are currently 111 broadcasters, 45 of which are television stations and 66 radio stations. For television, there are 11 national broadcasters, 18 at the regional level and 16 local television stations. For radio broadcasters, four broadcast programs at the state level, 17 at the regional level, and 45 at the local level.¹⁶² Despite the large number of broadcasters, the market is dominated by five television stations, alongside the state television broadcaster, MRTV. These are Sitel, Alsat-M, Alfa, Telma and Kanal 5 and 24 vesti (24 news).¹⁶³

According to the latest survey of the Agency for Audio and Audiovisual Media Services, 80% of citizens mostly watch news on television. In the same survey, respondents were asked which TV channels they watched. Sitel was watched by 42.25% of respondents, Kanal 5 by 40.83%, Telma by 17.50%, Alsat-M by 16.63%, MRTV by 16.54%, 24 Vesti by 15.83% and Alfa by 11.71%.¹⁶⁴ MRTV is state-funded. However, many of the other leading television stations were until recently or are still in effect owned by political figures (see below).

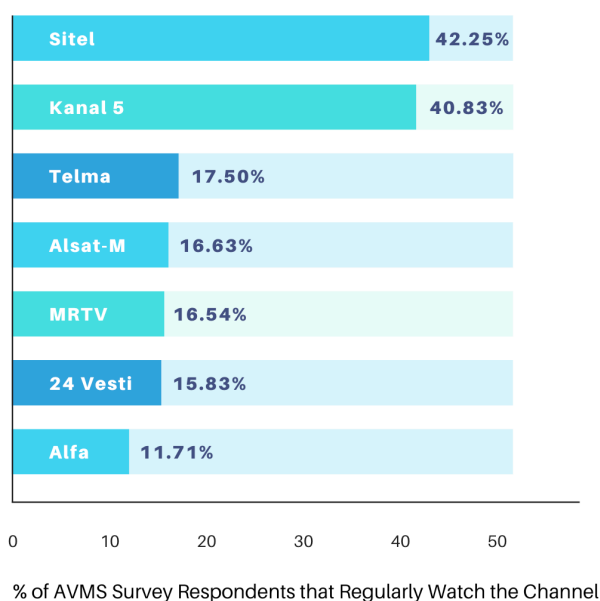
¹⁶¹ Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2021), <https://avmu.mk/> (accessed 23 Aug. 2021).

¹⁶² Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2020), 'АНАЛИЗА НА ПАЗАРОТ НА АУДИО И АУДИОВИЗУЕЛНИ МЕДИУМСКИ УСЛУГИ ЗА 2019 ГОДИНА' [Market Analysis of Audio and Audiovisual Media Services For 2019], Segments Research, September 2020.

¹⁶³ Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2020), 'Регистар на телевизији' [Television register], 30 Jan. 2020, <https://avmu.mk/register-na-televizii/> (accessed 23 Aug. 2021).

¹⁶⁴ Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2021), 'ПОДАТОЦИ ЗА ДОСЕГОТ НА РАДИОСТАНИЦИТЕ И ЗА УДЕЛОТ ВО ВКУПНАТА ГЛЕДАНОСТ НА ТЕЛЕВИЗИСКИТЕ СТАНИЦИ' [Radio Data, Share Of Total View of Television Stations], Segments Research, First Quarter 2021.

Most Popular TV channels in North Macedonia



Print media have suffered a major decline in readership in North Macedonia in recent years. At present there are only 27 registered print entities across all newspapers and periodicals.¹⁶⁵ There is no official data on circulation, however, many newspapers and magazines have closed during the past decade, and there appears to be little active interest from either foreign or domestic investors in the sector. The two newspapers which previously had the highest readership, *Dnevnik* and *Vest*, closed in 2017.¹⁶⁶ The two oldest newspapers in the country – *Nova Makedonija* and *Večer* – still exist albeit in a shrunken market that has lost its previous influence.

The third prominent daily newspaper is *Sloboden Pecat*, which founded in 2013 by the businessmen Vlatko Kosevaliski and Gradimir Jovanovic. From 2016 to 2018, *Sloboden Pecat* was owned by Igor Žeželj's Adria Media Group – the owner of *Kurir* mentioned in the above Serbia section.¹⁶⁷

¹⁶⁵ Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2021), 'Print Media, 13 July 2021, <https://avmu.mk/en/print-media-2/> (accessed 23 Aug. 2021).

¹⁶⁶ Jordanovska, M. (2017) '„Утрински весник“ и „Вест“ излегоа за последен пат' [Utrinski Vesnik and Vest came out for the last time], *Prizma*, 29 Apr 2017, <https://prizma.mk/utriniski-vesnik-vest-izlegoa-za-posleden-pat/> (accessed 23 Aug. 2021).

¹⁶⁷ Meta (2016), 'Српската „Адриа медиа груп“ го купи „Слободен печат“ [Serbia's Adria Media Group buys Sloboden Pecat], *Meta*, 26 Oct. 2016, <https://meta.mk/srpskata-adria-media-grup-go-kupi-sloboden-pechat/> (accessed 23 Aug. 2021).

Political Influence on the Media Market

North Macedonia's media market comes under owners' influence in different ways. Like Bulgaria and Serbia, North Macedonia has traditionally suffered from the issue of politically linked owners circumnavigating media law to control outlets. While the problem is less acute than before the change of government in 2017, many media owners are still linked to politics or business in ways which raise legitimate questions about the objectivity of reporting by their outlets. Lack of funding in an overcrowded market has created a structural problem. In 2019, it was estimated that the annual advertising revenue for the media sector was worth just €39.5 million.¹⁶⁸

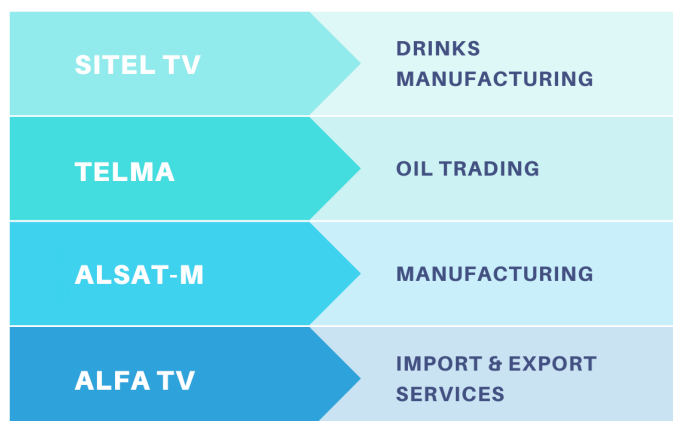
According to an EU-funded study for the AVMU, many owners, from the national to the local level, have separate business interests. To take the example of the major television stations, the same AVMU study notes that as major national TV stations are often owned by companies for which media is not their core business: "Television is predominantly considered as a tool for achieving their political and business interests."¹⁶⁹

According to a separate AVMU report on media ownership, Sitel TV's holding company Monteko is primarily a drinks manufacturing company. Telma's owner, Makpetrol is a stock company for trade in oil and oil derivatives. Alsat-M's owner, VeVe Group Ltd, works in manufacturing, trade, consulting and engineering, Alfa TV's Alfa Skop LLC sells export/import services.¹⁷⁰

168 Cetinić, G. (2019), 'Media Sustainability Index 2019', International Research & Exchanges Board.

169 Fürnemont, J., and Trpevska, S. (2020), 'Pluralism of Media Ownership in the new Media Environment: A Study for the Agency for Audio and Audiovisual Media Services', European Union: Council of Europe, May 2020, p.34.

170 Agency for Audio and Audio-visual Media Services (2021), 'An Analysis of Media Ownership in 2021', 2021. p.7

**Business interests
of Media Owners in
North Macedonia**

It is difficult to trace exactly the extent to which clientelism influences coverage, however, the issue is spoken about openly by prominent local journalists and executives at these outlets. In 2019, Marjan Nikolovski, a journalist with Sitel TV noted that “the biggest threat to professional standards and journalism quality comes from the relations between the owners and the editors. There are many examples where senior editors, in an attempt to preserve the benefits of the position they hold, turn themselves into a service for the owner of the media outlet and not as a service for the general public.”¹⁷¹

This is perhaps most evident in the case of owners with clear political links. North Macedonia’s 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, nor appear as founders or co-founders or acquire ownership of broadcasters.”¹⁷²

However, this requirement has not always been properly enforced. According to official data from the Court Registry of Companies, TV Sitel, North Macedonia’s most popular broadcaster, was founded by a company owned by Goran Ivanovski – son of the now deceased Ljubisav Ivanov-Zingo,¹⁷³ a well-known businessman in North Macedonia, who was president of the Socialist Party of Macedonia, a coalition partner in the government led by Nikola Gruevski from 2006 to 2016.

Ivanov-Zingo was among the MPs with the longest tenure in the Parliament, which was uninterrupted from 1990 to 2012. In 2012, when

¹⁷¹ Georgievski, D. (2019), ‘North Macedonia: Media Sustainability Index 2019’, International Research & Exchanges Board’.

¹⁷² Official Journal of Republic of Macedonia (2013), ‘Law on Audio and Audiovisual Media Services’, No.184, 26 Dec. 2013.

¹⁷³ 360 Stepeni (2020), ‘Почина Љубисав Иванов-Синго’ [Ljubisav Ivanov-Zingo has died], 17 Nov. 2020, <https://360stepeni.mk/pochina-lubisav-ivanov-zingo/> (accessed 23 Aug. 2021).

the media law was finally enforced, he resigned from his parliamentary office.¹⁷⁴ While Ivanov-Zingo's son, Goran Ivanovski, is not directly linked to politics and the influence of political parties, his continued role with the company represented a conflict of interest, and in 2017 he withdrew from the position of director at Sitel TV.

The ownership of Kanal 5 follows a strikingly similar pattern. This television station was founded by a company whose ultimate owner was BS Holding, a conglomerate that was itself owned by Boris Stojmenov, former deputy chairman of the VMRO-DNPE and finance minister from 1998-2000. During the 2006 parliamentary elections, his party was a coalition partner to the SDSM (the ruling party in North Macedonia since 2017).

Stojmenov installed his son Emil, as manager. As was the case with TV Sitel, the application of the media law proved flexible in the case of a family member of a political figure owning a broadcasting entity. In 2015, an employee, Vanja Gavrilovski, was reportedly enlisted as owner through a formal agreement; however, in 2017, when the SDSM came to power, Emil Stojmenov returned as the official owner.¹⁷⁵ The director of the TV station had been Ivan Mircevski, a former journalist, since 2010.¹⁷⁶ In 2018, Mircevski apologized for manipulations and misreporting on the part of TV Kanal 5 during the previous government's tenure.¹⁷⁷

TV Alfa, founded in 2008, started out holding a critical stance towards Nikola Gruevski's VMRO-DPMNE government and had a reputation for professional and objective reporting. However, in September 2013, the outlet was captured by powerful regional figures close to Gruevski, first through businessman Veselin Jevrosimovi from Serbia, who bought 56 percent of TV Alfa through his CHS Invest Group.¹⁷⁸ TV Alfa then became one of the main pro-government networks.¹⁷⁹ The ownership structure of TV Alfa changed again in 2017 when Péter Schatz, a Hungarian businessman and former senior executive of Hungarian public television network Magyar Televízió (MTV) bought the station.¹⁸⁰ According to one authoritative investigative group, he has close ties to the Hungarian leader, Viktor Orbán.¹⁸¹

174 MKD (2012) 'Љубисав Иванов Синго си оди од парламентот' [Ljubisav Ivanov-Zingo is leaving the parliament], 24 Sep. 2012, <https://www.mkd.mk/61503/makedonija/ljubisav-ivanov-zingo-si-odi> (accessed 23 Aug. 2021).

175 Dimovski, S. (2014) 'Media donations to political parties, and ownership structures as a potential source of corruption in the Macedonian media', Media Observatory, 29 Apr. 2014, <https://mediaobservatory.net/radar/media-donations-political-parties-and-ownership-structures-potential-source-corruption> (accessed 23 Aug. 2021).

176 Agency for Audio and Audio-Visual Media Services of the Republic of Macedonia (2019), 'ИЗВЕШТАЈ ЗА МЕДИУМСКАТА СОПСТВЕНОСТ' [Medium Notice Property], June 2019.

177 MKD (2012), 'Љубисав Иванов Синго си оди од парламентот' [Ljubisav Ivanov-Zingo is leaving the parliament], 24 Sep. 2012, <https://fokus.mk/mirchevski-se-izvinuvam-vo-ime-na-kanal-5-za-pogreshnoto-izvestuvane-togash-mi-bea-odzemeni-ingerentsiite/> (accessed 23 Aug. 2021).

178 Apostolov, V. (2017), 'Унгарец дел од сопствеништвото на Алфа ТВ' [Hungarian part of the ownership of Alfa TV], 28 Jul. 2017, <https://prizma.mk/ungarets-del-od-sopstvenishtvoto-na-alfa-tv/> (accessed 23 Aug. 2021).

179 Focus (2017) 'Под водство на Јевросимовиќ „Алфа“ почнува да добива илјадници евра од Владата' [Under Jevrosimovic, Alfa is starting to receive thousands of euros from the government], 24. Sep. 2017, <https://fokus.mk/podvodstvo-na-jevrosimovik-alfa-pochnuva-da-dobiva-iljadnici-evra-od-vladata/> (accessed 23 Aug. 2021).

180 Jovanovska, M., Bodoky, T. and Belford, A. (2018), 'Right-Wing Hungarian Media Moves Into the Balkans', Organized Crime and Corruption Reporting Project, 9 May 2018, <https://www.occrp.org/en/spooksandspin/right-wing-hungarian-media-moves-into-the-balkans> (accessed 23 Aug. 2021).

181 Ibid.

The fugitive former prime minister Gruevski later received political asylum in Hungary and is considered a close friend of Orbán.¹⁸² Schatz has never appeared in public or disclosed how much was paid for the TV station and why he wanted to invest in North Macedonia.¹⁸³ According to the Central Registry, the owner of TV Alfa is the company Alfa Skop. However, it is still reportedly believed that Schatz remains the ultimate beneficial owner of the TV station.¹⁸⁴ North Macedonia's financial police charged Schatz with tax evasion in 2020.¹⁸⁵

Print media may be declining, but that does not mean they are not also affected by certain political affiliations on the part of their owners. The formal owner of Nova Makedonija, the company Repro Print DOOEL, registered in Skopje, is fully owned by the businessman Mincho Jordanov.¹⁸⁶ In 2019, the Organized Crime and Corruption Reporting Project (OCCRP) reported that Jordanov's construction company Beton had apparently illegal links with the VMRO-DPMNE party. One incident reported involved the company transferring €2.1 million to the party's account and investing another €6.9 million in the construction of VMRO-DPMNE's new headquarters, while the party paid Beton only €815,323 for the project.¹⁸⁷ Beton was also awarded government contracts worth more than €200 million for its work on a major makeover of Skopje.¹⁸⁸

The issue of political ownership or sponsorship of media outlets is less transparent in the case of online websites. Imprecise and undefined regulation is abused by parties across the political spectrum. While the VMRO-DPMNE was in power, so-called news portals were not only propaganda outlets, but also served as information sources for other media, including the public service broadcaster.¹⁸⁹

News portals that supported the VMRO-DPMNE were established by companies based in tax havens, mainly Belize where it costs as little as US\$650 to open a company within 24 hours.¹⁹⁰ To take one of the more prominent examples, the pro-VMRO-DPMNE portal Republika was launched in 2012 by the Belize-based company Iresine Ltd.¹⁹¹ This

182 Deutsche Welle (2018), 'Груевски тврди дека избегал во Унгарија' [Gruevski claims he fled to Hungary], 13 Nov. 2018, <https://p.dw.com/p/389pz> (accessed 23 Aug. 2021).

183 Research Reporting Laboratory Macedonia (2020), 'Мрсно платената орбанова пропагандна машина под истрага за перење пари' [The highly-paid Orbán propaganda machine under investigation for money laundering], 28 Feb. 2020, <https://irl.mk/mrsno-platenata-orbanova-propagandna-mashina-pod-istraga-za-peree-pari/> (accessed 23 Aug. 2021).

184 Kurir (2019), 'Јани Бојадзи назначен за нов директор на телевизија АЛФА' [Jani Bojadzi appointed new director of ALFA TV], 9 Aug. 2019, <https://kurir.mk/makedonija/vesti/jani-bojadzi-naznachena-za-nov-direktor-na-televizija-alfa/> (accessed 23 Aug. 2021).

185 Kucic, L., Stojanovska, N., Jovanoski, Z. and Vorák, A. (2020), 'Hungarian Media Expansion in Balkans Raises Worries but Lacks Impact' Balkan Investigative Reporting Network, 4 Dec. 2020, <https://balkaninsight.com/author/lenart-kucic/> (accessed 23 Aug. 2021).

186 Agency for Audio and Audio-visual Media Services (2019), 'Report on Media Ownership', June 2019.

187 Jovanovska, M. (2019), 'Macedonian Prosecutor Implicates Former Political Leaders in Money Laundering, Extortion, Illicit Land Deals', Organized Crime and Corruption Reporting Project, 29 Jan. 2019, <https://www.occrp.org/en/investigations/macedonian-prosecutor-implicates-former-political-leaders-in-money-laundering-extortion-illicit-land-deals> (accessed 23 Aug. 2021).

188 Ibid.

189 Dimeska, F. (2015), 'СДСМ: Медиумите под директна владина контрола' [SDSM: The media under direct government control], Slobodna Evropa, 22 Apr. 2015, <https://www.slobodnaevropa.mk/a/26972374.html> (accessed 23 Aug. 2021).

190 Online Nova TV (2014), 'Газдите на „Нетпрес“ загубени на релација САД-Кипар, „Република“ на Кариби' [Netpress bosses lost on US-Cyprus, Caribbean Republic], 4 Feb. 2014, <https://novatv.mk/gazdite-na-netpres-zagubeni-na-relacija-sad-kipar-republika-na-karibi/> (accessed 23 Aug. 2021).

191 Open Corporates (2021), 'Iresine Limited', 23 Aug. 2021, https://opencorporates.com/companies/bz/RA000693_120017 (accessed 23 Aug. 2021).

made it impossible to trace Republika's ultimate beneficial owner. However, in 2017, Republika was bought by the Hungarian media company Adinamic Media, which is owned by Agnes Adamik (also known as Agnes Kovacs).¹⁹² Like Peter Schatz, the owner of Alfa TV, Adamik is another former executive of Hungary's state broadcaster and is reportedly loyal to Viktor Orbán, who in turn has very close ties to North Macedonia's former prime minister Gruevski.¹⁹³ It is therefore unsurprising that Republika continues in its support of VMRO-DPMNE.

A more direct form of influence from government comes in the form of advertising and other forms of government funding. As noted above, North Macedonia's oversaturated media market has left many outlets dependent on state support. The database Open Finance reported in 2019 that Gruevski's VMRO DPMNE-led government had directed over €26 million to national TV stations from 2010 to 2017.¹⁹⁴ North Macedonia's current government claims that its predecessor spent over €38 million on broadcasting its message.¹⁹⁵

In 2017, the incoming SDSM government pledged to stop government funding of the media or advertising apart from projects in the public interest.¹⁹⁶ However, this commitment has not been implemented and government funding of the media has continued.

In 2018, the government stepped in to support the newspaper industry. North Macedonia's Information Society Minister, Damjan Mancevski, told the Balkan Investigative Reporting Network (BIRN) that this was in line with the global trend of struggling print media: "they are in a bad position all around the world and are subsidised in many countries", he said.¹⁹⁷ The government approved a further €515,000 to support five national private TV stations – Sitel, Kanal 5, Telma, Alsat-M and Alfa TV, and six local TV stations in June 2020.¹⁹⁸ This was reportedly to support them during Covid-19, however, with the elections taking place in June, some observers expressed concerns this could be an attempt to buy favour.

More concerning still, were the changes made to the Law on Financing of Political Parties. New rules introduced under the SDSM in 2018 meant that campaign funding came from the state budget, which provided a maximum of €2 per voter to be spent during the election cycle. This amounts to more than €3 million being shared among the parties based on their number of votes at the previous

192 Jordanovska, M., and Shargadi, (2019) [Orbán's propaganda machinery entered Macedonia], Prizma, 8 May 2018, <https://prizma.mk/propagandnata-mashinerija-na-orban-vleze-vo-makedonija/> (accessed 23 Aug. 2021).

193 Jovanovska, M., Bodoky, T. and Belford, A. (2018), 'Right-Wing Hungarian Media Moves Into the Balkans', Organized Crime and Corruption Reporting Project, 9 May 2018, <https://www.occrp.org/en/spooksandspin/right-wing-hungarian-media-moves-into-the-balkans> (accessed 23 Aug. 2021).

194 Open Finance Archive, <https://open.finance.gov.mk/en/archive> (accessed 23 August 2021).

195 Apostolov, V. (2019). 'North Macedonia Database Exposes Ex-Strongman's 'Propaganda' Spending'. Balkan Insight, 25 November 2019, <https://balkaninsight.com/2019/11/25/north-macedonia-database-exposes-ex-strongmans-propaganda-spending/> (accessed 23 August 2021).

196 Apostolov, V. (2020). 'Switched off: North Macedonia's Media Reforms Fade Away'. Balkan Insight, 23 June 2019, <https://balkaninsight.com/2020/06/23/switched-off-north-macedonias-media-reforms-fade-away/> (accessed 23 August 2021).

197 Ibid.

198 Ibid.

election.¹⁹⁹ These funds could then be funnelled to media entities providing favourable coverage. According to reports, the government has spent around €8 million on political advertising in the last three years.²⁰⁰

The OSCE Office for Democratic Institutions and Human Rights (ODIHR) concluded in its election assessment report that “media coverage of the elections lacked critical assessment of platforms, whereas provisions regarding paid political advertisement favoured the three largest parties”.²⁰¹ However, it should be noted that despite some issues the 2020 elections were well-contested. The OSCE Office for Democratic Institutions and Human Rights (ODIHR) concluded in its election assessment report that “the campaign, although negative in tone, was genuinely competitive.”²⁰² Freedom House wrote in its 2021 report on North Macedonia that “competitive elections in 2019 and 2020 and the credible 2018 referendum reflected improvements in the North Macedonian electoral system and greater ability of opposition parties to campaign freely and win support through elections.”²⁰³ However, local media organisations have warned that the continued funneling of public money to media outlets has a negative influence on editorial policy and independent critical journalism.²⁰⁴

199 Organization for Security and Co-operation in Europe (2020), ‘Early Parliamentary Elections 15 July 2020 ODIHR Special Election Assessment Mission Final Report: Republic of North Macedonia’, Office for Democratic Institutions and Human Rights, 15 July 2020, p. 17.

200 Naser, S. (2020). ‘За три години за политичка пропаганда во медиумите партиите од буџетот на државата потрошиле 8 милиони евра’ [In three years, the parties spent 8 million euros from the state budget for political propaganda in the media], Meta, 30 Nov. 2020, <https://meta.mk/za-tri-godini-za-politichka-propaganda-vo-mediumite-partiite-od-budjetot-na-drzhavata-potroshile-8-milioni-evra/> (accessed 23 August 2021).

201 Organization for Security and Co-operation in Europe (2020), ‘Early Parliamentary Elections 15 July 2020 ODIHR Special Election Assessment Mission Final Report: Republic of North Macedonia’, Office for Democratic Institutions and Human Rights, 15 July 2020, p. 17.

202 Ibid.

203 Freedom House (2021), ‘North Macedonia: Freedom in the World 2021 Country Report.’ <https://freedomhouse.org/country/north-macedonia/freedom-world/2021> (accessed 23 Aug. 2021).

204 Meta (2020), ‘Јавните пари во медиумите ја убија новинарската критика (инфографик)’ [Public money in the media killed the journalistic criticism (infographic)], Meta, 13 Feb. 2020, <https://meta.mk/%D1%98avnite-pari-vo-mediumite-%D1%98a-ubi%D1%98a-novinarskata-kritika-infografik/> (accessed 23 August 2021).

Conclusion

Owner influence over significant media assets still undoubtedly exists in North Macedonia. Likewise, state funding still poses a major issue. Promised reforms have not yet materialised. There have, however, been some signs of improvement since 2017, exemplified by updating legislation, as well as some politically linked owners stepping back, demonstrated by the case of Goran Ivanovski leaving his role at Sitel. Transparency of ownership in traditional media is stronger than in other Balkan states, though there are potential issues of overregulation undermining the commercial viability of the media market. According to IREX's 2019 Media Sustainability Index: "The government has largely stayed true to its pledge that it will not interfere in the media sector or with editorial policies."²⁰⁵ The European Commission's 2020 report on North Macedonia concluded that "the overall situation and climate in which media operates remain generally conducive to media freedom and allow for critical media reporting."²⁰⁶ Freedom House's 2021 report for North Macedonia found that despite ongoing issues "a wide collection of critical and independent outlets operate."²⁰⁷ In July 2021, the government announced draft proposals for authorities to treat attacks on journalists with the same severity as attacks on police officers, further evidence of attempts to introduce reform.²⁰⁸ This all suggests that current regulation of the media market has the potential to reap rewards if there is the political will to implement it. Still, the government in North Macedonia could do much more to implement its pledged reforms.

205 Georgievski, D. (2019), 'North Macedonia: Media Sustainability Index 2019', International Research & Exchanges Board', p.3.

206 European Union: European Commission (2021), 'Commission Staff Working Document: North Macedonia 2020 Report', 6 October 2021, p. 6.

207 Freedom House (2021), 'North Macedonia: Freedom in the World 2021 Country Report', <https://freedomhouse.org/country/north-macedonia/freedom-world/2021> (accessed 23 Aug. 2021).

208 Balkan Insight (2021), 'North Macedonia to Toughen Penalties for attacks on Journalists', Balkan Insight, 28 July 2021, <https://balkaninsight.com/2021/07/28/north-macedonia-to-toughen-penalties-for-attacks-on-journalists/> (accessed 23 Aug. 2021)

Summary Points

- ▶ There are some signs of improved regulation of the media sector since the fall of the VMRO-DPMNE coalition in 2017.
- ▶ However, many of the promised reforms have yet to be implemented.
- ▶ Direct state funding continues to be an issue.
- ▶ Transparency of ownership, especially in TV and Radio markets, has improved.
- ▶ Laws preventing political figures owning or influencing media outlets have been enacted more consistently.
- ▶ The media market remains over-saturated with limited revenues, leaving outlets vulnerable to influence from the state or private owners' political and business interests.
- ▶ Political figures still dominate media ownership through proxies.
- ▶ Changes to rules regarding state-funding of the media and campaign advertising from the current government might suggest that the political will for media reform could be decreasing.

Conclusions & Recommendations

This comparative analysis of three Balkan countries at different stages of integration with the EU has shown that manipulation of the media market is an endemic problem. In Bulgaria, Serbia, and North Macedonia, state entities and commercial markets alike are being controlled by political interests. These problems are compounded by the fact that they often go unnoticed when compared with attacks on media freedoms such as the harassment of journalists, that more easily generate headlines.

While each market has its own problems and opportunities, several issues highlighted in this report are prevalent across the countries analysed. They must be the subject of greater focus and steps should be taken to introduce the following key recommendations:

- Introduction of stronger regulation to enable monitoring of media ownership and increase transparency across all media sectors
- Reforms to strengthen the independence of public broadcasters and state regulators to avoid political influence; these should include public participation in the appointment of senior management or council members
- Transparency and monitoring of allocation of public funds to media entities, including funds distributed through state-owned companies, or through advertising contracts

For real change to occur, civil society, commercial partners and the EU must do much more to make it harder for national governments in Balkan countries to manage the media space to the detriment of the public good.

Across these various bodies and institutions, close attention should be paid to the political ties and interests of media owners. As the numerous examples detailed in this report show, it is far too easy for governments or politically connected individuals to circumnavigate national media laws to install proxies and allies as owners of ostensibly private media companies.

The EU needs to use its leverage to hold these countries to account. Strikingly, Bulgaria, an EU member, is guilty of misusing EU funding to assume control over the media market. Greater transparency of

funding of the media from the EU must be implemented as a matter of urgency. Likewise, Bulgaria's law allowing political figures to own media outlets is outdated and glaringly out of step with EU norms. Such a law is a clear risk to media freedoms and should be amended as soon as possible. The European Commission should consider making future EU financial transfers to Bulgaria conditional on progress in this area.

In Serbia, too, the EU needs to increase its pressure on the country's leadership. Serbia's announcement of its new media strategy was applauded by the EU but has led to no measurable change or progress. Serbia cannot be allowed to keep up the pretence of reforming the media sector in ways appealing to the EU while undermining media freedoms. Again, the EU should think in terms of making financial assistance to Serbia contingent on implementation of commitments by the government.

In the case of North Macedonia, the EU should carefully monitor the progress of the media sector reforms promised by the government, particularly those related to state funding of media and the independence of its media regulator and public broadcasters. Targeted EU assistance may also help accelerate progress in this area.

Across all three countries, greater EU assistance and knowledge transfer for regulators, editors and legal entities could be used to strengthen the checks and balances needed to protect media freedoms.

Commercial partners must also be vigilant when entering these markets. As noted in the case of Euronews in Bulgaria and Serbia, news organisations must carry out the necessary due diligence to ensure their chosen local partners respect the editorial values that underpin free media. Close and regular monitoring must be in place to ensure that editorial control is maintained. Convenient commercial relationships with dominant players in highly controlled media markets must not undermine professionalism or allow the violation of the ethical standards of journalism.

Likewise, civil society organisations and their funders in the region and beyond should pay closer attention to the commercial techniques being used to undermine independent voices in media markets across the Balkans.

Associations and unions of journalists in the region continue to campaign hard for the rights and wellbeing of their colleagues and deserve respect for their courage and commitment. The Balkan Free Media Initiative hopes that this report will encourage these groups and their funders to expand their focus to address the use of commercial instruments to undermine media freedoms.

The longer these insidious practices are allowed to continue, the harder it will be to undo the damage they have caused.

About the Balkan Free Media Initiative

The Balkan Free Media Initiative (BFMI) campaigns for the protection of media freedom and journalists' rights in the countries of South-Eastern Europe.

The organisation was founded in April 2021 by Antoinette Nikolova. Antoinette is a Bulgarian journalist who has worked for a host of international news organisations for the last 20 years, including Deutsche Welle International, News Corp television stations bTV and SkyItaly, the Bulgarian National Television, TV Nova, the Economist Life and the Brussels-based media network Euractiv. She is also a regular contributor to the Italian broadcaster RAI.

Antoinette began her journalistic career reporting on the aftermath of the wars in the former Yugoslavia. As a member of the Board of the Foreign Press Association in Italy, she has campaigned for the integrity and independence of journalists.

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