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TO CIVIL SOCIETY ORGANISATIONS
IN THE WESTERN BALKANS AND TURKEY

EXECUTIVE REPORT

SUSTAINABILITY OF PROFESSIONAL JOURNALISM IN THE MEDIA BUSINESS ENVIRONMENT OF THE WESTERN BALKANS

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This research reflects the economic position and needs of independent media outlets in 2018 and 2019, with the majority of market data pertaining to 2018 and research being finalised in November 2019. The report does not cover the dramatic changes occurring in 2020, when the economic consequences of the COVID-19 pandemic dealt yet another blow to media businesses and further diminished the prospects for sustainability of independent media in the Western Balkans.

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An abstract graphic consisting of several concentric, semi-transparent grey circles. Overlaid on these circles are several curved segments in yellow and light blue, some with a fine hatched texture. The segments are arranged in a way that suggests a circular path or a complex geometric pattern. The overall effect is modern and technical.

INTRODUCTION



This report provides a summary of the findings of research on the economic situation, needs and prospects of independent media outlets in the Western Balkans (Albania, Bosnia and Herzegovina, Kosovo, Montenegro, North Macedonia and Serbia), which was conducted between June and November 2019. The study revolves around an analysis of the structural conditions affecting media ownership, the commercial operating environment and the available sources of funding as well as media consumption habits and audience demand. The research team concluded that the space for independent journalism in the Western Balkan region was constrained by:

- The modest size of advertising markets;
- The strong channels of political influence that distort the media market and lead to corrupt business relationships and practices, including the misuse of public funds to serve private interests; and
- Strong competition, arising from the actions of regional and global players in the media market.

There are a number of reasons why the challenges faced by independent media outlets have multiplied in recent years. These include the continuing economic crisis in the region as well as the collapse of traditional business models. The latter is largely due to shifts in audience behaviour and advertising practices resulting from global changes in information technologies and platforms.

Moreover, the tactics employed by the regional and global players in these markets have made it harder for domestic media to attract advertising. The tech giants such as Google and Facebook enjoy a growing share of the advertising market because they are able to reach wider audiences for less money than domestic outlets. Furthermore, regional advertising packages offer access to audiences in the region's smaller economies but they are often heavily discounted, thus undermining the position of domestic media outlets.

The ruling political structures have been quick to exploit the resulting financial vulnerability of local media by instrumentalising government advertising and grants for media outlets. They are also known to put pressure on advertisers who fall within their sphere of influence.

The sustainability of professional journalism in the region is further threatened by the absence of supportive media policies, by poorly functioning media markets and by a lack of effective business models. In such an environment, the survival of the independent media sector is predicated on long-term commitment and dedication – qualities which are mainly to be found among donor-dependent media.

International assistance provides the space to practise professional journalism within both commercial and not-for-profit media, but this support does not maintain sustainability beyond a one- or two-year timeframe. Alternative sources of funding do exist. They include direct contributions from the audience including through community fundraising (mainly micro-donations and crowdfunding) and subscriptions, as well as the creation of specialised content capable of attracting larger audiences and increased advertising revenue. However, they are still in their infancy and the future of independent journalism remains uncertain.



The research was conducted by a team based in the Western Balkans, working under the auspices of the called Technical Assistance to Civil Society Organizations (EU TACSO 3) in the Western Balkans and Turkey, which is funded by the European Union.¹ Based on both desk and field research, the study comprised a review of more than 125 publications and around 40 media articles as well as 36 in-depth interviews, 15 short interviews and written replies. The researchers also consulted Ipsos data on audiences and advertising markets² in addition to a wide range of other sources including public registers, government and corporate websites.³ This report is an executive summary of the comprehensive regional study.

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- 1 The research team comprised Brankica Petković (lead researcher) and Sanela Hodžić (regional researcher), co-authors of this report; as well as the national researchers: Ilda Londo (Albania), Sanela Hodžić and Anida Sokol (BiH), Jeton Mehmeti. (Kosovo), Daniela Vukčević (Montenegro), Vesna Nikodinoska and Slavčo Milenkovski (North Macedonia), and Vladimir Kostić (Serbia), who carried out the field research and reported on the results.
 - 2 Ipsos is a global market research and consulting firm, with offices in the Western Balkans region. Ipsos provided the research team with data on the audience reach of media outlets as well as estimates and analyses concerning advertising spend and trends in media markets in the Western Balkans.
 - 3 The full version of this study includes both the regional and six national reports and a full list of sources.

1. MEDIA LANDSCAPE

An abstract graphic consisting of several concentric, semi-transparent grey circles. Overlaid on these circles are several curved, brush-stroke-like segments in yellow and light blue. The segments are arranged in a way that suggests a circular path or a series of connected points. The overall effect is a modern, minimalist design.



The challenges to the sustainability of independent journalism stem in the first instance from the oversaturation of the media environment, in which several thousand commercial media outlets and more than 200 public television and radio channels compete for dwindling advertising budgets. Such a large number of media outlets is disproportionate to the size of the region, which has a population of 18 million and an advertising market worth around €300 million.⁴ And the sector continues to grow: in Serbia, an average of 200 new outlets are launched every year.

Overall, there are an estimated 570 **television broadcasters** in the region, of which 450 are private (208 in Albania alone) and 120 are public. The latter include more than 20 national TV stations; numerous thematic channels in Albania and Serbia; province- or entity-level channels in Bosnia and Herzegovina and Serbia; 17 local public broadcasters in Montenegro; and 81 in Bosnia and Herzegovina.

Table 1. Estimated number of media outlets in the WB region

	Public (national, regional, local)	Private (national, regional, local)	Community (national, regional, local)
TV*	120+	450+	11+
Radio	100+	580+	48+
Print	-	100+ (including 55+dailies)	N/A

Sources: IREX Media Sustainability Index 2019, media registries, websites of media outlets, other sources.⁶

There are also hundreds of **online media** across the region, including 736 registered web portals in Serbia, 45 in Montenegro (of which around 10 to 15 are news websites),⁶ an estimated 100 online platforms in BiH,⁷ 80 in North Macedonia,⁸ and dozens of online media in Kosovo (of which 33 are members of the self-regulatory body, Kosovo Press Council).

The proliferation of media outlets is not, however, a guarantee of pluralism in terms of the content produced. On the contrary, strong political interference in the media sector combined with increased commercialisation (and tabloidisation) has severely limited the **space for content which challenges the party political or financial interests of media owners.**⁹ In the face of shrinking advertising revenues and a downturn in international assistance, **some independent media have either collapsed** or have fallen under the control of local political and business elites, thereby undermining their public interest role. One of the most prominent examples is B92, once a bastion of independent journalism in Serbia, which is now little more than an entertainments platform following a transfer of ownership to Astoniko Ltd. (also owner of

4 Revenues of €329 million for 2018 (as estimated by Ipsos) are based on official prices and do not take discounts, VAT and production costs into account.

6 Differing methodologies and out-of-date or inaccurate information mean that these figures are only approximate. Sources used include: Kerševan Smokvina et al., 2018: 44, the Register of the Independent Media Commission of Kosovo, the Register of the media regulator in Macedonia, Camović and Laković-Kontar, 2018: 16, Sciacchitano, 2018: 6, Rankovic, 2019: 2-3, “Ugašena četvrtina medija upisanih u Registar medija APR-a”, N1, 29 July 2019.

6 IREX MSI, 2019: 2.

7 Estimate by Ljiljana Zurovac, Press Council BiH.

8 IREX MSI, 2019.

9 For further information about tabloid media content in Serbia, see Anti-Corruption Council, 2015: 161.



PrvaTV), part of the Antenna Group owned by the Kyriakou family from Greece.¹⁰ In Bosnia and Herzegovina, BH Dani lost its reputation as an influential political magazine after it was sold to Oslobođenje in 2010 and several prominent contributors resigned. In North Macedonia, the relatively independent A1 television station was accused of bias and favouritism towards opposition parties. This sparked a conflict with the VMRO-DPMNE government, which then launched an investigation into tax evasion by the owner of A1 (the “Pajazina” scandal). As a result, his companies, including A1, were shut down.

Other reasons for the closure of media outlets in the Western Balkans have included changes in government leading to a breakdown in the clientelistic relations between media and politicians (e.g. North Macedonia) and the controversial process of privatisation (i.e. in Serbia in 2015 and 2016). However, some print media which have been forced out of business continue to operate as online platforms.

At the same time, a significant number of **new media outlets have been established** across the region. These include leading independent online media and investigative journalism platforms (such as Krik and Insajder.net in Serbia, Insajderi in Kosovo,¹¹ Sdk.mk and Prizma in North Macedonia and Reporter in Albania) as well as new initiatives such as fact-checking and myth-busting websites (Raskrinkavanje and Istinomer in Serbia and BiH, Faktoje in Albania, etc.).

On the other hand, the region has also seen the emergence of numerous online media with strong political affiliations, particularly in Serbia but also in North Macedonia (during the previous VMRO-DPMNE government). In Bosnia and Herzegovina, a new public service broadcaster has been created as part of Radio-Television Herceg-Bosne. Furthermore, the financial position of many media outlets in the region has been weakened by the growing presence of the United Group, which founded the regional TV channel, N1, and acquired the Nova TV channels in Serbia, BiH and Montenegro.

10 At the end of 2018, the outlets were bought out by local businessman Srđan Milovanović, owner of the Kopernikus group, which is connected to the ruling party.

11 While in mid-2019 we included Insajderi in the list of examples of new independent media initiatives in Kosovo, in 2020 some concerns have been raised about its possible biased reporting. This indicates that the independence and quality of the selected media outlets are not permanent characteristics, but can be influenced by different factors, including ownership and organisational changes and business and political environment.

2. MEDIA OWNERSHIP

An abstract graphic consisting of several concentric, semi-transparent grey circles. Overlaid on these circles are several curved segments in yellow and light blue, some with a fine hatched texture. The segments are arranged in a way that suggests a circular flow or a segmented structure. The overall composition is centered on the page.



Several interconnected aspects of media ownership have a direct impact on the business operations of independent media outlets and put them in a disadvantageous position.

Overall, there is a lack of transparency concerning media ownership. Some information is available through the registers of broadcasters managed by regulatory agencies. In Kosovo, this information is published and, in BiH, it is available on request. Only Serbia has a centralised register of all types of media outlets but, even here, some of the information is incomplete and inconsistent. General business directories provide some information (although it is often incomplete) but access can be limited or costly.

In North Macedonia, transparency is enhanced by the requirement for both broadcasters and print media to provide information on their ownership structure to public bodies and to the public. The Register of the Agency for Audio and Audiovisual Media Services¹² provides the names of media owners and, in the case of broadcasters, a breakdown of shareholders. The ownership of online media outlets in the region is particularly opaque, since hundreds of websites are not even registered as legal entities. Some media outlets – even though their nominal ownership is known – are thought to be controlled by hidden networks through indirect, connected ownership structures (sometimes involving offshore companies, family and other affiliations). Such hidden ownership can fuel suspicions that the outlet concerned may be susceptible to agenda-driven pressures on its editorial policies or that it may be used for the purposes of tax evasion or that it has affiliations which may lead to favourable treatment in procurement bids.

Political parallelism¹³ in the media sector is widespread, and certain media outlets are directly linked to political parties. Examples include suspected affiliations between TV Sitel and the Socialist Party in North Macedonia; between the dailies Pobjeda and Dnevne novine and the Montenegrin government; between the new owners of ATV Banja Luka and the SNSD party in Republika Srpska (BiH); between Vision Plus and the municipal government in Tirana; and between the Adria Media Group and Serbia's ruling party, the Serbian Progressive Party. The recent ownership transfers in Serbia have been criticised by watchdog organisations, including two broadcasters with national coverage (Prva TV and O2) and a number of other outlets acquired by individuals, business tycoons and companies affiliated to the ruling party.¹⁴

Some businessmen who own media outlets are directly affiliated to political parties, and many others have been accused of using their media outlets to procure favours from political officials which directly benefit their other (non-media) business interests. This type of ownership is prevalent in Albania where examples include Top Media, Media Vision, and Panorama Group.¹⁵

Most of the media owners in the region have business portfolios that are far wider than their media outlets and include media-related businesses (distribution, advertising, etc.) as well as unrelated businesses (such as consultancy, trade, construction, food production, etc.). This is indicative of the vested interests present in the media sector. For instance, the leading media

12 See <https://avmu.mk/radiodifuzeri-mk/> and <https://avmu.mk/pechateni-mediumi/>.

13 The term has been used to describe the link between media organisations and certain political leanings and/or political parties. These links may involve different organisational affiliations, or affiliations between media managers/journalists and certain political parties. Such affiliations may lead to biased reporting. For further insight, see Hallin and Manchini, 2004, and Hardy, 2008.

14 See [Media Ownership Monitor Serbia](#) by BIRN Serbia and Reporters Without Borders, and [Cenzolovka](#).

15 Londo, 2014: 70.



owners in both Albania (the Hoxha, Frangaj, Dulaku, and Hysenbelliu families) and Serbia (Igor Žeželj, Srđan Milovanović, and Željko Mitrović) each own several media outlets. All but one (Irfan Hysenbelliu) also own media-related companies, and all own companies operating in other sectors, including trade, construction, consultancy, and hospitality.

The owners of major media outlets in the region include both domestic and foreign actors (see Table 2 below).

Table 2. Ownership of media outlets with highest reach/share

	Albania	BIH	Kosovo	Montenegro	North Macedonia	Serbia
TV	TV Klan	FTV-public TV	RTV 21	TV Vijesti	TV Sitel	RTS-public TV
	(Frangaj family)	(state-owned: Federation of BiH)	(Saracini Kelmendi family)	(Media Development Investment Fund, Perović family, etc.)	(Goran Ivanovski)	(state-owned: Republic of Serbia)
		Nova BH formerly Pink BH				Pink TV
		(Direct Media/ United Group)				(Željko Mitrović)
Radio	Top Albania Radio	RSG Radio	Radio Dukagjini	Radio D+	Radio Antena 5	Play radio formerly Radio B92
	(Hoxha family)	(Adnan Osmanagić)	(Ekrem Lluka)	(Dejan Ražnjatović, Ljiljana Martinović)	(Zoran Petrov, Marjan Gushev, Kosta Janevski)	(Srđan Milovanović)
Dailies	Panorama	Dnevni avaz	Koha Ditore	Vijesti	Sloboden Pečat	Blic - top reach
	(Irfan Hysenbelliu)	(Radončić family)	(Flaka Surroi)	(Media Development Investment Fund, Styria Media, K. Perović, Ž. Ivanović etc.)	(Aleksandar Rodić, Serbia, and Miroslav Jovanović, North Macedonia)	(Ringier Axel Springer)
						Informer - top circulation
						(Dragan Vučićević)
Weeklies	n/a	n/a	n/a	Monitor	Fokus	Nin - top reach
				(Perović family, journalists of Monitor etc.)	(Jadranka Kostova)	(Ringier Axel Springer)
						Nedeljnik - top circulation
						(Veljko Lalić)
Online	Panorama.com.al	Klix.ba	Telegrafi Dukagjini Group	Vijesti.me	Sdk.mk	Blic.rs
	(Irfan Hysenbelliu)	(Mario Šimić, Dario Šimić)	(Gentian Lluka)	(Media Development Investment Fund, Styria Media, K. Perović, Ž. Ivanović etc.)	(Goran Mihajlovski)	(Ringier Axel Springer)

Source: national business and media registers and other sources.



Foreign owners include corporations such as United Group and Ringier Axel Springer (and until recently, Antenna Group) which own media outlets producing light entertainments as well as hard news and analysis. There are also foreign corporations with investments only in news media, such as Styria in Montenegro (which recently expressed an interest in expanding into other markets in the region).

Foreign media also operate in the region through the local bureaus of international broadcasters and news providers, which are mostly funded by foreign governments as tools of their public diplomacy. Examples include the regional and local newsrooms and offices of Radio Free Europe (USA), Voice of America (USA), Deutsche Welle (Germany), Sputnik (Russia), Anadolu Agency (Turkey), Al Jazeera Balkans (Qatar), BBC Serbia (UK), and the recently established Euronews Serbia.

Another way in which foreign media maintain a presence is through private investments in media projects, as a means of support for political allies in Western Balkans (as reported, for example, in the case of North Macedonia).¹⁶

Some parts of the region also suffer from significant **concentrations of ownership**.¹⁷ Examples can be found in Albania, where, after ownership restrictions for national broadcast media were lifted in 2016, the five national digital licences were granted to just three owners (IREX MSI, 2019: p.7). In Serbia, the print media sector is dominated by four publishers (Ringier Axel Springer, Adria Media Group, Večernje Novosti, and Insajder Tim), which is particularly problematic from the perspective of pluralism given that three of them are suspected of close affiliations with the government. In some media systems, there are no legal limits on concentration. In BiH, for example, this issue has remained completely unregulated for over a decade (the previous, albeit limited, regulation has not been in force since 2006). In other media systems, there are formal limits on concentration, but enforcement is widely considered to be a major challenge. In both Serbia and Albania, for example, regulation is based on measurements of audience reach. However, in Albania, civil society and media representatives question the reliability of audience data (IREX MSI, 2019: pp.8-9) while, in Serbia, anti-concentration regulation has been criticised by the Anti-Corruption Council on similar grounds.¹⁸

The United Group has a growing presence in the region. The group has a substantial portfolio of TV channels, sports programmes (Sport Klub), children's and light entertainment shows as well as telecommunications networks, TV distribution businesses and advertising agencies (See Figure 1). This cross-ownership and considerable presence in some markets enable the United Group to favour the distribution of its own programming and to charge other distributors more for channels that are part of its media holding.¹⁹

16 See OCCRP, "Right-Wing Hungarian Media Moves Into the Balkans", May 2018.

17 Concentration of media ownership is a term widely used to denote the process by which few(er) actors control increasingly large shares of media markets. This is problematic in a democratic society as it limits the pluralism and diversity of ideas and viewpoints, and possibly jeopardises the right of citizens to be informed on issues of public relevance. Measurements of concentration have traditionally been based on shares in overall revenues, advertising revenues and audience shares, as well as on the number of media outlets (and other related businesses) controlled by one player on the given market. See, for instance, Vike-Freiberga et al., 2013.

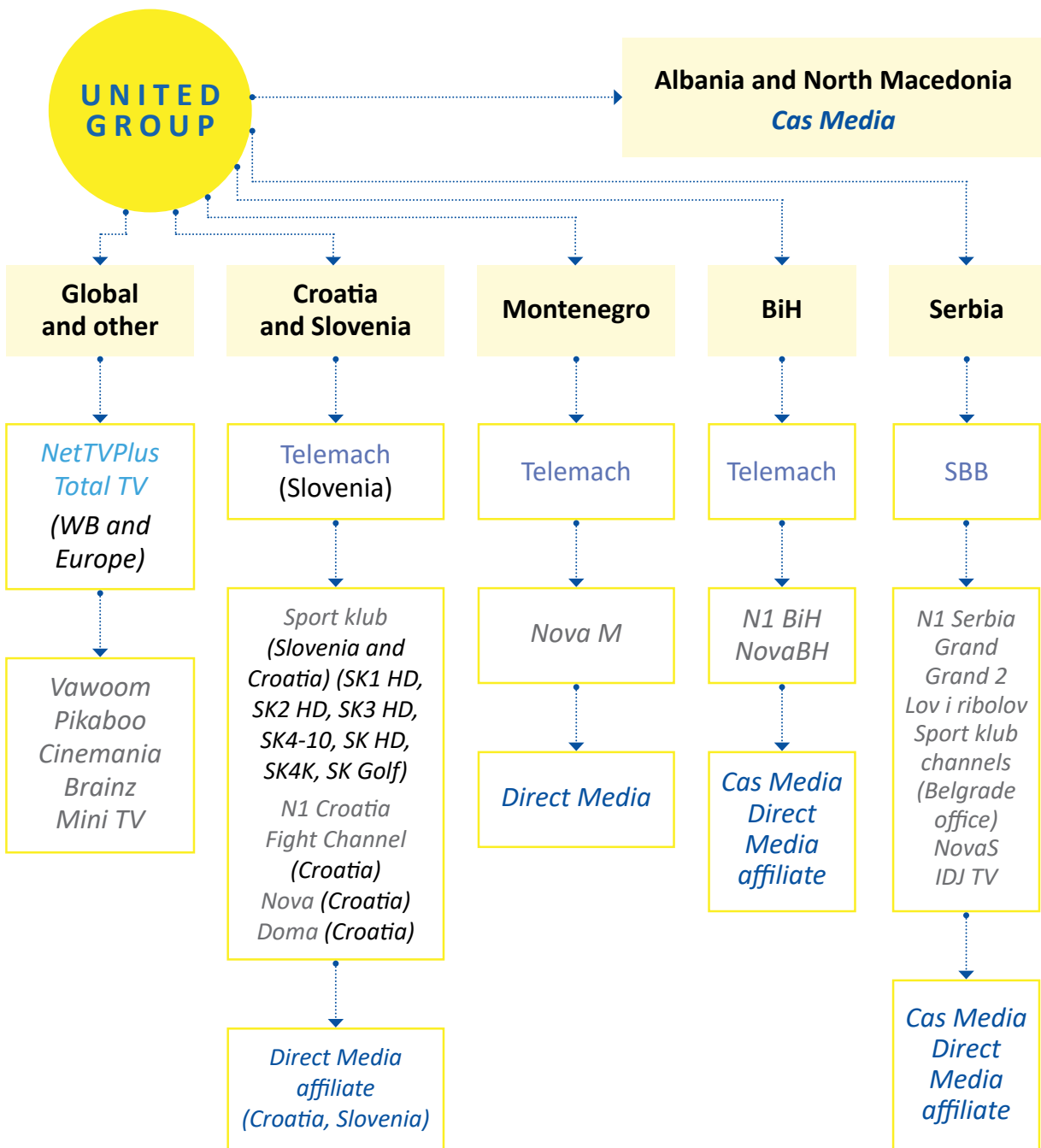
18 See Anti-Corruption Council, 2015: 15-16.

19 The practice of charging different distributors different rates for their sport channels has been documented by the Competition Council of BiH, for example (IREX MSI Bosnia, 2019: 25).



It can also offer advertising packages that put smaller local media players at a disadvantage. United Group’s strong business position allows it to invest in media outlets that demonstrate genuine quality reporting with a good outreach (such as N1 in Serbia and Bosnia and Herzegovina). However, other media representatives, including some of those interviewed for this study, believe that United Group’s strong position may undermine media pluralism and the sustainability of domestic media outlets in the Western Balkans.

Figure 1: United Group in telecommunication and TV distribution, TV production and advertising



Source: website of the United Group, websites of individual media and media-related companies.



Over the past decade, most media systems in the region have witnessed **a very rapid growth of not-for-profit media** (or the third sector), usually operating as associations or foundations.²⁰ These media outlets are mostly run by media professionals under the auspices of established civil society organisations. Since they are funded by international donors and do not need to serve the commercial interests of owners, these media outlets are considered to be in a position to exercise greater editorial independence and some are known for their outstanding professional achievements. Financial constraints mean that most not-for-profit media outlets are web-based. However, some do cooperate with established broadcasters which disseminate their content and, thereby, extend their reach. In Serbia, for example, programmes produced by the independent investigative media outlet, Insajder, are broadcast by N1.

²⁰ Although in some countries, such as Montenegro, this sector of the media remains underdeveloped.

3. BUSINESS ENVIRONMENT AND FUNDING

An abstract graphic consisting of several concentric, semi-transparent circles in shades of light blue and yellow. The circles are partially overlapping and have a slightly irregular, hand-drawn appearance. The text is centered over this graphic.



The precarious financial situation of independent media can be ascribed to a set of systemic factors, mainly: 1) **low overall revenues** in the media sector and 2) a **distortion of the market** as a result of **dubious advertising practices** and **corrupt patterns in government funding** for the media.

3.1. Advertising market

Advertising revenues are low and have fallen dramatically over the past decade due to the continuing economic crisis and the migration of advertisers to global communications platforms such as Google and Facebook. Local media outlets also face competition from large channels based outside the region (Fox, Discovery, etc.), and channels owned by regional media groups (such as Nova and Sport Klub) and distributed through cable, which also attract a considerable share of advertising.

Overall advertising revenues, which range from an estimated €10-11 million in Montenegro to around €190 million in Serbia, are not sufficient to sustain the large number of media outlets in existence. Estimates suggest that the decline in advertising revenue was slightly reversed in 2018 while advertising spend seems to have levelled out or even slightly increased between 2017 and 2018 (Table 3).

Table 3. Estimated advertising revenue, per media system (in millions of EUR)

	Albania	BiH	Kosovo	North Macedonia	Montenegro	Serbia	Total
2017	32	38	14.5	33	10	178	305.5
2018	34	38	15	34	11	197	329

Source: Ipsos and partners.

Note: The figures are rough estimates that do not take advertising price discounts, production costs and VAT into account.²²

In their struggle to secure advertising contracts, local media have resorted to **offering heavy discounts on their rate-cards**. In BiH, for example, the 2017 rates for TV advertising had fallen to almost half of their 2008 levels.²²

Regional groups and global channels distributed via cable offer highly competitive advertising packages that include discounts of up to 80-90% as well as the possibility of reaching multiple local audiences at no extra cost. These trends constitute a serious competition problem and jeopardise domestic advertising markets. They also further undermine the ability of local media to attract advertising and pose a particular threat to independent outlets in the region's smaller markets such as Montenegro and BiH.

21 Other sources provide vastly different estimates, highlighting the lack of reliable data on the media sector.

22 Kadić-Maglajlić, 2018: 24.



Television generates the highest advertising income, representing between 47% (in Montenegro) and 72% (in Albania) of total advertising revenues. **The print media sector** has suffered the biggest downturn, and now captures only a small share of overall advertising expenditure (in BiH, for example, it constitutes just €1.5 million or 4% of advertising revenues). **Online advertising**, on the other hand, is growing rapidly. In Serbia, for example, it currently stands at €32.5 million or 16.5% of overall advertising revenues, making Serbia one of the fastest growing digital advertising markets in Europe (20.1% growth in 2018).

Advertising markets are dominated by a few large TV broadcasters. In Serbia, for example, as much as 89% of TV advertising revenues are drawn down by channels with national reach.²³ In North Macedonia, figures from 2018 show that around 79% of the total volume of TV advertising revenue went to five commercial terrestrial TV stations with national coverage.²⁴ In Montenegro, the public broadcasters, Prva TV and Pink M, reportedly have a 55% share of overall advertising spend.²⁵ Meanwhile the cohort of local broadcasters, print media, and smaller news websites (including most of the independent media in the region) have to compete for the remaining slices of the advertising pie.

Table 4. Share of TV in overall advertising spend in the region (2018)

	Population	GDP (2018 nominal in EUR)	Advertising revenue (2018 estimates in millions of EUR)			
			Total	TV	Print media	Online
Albania	2.9 million	4777	34	24.48	1.36	2.38
				72%	4%	7%
Bosnia and Herzegovina	3.5 million	5125	38	25.08	1.52	3.04
				66%	4%	8%
Kosovo	1.8 million	3977	15	8.8	0.41	2.75
				59%	2.7%	18%
Montenegro	0.6 million	7814	11	5.17	1.43	1.32
				47%	13%	12%
North Macedonia	2.09 million	5509	34	20.06	1.70	4.75
				59%	5%	14%
Serbia	7 million	6542	197	108.4	23.1	32.5
				55%	12%	16%

Source: Ipsos, IMF (USD converted to EUR), Prava mera medija (Asocijacija medija, Beograd, 2018).

The share of TV in overall advertising revenues within the region is among the highest in Europe, comparable to that of Bulgaria (62% in 2017). In EU Member States such as Austria, Germany and the United Kingdom, the share is much lower, around 23-24%.

Broadcasting rights, in particular the rights to major sports events, are critical for media businesses since they attract large audiences and generate significant advertising revenues. The

23 Sciacchitano, 2018: 12.

24 Analysis of the Market of the Audio and Audiovisual Media Services, 2018: 5.

25 Željko Ivanović, interview, 18 June 2019; Kerševan Smokvina et al., 2017: 21.



cost of sports broadcasting rights in Europe and globally has increased dramatically in recent years, and only TV networks with big budgets can afford to bid for them. Assuring fair competition in this field is increasingly challenging not only in the WB region but also within the EU and its member states. In Serbia, BiH, Montenegro and North Macedonia, most broadcasting rights in recent years have been acquired by two major players: Direct Media (a part of the United Group, owner of the Sport Klub TV channels) and Telekom Serbia (owner of the Arena Sport TV channels). These two companies have a strong presence in media production and related businesses and, as the players with the greatest spending power, they are easily able to outbid other media outlets when it comes to buying the rights to sports events. Public service broadcasters, in particular, are losing their previously dominant position, as the range of events they can afford to broadcast is rapidly shrinking.

Table 5. Examples of the distribution of sports broadcasting rights in the WB region

Owner of broadcasting rights	Direct Media (United Group)	Telekom Srbija
TV channels	Sport Klub TV channels	Arena Sport TV channels
Markets	Serbia, Bosnia and Herzegovina, Montenegro and North Macedonia	Serbia, Bosnia and Herzegovina, Montenegro and North Macedonia
Sports events covered	<ul style="list-style-type: none"> ● Football: UEFA Euro 2020, UEFA Nations League, UEFA Champions League (the latter in BiH and Montenegro). ● English Premier League, Spanish La Liga, etc. ● Basketball: NBA, Euroleague, FIBA Champions League, etc. ● Volleyball: CEV Champions League ● Motorsport: Formula 1 ● Athletics: Diamond League 	<ul style="list-style-type: none"> ● Football: UEFA Champions League, UEFA Europe League, Italian Series A, Serbian League, Croatian League, Bosnian League ● Handball: EHF Champions League

Source: corporate websites, media articles and Wikipedia pages on the broadcasting of major sports events.²⁶

In Albania, most of the rights to broadcast sports events are held by the Digitalb/Supersport digital platform, which is owned by the Hoxha family (Top Channel group). In Kosovo, they are held by two cable TV providers, Kujtesa and IPKO.

TV series produced outside the region represent another tried and tested means of attracting audiences and generating advertising revenue. In the Western Balkans, Turkish-made TV series enjoy a particularly strong position. During the research phase for this study, the main commercial television channels in each of the region’s media markets were broadcasting between four and 11 Turkish TV series daily. These series are not necessarily cheaper to acquire than other foreign productions of the same type,²⁷ but, according to Aferdita Saracini-Kelmendi, co-owner and director of RTV 21 in Kosovo, audiences are particularly attracted by the storylines which place a strong emphasis on tradition, family life and values.²⁸ The growing popularity of Turkish

26 For instance, <https://fr.uefa.com/uefachampionsleague/news/newsid=2398198.html>.

27 According to Aferdita Saracini-Kelmendi, Turkish series cost between €400 and €1,200 per episode.

28 Aferdita Saracini-Kelmendi, interview, 12 September 2019.



TV drama in the Western Balkans has not only affected the region's media economy, but it has also had a cultural impact. Some researchers view the large-scale production and export of these series as an instrument of Turkish "soft power".²⁹

Operating in small advertising markets, media outlets are often forced to rely on a limited number of **income sources**, which makes their editorial policies vulnerable to external influences. Local online media in Serbia, for example, often have a single source of revenue that covers 50% of their overall budget.³⁰ As a result, the sustainability of many media outlets depends on support from certain political and/or business actors, or from other businesses owned by their proprietors.³¹

Advertising is often used as a lever to influence editorial decision-making. Reportedly, when the loyalty of media outlets towards the ruling parties is seen to wane, the government and/or affiliated companies withdraw their advertising contracts.³² More generally, advertisers tend to avoid placing ads in independent media, as this would likely prompt blowback from the authorities, who are often the object of critical reporting by these media outlets. For example, Buka, a website in Banja Luka, BiH, blames its inability to secure more than a few advertising contracts on the close ties between advertisers and political groups.³³ Similarly, ethno-national divisions influence advertising practices in the region's fragmented advertising markets (mainly BiH and Kosovo). In Kosovo, for example, Albanian businesses are reluctant to advertise in Serbian-language media, which increases the dependence of these outlets on donor support.³⁴

There are significant shortcomings **in market and audience measurement**, especially in BiH and Kosovo. Information about advertising practices and audiences is scarce, difficult to obtain, and often based on data of limited reliability, quality and transparency. In Serbia, measurement data is generally considered to be robust, while in BiH it enjoys little credibility. Cost is also an issue: audience research is commissioned by a small number of large media organisations but it remains unaffordable for other outlets. High costs and scepticism about the reliability of the data collected conspire to make the future of audience measurement uncertain, as media outlets are increasingly discouraged from commissioning this kind of research.

Regulators have, by and large, failed to actively address these structural issues, and the same goes for **media industry associations**. There are around 25 such associations in the region, but many are largely inactive and only a few promote the interests of the media industry in policy debates. Examples include the Association of Media in Serbia, which advocates for better business conditions in media outlets, and the Association of Electronic Media in Albania, which recently lobbied for part of the revenues from licence fees to be allocated to private media.

Several media industry associations in the region have helped launch self-regulatory mechanisms as well as joint projects aimed at improving audience measurement and business trans-

29 Ağırseven and Armağan, 2017, Evaluating Turkish TV Series as Soft Power Instruments.

30 Slavko Ćuruvija Foundation, 2017: 80.

31 See, for example, MSI Albania, 2019: 10.

32 See more in Hodžić, 2014: 145-147; Kadić-Maglajlić, 2018: 41; Trpevska and Micevski, 2014: 284.

33 Petković, 2016: 4.

34 Ardita Zejnullahu, interview, 18 June 2019.



parency in their countries. However, the resonance of these self-regulation initiatives remains disappointing. There are, for example, no effective self-regulation mechanisms aimed at improving the transparency of advertising (addressing issues such as government advertising, publishing price lists and preventing unfair competition).³⁵ There is a need to create stronger incentives for self-regulation and to support such initiatives when they are launched.

On a positive note, some respondents in this study have suggested that there is **unrealised potential for growth in advertising spend**, in particular through greater investment in advertising by small and medium-sized enterprises, and through increased online advertising, which still tends to be neglected by local companies.³⁶

3.2. Government involvement in media funding

Government funding in its current form is used as a cudgel to control the media. Governments in the WB region not only provide media outlets with significant funds through direct subsidies and state advertising, but they also exert influence over the advertising policies of private companies affiliated with government officials. Government funding for the media is marked by:

- A lack of credible criteria and transparency in the procedures for awarding funds;
- Relatively unqualified selection commissions;
- A high degree of discretion when it comes to awarding funds;
- Limited monitoring of the actual outcomes of government funding.³⁷

Information is hard to obtain, but the data that is available suggests these two income streams – government expenditure on advertising and government subsidies to the media – amount to between €500,000 and €12 million per year in each media system. For instance, after years of exploitation by the previous government, state advertising in North Macedonia was halted in 2015, but municipalities continue to allocate significant funds to the media (at least €500,000 in 2018), a practice which undermines media independence. Paradoxically, these forms of support make it more difficult for some independent outlets to survive. Many do not receive any government funds, while some of their main competitors are media supported by the government. For example, Tanjug, which is state-funded, is the main competitor of the Beta agency in Serbia, while Pobjeda, which enjoys considerable support from the Montenegrin government, is the main competitor of Vijesti.

³⁵ Mentioned by the interviewees with collocutors from Kosovo and Montenegro, for example.

³⁶ Senad Zaimović, interview, 21 June 2019.

³⁷ There are numerous reports pointing to instrumentalised government funding and/or inadequate regulation thereof, for instance Londo, 2016; Kerševan Smokvina et al., 2017; Trpevska and Micevski, 2018; and Hodžić and Sokol, 2018a.



Government funding as a means of ensuring media pluralism has been largely abandoned or has been tarnished by accusations of corruption. Recent competitions in Montenegro for print and not-for-profit media and a subsidy system in North Macedonia for print media have the potential to foster media pluralism, provided that these schemes are properly implemented, and are independently monitored by watchdog organisations.

3.3. Donor funding

International assistance to the media sector in the Western Balkans has traditionally been **extensive, but uneven**. Over the period between 1996 and 2006, donor support for media outlets and the enabling environment for media reportedly amounted to €232.3 million.³⁸ Since then, the level of assistance has been reduced, which, together with the economic crisis, has created additional financial challenges that some independent outlets, such as TV B92 in Serbia and the weekly Dani in BiH, have been unable to overcome.

CIMA identifies Serbia as one of the top recipients of support from international donors, with \$43.4 million of media assistance received between 2010 and 2014 (global support for media in developing countries over the same period amounted to \$2.7 billion).³⁹ The greater volume of assistance provided to the media in Serbia is consistent with the country's overall dominance in the region's media economy, but it also reflects the country's geopolitical importance. The approach adopted by the EU Delegation to Serbia also differs from that of other EU Delegations in the region: the Delegation has allocated multi-year grants to independent media outlets for media production for 2015-2017 and 2017-2020. Representatives of the independent media in Serbia confirmed that this kind of support had been an important factor in ensuring their survival in recent years.⁴⁰ However, international donor support represented only 1% of total media revenues in Serbia, which seems very low when compared to the figure for state aid (6%) and funding for public service media (21%).⁴¹

The involvement of international donors in the Western Balkans has shown a slight uptick in recent years, indicating the growing attention paid to the region in an increasingly unstable global political arena. Many independent media, including commercial and not-for-profit media, continue to rely on donor funding. **Both the US and UK governments recently introduced regional programmes for media support** (with funding levels of \$7 million and £9.5 million respectively). EU assistance has also been increasing since the implementation of the EU Financial Framework for 2014-2020, and pre-accession assistance will continue at a similar or higher level in the new Financial Framework for 2021-2027. There were also indications in 2019 that the German government was preparing its own regional programme for media

38 Aaron Rhodes, 2007, in Irion and Jusić, 2013: 13.

39 Myers and Juma, 2018: 7 and 25.

40 Representatives of the Beta agency, for instance.

41 Ipsos, 2017.



development in the Western Balkans.⁴² These trends point to an increased recognition of the need to promote freedom of expression, counter non-democratic narratives and prevent damaging foreign interference in this fragile region.

Table 6. Current regional media assistance programmes

Donor and assistance programme	Overall value	Period	Overall objective (summary) and main areas
USAID, Balkan Media Assistance Program (BMAP)	\$7 million	Sept.2017 - March 2021	<ul style="list-style-type: none"> Strengthening the sustainability of independent media, and their ability to engage audiences and expand reach Technical support and training for key media partners (10 overall) and a \$2.2m small grant programme
Foreign and Commonwealth Office, United Kingdom	£9.5 million	Summer 2019-Summer 2022	<ul style="list-style-type: none"> Strengthening editorial independence and enabling media to provide a more diverse range of media content The focus is on local media outlets in the WB region
European Union, various projects	€11.2 million ⁴³	2014-2020	<ul style="list-style-type: none"> Enabling the media environment, developing media professionalism, improving standards and providing support to associations, new media initiatives, and investigative media

Sources: *websites of donors/assistance programmes, written replies.*⁴⁴

Current support programmes include **direct support for media outlets**, aimed at strengthening their capacity and enhancing content production. Recently, media assistance programmes have started including activities aimed at building media management skills and diversifying business models with the aim of improving the sustainability of independent media.

There are, however, **limitations to international assistance**. These relate mainly to the short duration of programmes (predominantly one to two years) and the lack of long-term commitment (which should be at least three to five years on average). These factors hinder the strategic planning and development of media organisations and their prospects for sustainability. Limitations also include:

- The overly demanding requirements for project proposals and for project administration;
- An explicit focus on consultancy and capacity-building that is not necessarily well suited to local circumstances and may not correspond to the priorities of the beneficiary;
- The absence of a coordinated approach across programmes implemented by different donors;
- A lack of support for the development of business models;
- The underutilisation of the conditionality mechanisms for EU membership that aim to

⁴² Diplomatic sources in North Macedonia and Albania.

⁴³ In addition, the EU provides technical assistance to PSB through an ongoing regional programme worth €1.5 million, but this is outside of the scope of this study. There are also the ongoing national programmes and, in total, overall ongoing media assistance in the region reaches around €20 million (involving not only direct support to media, but also support to PSB, strengthening judicial practice, improving the work of regulatory bodies, etc.). Further details can be found in the EU factsheet.

⁴⁴ Data at: <https://me.usembassy.gov/balkan-media-assistance-program-call-applications-key-partners/>, https://ec.europa.eu/neighbourhood-enlargement/sites/near/files/20180914_wb_media_days_factsheet.pdf; Foreign and Commonwealth Office Statement of Requirements, project archive; written replies by Mirza Kurtović, Internews country coordinator for BiH, 9 August 2019 and 5 September 2019.



promote an enabling environment for media (including strengthening the transparency of media funding and ownership).

Support is most often delivered through civil society organisations and is not generally aimed at the production of media content. Even though content production may, in some cases, be supported through sub-grants or other projects organised by the main grantee (often a civil society organisation), this creates risks for both civil society and media. It introduces specific hierarchies and dependencies into the relationship between the media professionals who are seeking grants for content production and the civil society organisations who are the grant-holders and who decide what kind of content should be supported.

3.4. Alternative media funding

Media outlets across the region have started to consider **alternative business models and sources of revenue**, including:

- **Community fundraising and subscriptions:** Community fundraising is not a common practice in the region, but there are a number of successful examples that look promising (e.g., crowdfunding for the Krik platform in Serbia, and crowdfunding for a book entitled “Žene BiH - Women BiH” in BiH). Other attempts to raise funding from audiences highlight the limitations of this approach. For example, an initiative by Vijesti, in Montenegro, to introduce subscriptions swiftly demonstrated that, as well as being inefficient, it actually drove readers away. Due to the low incomes of most citizens in the region, successful crowdfunding campaigns are generally those based on unique content which appeals to existing, loyal audiences. Similarly, crowdfunding involving one-off campaigns connected to innovative projects and crisis situations seems more likely to be successful than attempts to secure long-term funding through audience contributions.
- **New patterns of content monetisation:** Some media organisations have tested the potential of creating supplementary, specialised content (e.g., on women, for the diaspora, etc.) that might attract larger audiences and advertisers. Other tried and tested models include offering premium access to part of the content (e.g., BIRN, which offers premium access for a fee), charging for consultancies, teaching or running workshops or courses (e.g., BIRN, which provides tailored analyses of particular topics for a fee), and developing apps with useful features (e.g., Klix, BiH, which has an iPhone app for its website that eliminates ads).

In addition, media outlets have experimented with different strategies to increase revenues and reduce costs. These have included:

- **Adapting advertising practices to reflect diverse client profiles:** For example, the daily Vijesti, in Montenegro, has identified mid-sized businesses as those most likely to advertise with the publication. Conversely, international advertisers are mainly interested in placing



their ads on television programmes with national coverage while large local businesses avoid advertising in independent media.

- **Relying on donor support and diversifying the base of international donors:** Not-for-profit media which rely exclusively on donor support respond to multiple calls for proposals. Commercial media also resort to donor funding to improve their capacity and enhance their production facilities – an enduring requirement which is not always acknowledged by their owners.
- **Cutting costs by moving online** (where the majority of non-profit media already operate): Unfortunately, many media outlets also resort to redundancies and salary cuts in order to reduce costs and remain afloat. At Vijesti, Montenegro, for example, such measures were implemented in the recent past and were revisited in 2019. These cost-cutting strategies jeopardise independent and high-quality journalism and put journalists in the WB region in a precarious financial position. Meanwhile, the number of employees in the media sector is falling (in Serbia it dropped by 1,700 in 2016 alone⁴⁵). And the salaries of journalists remain low: in Serbia, the average net salary for 2017 amounted to €435 and, in North Macedonia, it currently stands at around €300, which is 30% less than the average salary in 2018.⁴⁶

Unsurprisingly, in such conditions there are also frequent violations of journalists' labour rights (delayed salary payments, overtime work without compensation, etc.), and attempts to enforce these rights are largely ineffective. This discourages high-quality journalism. TV channels with foreign ownership, such as Al Jazeera and N1, offer better working conditions and higher salaries for media professionals, but this can have an adverse effect on other media outlets as their most accomplished and best-known journalists accept better-paid jobs elsewhere. In Bosnia and Herzegovina, Al Jazeera employs around 250 people,⁴⁷ and N1 BiH has a staff of more than 150.⁴⁸ Almost all media representatives interviewed for the research study stressed the need to hire more staff and offer better remuneration. They blamed the dysfunctional media market and exposure to various pressures for not being able to do so. Some of them suggested reductions in income tax as a way of encouraging the media to create more openings for journalists.

45 Ipsos.

46 See Nebiu et al., 2018: 7.

47 The representatives of Al Jazeera Balkans said that they were not authorised to provide data on the company's financial position.

48 Data from the N1 [website](#).

4. AUDIENCE





To improve their prospects for sustainability, media organisations need to adapt to changes in audience behaviour. For instance, the growing migration of audiences to digital platforms throws up particular challenges for print media outlets, but also presents opportunities for expanding reach and advertising through online platforms.

Television is still the dominant medium in the WB region, although radio remains relatively popular, particularly in BiH, where its reach does not fall far behind that of the internet and TV. The analysis of the media market in Serbia conducted by Ipsos for the purposes of this study shows that radio enjoys a surprisingly large following among the younger generation. This suggests that there is potential for improving reach and increasing revenues through innovative audio formats and genres aimed at younger audiences.

Table 7. Audience reach per media sector in the WB region in 2018

	Albania	BiH	Kosovo	Montenegro	North Macedonia	Serbia
TV	2,234,625	1,913,505	1,259,995	555,165	1,305,432	5,047,880
Radio	912,629	1,737,351	582,979	198,660	492,170	3,682,491
Internet	1,763,358	1,939,404	1,147,126	490,058	1,425,681	4,883,748
Daily print	807,073	444,663	376,307	73,591	170,293	1,286,168
Magazines	303,911	646,762	303,911	124,642	192,977	2,487,583

Source: Ipsos.

Internet use continues to grow, with an estimated 69.1% of Serbs and 88.4% of North Macedonians having internet access at home. Smartphones are used by 55.5% of Kosovo residents and 81.7% of North Macedonians. The use of social networks is high, with Facebook reaching between 61% of the population in Albania and 89% in North Macedonia. Data from 2016 shows that, in Serbia, citizens spent an average of 175 minutes per day on the internet – less time than they spent watching television, but far more time than they spent reading newspapers or listening to the radio.

The most visited websites across the region are global platforms such as Google, Facebook, and YouTube, websites for classified ads and other non-journalistic sites as well as some news platforms. In BiH, for example, the online news outlet, Klix, tops the Alexa rankings, ahead of the global platforms. Younger audiences increasingly turn to social networks, primarily Facebook, for information and news.

Audience share is highly concentrated in the hands of a small number of media owners. In Serbia, for example, media organisations belonging to eight owners have a 70.7% audience share, and in Albania eight media holdings across different sectors account for at least 72.5% of media consumers. National television outlets have the largest audience share, while smaller TV broadcasters, radio and especially print (whose reach is declining) compete for what remains, and thus have only limited possibilities for increasing their revenues through advertising or crowdfunding.



Some independent media have good reach, in particular television stations in Albania, Montenegro and Macedonia, but also some well-established online platforms. Several new independent media initiatives have already accrued a considerable audience share, most notably Insajderi in Kosovo (which has a reach of 6%) and Reporter in Albania (1.3%), which puts them among the most visited online journalism platforms in the domestic media space. Other independent media outlets, particularly those specialising in investigative journalism and orientated towards specific social groups, cannot compete with mainstream media in terms of audience reach, but they do **provide valuable content that is rarely found in mainstream media**, such as investigative reports, critical analyses and coverage of marginalised groups. Their outputs are often picked up by other media and, thereby, reach decision-makers and influence the news agenda.

Table 8. Audience reach of the independent media

	Established media	Reach
Albania	TV Klan	78.8%
	Top Channel	57.1%
	Vision Plus	33.2%
	Gazeta Shqiptare	12.7 % Weekly
BiH	Oslobođenje	4.4%
	Klix.ba	492*
	Radiosarajevo.ba	258*
	Ba.n1info	209*
	Buka.ba	124*
Kosovo	Koha Ditore	16.8%
	Telegrafi.com	21 %
	Koha.net	9.7%
Montenegro	TV Vijesti	45.6%
	Vijesti daily	31.8%
	Dan daily	25.8%
	Vijesti.me	27.2%
North Macedonia	TV Telma	23%
	TV Vesti 24	20.6%
	TV Alsat	15%
	Sloboden pečat daily	3.1%
	Koha daily	1%
Serbia	Blic daily	4.7%
	N1info.com	877*
	Danas	0.8%

Source: Ipsos, 2018.

*Thousands of unique visitors.



The most popular content is entertainment and sport, primarily major sports events. In North Macedonia, for example, soap operas and entertainment shows have improved the ratings of TV channels,⁴⁹ and for commercial reasons, media increasingly favour entertainment content, which is less expensive to produce.

Public trust in media is relatively low, in particular in BiH and in Serbia.⁵⁰ Some sources suggest that in Serbia, for example, citizens place more trust in online media than in print or broadcast.⁵¹ In Kosovo, citizens strongly believe that the media is directly controlled by political parties (82% of respondents) or by individuals with links to political parties (86%).⁵²

Media outlets in the region try to **respond to shifting trends in audience behaviour** by expanding their presence on online platforms, including their own websites, social media pages and YouTube channels. Larger media organisations have the expertise necessary for online content production, social media management, and digital marketing, and, consequently, they succeed in achieving considerable reach. Technologies and algorithms relevant for digital marketing are constantly changing, and smaller media outlets often cannot keep up with the rapid developments in these fields. These smaller outlets have only **limited capacity for the production, placement and promotion of their content online** (SDK, in North Macedonia, is an example), including mastering new technologies, multimedia production, and niche reporting.

49 Nikodinoska et al., 2017: 4.

50 EU Media Guidelines monitoring, 2017.

51 EBU, 2017.

52 Kosovo 2.0, 2016.



5. INDEPENDENT MEDIA IN THE REGION



Independent media outlets continue to survive despite the harsh environment in which they operate. In this study, *independent media outlets* were identified among private,⁵³ for-profit (commercial) and not-for-profit (non-commercial) professional outlets, including print, TV, radio and online media. For the purposes of this study, the term “**independent media**” was defined as media outlets which:

- Are committed to the production of professional and high-quality journalism;
- Respect professional standards;
- Have a good level of transparency and accountability;
- Make a valuable contribution to media pluralism;
- Have no direct affiliation with political or business interests (i.e. their content shows no signs of being politically instrumentalised or betraying bias towards political or other centres of power).

The notion of independent media also embraces those media outlets that structurally, through ownership, have indirect connections to political or business groups, but nevertheless demonstrate a high level of professionalism as well as a high degree of editorial independence in their journalistic outputs and their business dealings. The study also identified a number of “**new media initiatives**”, including recently established outlets that have demonstrated and/or introduced innovative models for the production of independent journalism and that are, therefore, included in the same category. Based on the criteria outlined above, the researchers selected examples of independent media and new initiatives in the six media systems, and then examined their financial position and their development needs in greater detail. Table 9 (below) presents a range of examples selected for closer analysis.

53 Private ownership means any ownership model other than public/state ownership, and includes ownership by individuals, companies, and non-governmental organisations.



Table 9. Examples of independent media in the Western Balkans

Print		Television
Daily	Weekly	
AL: Panorama, Gazeta Shqiptare		AL: Top Channel TV, Klan TV Vizion Plus TV, Report TV, Klan Plus, Ora News, News 24 TV, ABC News
BiH: Oslobođenje	MNG: Monitor	BiH: N1, Al Jazeera Balkans
KOS: Koha Ditore, Zeri	NMK: Fokus	KOS: Koha Vision TV, RTV 21, Klan Kosova, Arta TV
MNG: Vijesti, Dan	SRB: Vreme, Nin, Novi magazin, Nedeljnik, local: Kikindske	MNG: TV Vijesti
NMK: Nezavisen vesnik, Sloboden pečat, Koha		NMK: TV Telma, TV Alsat-M, TV 24 Vesti
SRB: Danas, Blic		SRB: N1
Radio		Online
Commercial		Commercial
		AL: Shqiptarja.com, Balkanweb.com
AL: Top Albania Radio, Top Gold Radio, Radio Klan, Radio Ora		BiH: klix.ba, Radio Sarajevo
BiH: Radio Sarajevo		KOS: Telegrafi.com, koha.net, Zeri.info, Rtv21.tv, Klankosova.tv, Radiokim.net
KOS: Radio 21, Radio Kim		MNG: vijesti.me, fosmedia.me
SRB: Radio 021		NMK: SDK.mk
		SRB: Blic Online, local: Južne vesti, 021.rs, Presseks.rs, JUGpress
Not-for-profit		Not-for-profit (established by associations)
		AL: Reporter.al, Faktoje.al, qualityjournalism.com.al
		BiH: CIN, Žurnal, Buka, Tačno.net, UPS media, Karike.ba, Udar.net, Diskriminacija.ba
		KOS: Kallxo.com (BIRN), Kosovo 2.0, Insajderi
SRB: Daško i Mlađa podcast, Radio Peščanik (online)		MNG: CIN Montenegro
		NMK: Prizma (BIRN), plusinfo.mk, vidivaka.mk, Investigative Reporting Lab (IRL.mk)
		SRB: KRIK, BIRN, Insajder.net, Cenzolovka, Pištaljka, Istionomer, VOICE, Peščanik, Raskrinkavanje, Fakenews Tragač



5.1. Economic situation of independent media

As discussed above, the problems of oversaturated advertising markets, political interference, hidden or opaque media ownership, instrumentalised government funding, and unfair competition have taken a heavy toll on independent journalism in the Western Balkans. While a number of independent operators continue to defend professional journalism, most of these media, even some that reach large audiences, struggle for financial sustainability and are constantly exposed to a range of political and economic pressures.

Broadcasters from the smaller markets such as BiH and Montenegro face particular challenges regarding competition with United Group, whose extensive media, telecommunication and advertising operations across the region set the conditions for an increasingly dominant position in local media markets. As a rule, the TV news channels which are part of international groups (e.g. N1, present in Serbia, Bosnia Herzegovina, but also in Croatia, and which is part of United Group) are in a better financial position and have better infrastructure and working conditions. Therefore, they are better placed to maintain a high level of professionalism and produce far-ranging, in-depth news coverage (in terms of geographies, themes, diverse sources, etc.). This may well contribute to their large market shares.

The position of other independent **TV channels** that traditionally raise substantial revenues from advertising (for example TV Telma and TV Alsat-M in North Macedonia, or Vijesti in Montenegro) is in decline since they are obliged to compete in oversaturated markets. These outlets experience increasing difficulties in employing a sufficient number of staff and making the necessary investments in equipment and technology.

In absolute figures, the revenues of even the larger independent TV channels in the region range from a few million to up to €12 million, and they typically employ around 100 people. These revenues and staff numbers are still much lower than those of the market leaders such as Pink TV in Serbia (with approximately €66.6 million in revenues, €10.1 million in profit, and 730 employees); TV Sitel in North Macedonia (with approximately €7.03 million in revenues, €300,000 of profit, and 142 employees), or public service broadcasters (funded through licence fees and, in some cases, directly from state coffers), with budgets ranging from €12 million in Kosovo to nearly €88 million in Serbia.⁵⁴ The TV market leaders have overtly commercial content and some of them have been politically compromised and are subservient to particular political actors.⁵⁵

Independent media that do not operate in the TV broadcasting sector have fewer opportunities for generating advertising revenues. Independent **print media** – daily newspapers and news magazines – have found that their business models are increasingly under threat. The

⁵⁴ Source: websites of media outlets and public registers.

⁵⁵ For instance, Pink TV is known for its affiliations with the Government, and the owner of TV Sitel for affiliations with the Socialist Party in North Macedonia.



Koha Ditore daily newspaper in Kosovo, for example, reported that its income from advertising had fallen by 70% in the past few years. Advertising income represents 70% of the revenue of the daily Oslobođenje in BiH, but only 20-30% of the revenues of the daily Danas and the weekly Vreme in Serbia.

In some cases, independent print media have sought grants from international donors in order to survive. Some (as mentioned above) have also resorted to cost-cutting strategies, reducing the number of employees and their salaries. Koha Ditore has cut its staff by 30% and the prospects for maintaining its print edition are bleak: in 2019, only 12 people were employed by the print edition and it is a struggle to keep even these jobs. Volatile cash flows and lax financial controls (i.e. the problems associated with collecting receivables owed by companies and state bodies) make it even more difficult to ensure the sustainability of independent media.

Among **online media**, even those with the highest levels of traffic (in Bosnia and Herzegovina, for example) are unable to cover costs by advertising income alone, and, therefore, partly rely on donor funding as well. A large number of independent online media outlets in the region are completely dependent on donor funding and have limited audiences. Some of these are building partnerships with independent broadcasters or print media at the local or national levels in order to reach larger audiences and achieve greater impact, but political pressure is sometimes brought to bear on these partners when they publish the findings of investigative reports produced by online independent media organisations.⁵⁶

Many of these independent media outlets **operate on a not-for-profit basis**. Not-for-profit independent media outlets also devote concerted efforts to developing new projects and initiatives in order to gain bigger audiences and convince the public to support their work (financially or otherwise).

The annual budgets of not-for-profit independent media in the region range from €10,000 in the case of small media outlets, to between €150,000 and €600,000 for large online platforms with strong reputations, and, in exceptional cases, can go up to €900,000. The more established platforms typically employ between eight and 25 people and, on rare occasions, up to 50 people. For many of them, international assistance is the sole source of revenue, since they are only able to generate a very small proportion of their income from other sources. CIN (BiH) earns small amounts by letting its employees run training courses and Buka (BiH) derives 5% of its annual budget from advertising. Buka attracts more than 100,000 daily visits and its Facebook group has 300,000 members. CIN Sarajevo reached 8.5 million users through its website in 2018 and has a significant number of subscribers. However, even these audiences are not sufficient to sustain media outlets in the current media business climate in Bosnia and Herzegovina.

As noted above, independent media are seldom able to generate significant advertising income. Advertisers avoid placing ads and thus being associated with media that hold power-brokers to account since this can potentially harm their business. Some media (such as investigative journalism platforms) are unwilling to publish advertisements in order to avoid compromising their reputation by a perceived conflict of interest.

⁵⁶ As indicated by Leila Bičakčić, director of CIN Sarajevo, interview, 17 July 2019.



Finally, **local independent media** face particular economic difficulties, since only a very small proportion of advertisements are placed on these platforms, which are even more exposed to political pressures as a result. For example, one of the most vibrant independent media outlets in Serbia, Južne vesti, operates with revenues that are mostly generated from grants. It has just 16 employees. Furthermore, the fees payable to regulatory authorities, network operators, and to authors' and producers' organisations impose a significant financial burden on independent local broadcasters, and are a particular threat to their survival. In 2019, there were some initiatives in both North Macedonia and Kosovo to establish a government support scheme for local media. In Kosovo, the regulatory authority, IMC, outlined a new regulation aimed at introducing a grant scheme for local media. North Macedonia's Association of Regional and Local Media requested from the government to introduce a subsidy scheme for local and regional broadcast media, but, at the time of writing, this proposal was still under development.

The independent news agency Beta in Serbia employs 49 members of staff. Beta managed to repay its debts to the authorities, but has not yet paid all of its salary arrears. Independent media in Serbia also have limited or no access to loans from commercial banks or even to business credit cards.

5.2. Operational and structural needs

The main areas in which independent media need to invest in order to improve their content production and business operations comprise:

- **New technologies** (including, for example, up-to-date broadcasting technology and software for TV broadcasters; software for multimedia production; online editing suites; the development of databases for investigative journalism; and the establishment of multimedia production studios for new media initiatives);
- **Digital security** (protection against hackers, safe internal communications, etc.);
- **Strengthening capacity** (hiring new employees, not only journalists but also IT experts and web designers; training in, for example, investigative journalism, digital marketing, donor fundraising and project management, video production, community-building and ways of expanding the audience base; community fundraising and subscriptions, including through crowdfunding campaigns, membership schemes and subscription systems);
- **Business development and exploring new ways of generating revenues**, including, for some outlets, setting up subpages with supplementary content to attract new audiences and more advertising; commercialising the content archives of TV broadcasters; assuring reliable audience data; and strengthening audience loyalty (including through improvements in content quality: for TV broadcasters, this may mean the purchase of higher



quality programming, and, for online media, the production of multimedia content better adapted to audience interests).

Some of the strategies that have the potential to improve independent media's competitive edge could include networking, exchange of content, joint production, joint advertising offers⁵⁷ and joint purchase of higher-quality foreign content and broadcasting rights. Small investigative journalism teams could be made more sustainable, if they were to operate within a larger media outlet that produced a wider variety of content and, therefore, had greater capacity to attract audiences and generate profits. The Insajder team in Serbia is an excellent model of a small investigative team that operated within a large media company for a considerable period of time. Insajder even managed to sustain itself outside of the host media outlet when the latter was sold and shifted its focus to light entertainment.

Similarly, cooperation between independent media production teams and large, established media outlets (including public service broadcasters) can boost capacity for production, distribution and purchase of content. Examples include the cooperation between Insajder and N1 in Serbia; and, in Kosovo, the cooperation between BIRN and Radio-Television Kosovo.

However, even the most ingenious business models for independent media will not necessarily lead to increased sustainability unless the structural conditions in the media environment are improved.

Mainly, there is a need to:

- Develop policies, regulation and implementation procedures that will limit political interference and the distortion of the market through manipulated government funding;
- Increase the transparency of media ownership and media funding;
- Deal with the concentration of market power in media and media-related business; and
- Counterbalance competitive pressures (mainly from regional players).

Media and the advertising industry need to further **promote the accountability and transparency of advertising practices** through self-regulation, to encourage local business to advertise their products and services, and to jointly engage in ensuring that **audience measurement systems are accurate, reliable and financially sustainable**.

Improvements are also needed in the structural conditions for independent journalism. These include creating better work conditions and salaries, and **promoting editorial independence** by putting formal guarantees in place.⁵⁸ In addition, **education and participation in fellowship programmes as well as participation in international associations of media, media regulators, advertisers, journalists, and other related actors, and attendance of major regional and international media industry gatherings**, can help key stakeholders to understand the persistent challenges to sustainability and find creative ways of addressing them.

⁵⁷ See, for example, a [video statement](#) by Senad Zaimović, 2019. The regional Media Association of South-East Europe was established in January 2018 and includes media from BiH, Kosovo, Serbia, North Macedonia, and Montenegro. One of its key goals is to facilitate the joint negotiation of advertising packages for big international advertisers.

⁵⁸ For further insight into the role of editors in preserving media integrity, see Londo, Hrvatin and Petković, 2016.



The promotion of **media literacy** could involve programmes to empower citizens to recognise, make use of and support (including financially) professional, independent media.

Adequate donor support is required including direct assistance to media organisations tailored to their specific needs and delivered within the medium term or (preferably) the long term. Equally, donor support is necessary for establishing and fostering an enabling environment for professional journalism (as elaborated above).

Many independent, professional media and journalism operations in the region see new opportunities in the **digital environment** and in **innovation**. The development of new formats targeting specific groups and reaching out to new audiences can help either to generate advertising income (in the case of commercial media), or to gain direct financial support from citizens (primarily in the case of not-for-profit media). As one of the representatives of Vidi-vaka, a new initiative in North Macedonia, explained, current niche journalism productions within small teams that rely on digital journalism, have significant potential to slowly grow and achieve sustainability. Some of the independent commercial TV channels see possibilities for growth in the production of quality entertainment programmes, domestic TV drama series and documentaries. Online media or online editions of print media are committing additional resources to special sub-pages and supplements. Some online platforms target the diaspora (e.g., Oslobođenje with its My Bosnia sub-page), youth (e.g., Vreme with its new Vugl portal), and CIN Serbia (which has developed an online platform focusing on privatisation as well as an online game on the misuse of public procurement procedures that has attracted hundreds of thousands of visitors). KRIK has developed a “debunking” platform and a network of similar platforms in the region. Currently, it is aiming to broaden its female audience base.

6. CONCLUSIONS





Independent media outlets in the Western Balkans are facing **major challenges to their financial sustainability**. With the exception of some of the largest broadcasters with national coverage and the most visited online media, the majority of media outlets across the region are not sustainable businesses. In particular, local media outlets, media engaged in niche reporting and/or those critical of the government are unable to generate sufficient advertising revenues.

Media outlets in the region operate within a dysfunctional media system. Their revenues are shrinking, and a larger number of media outlets compete for increasingly thin pickings. Meanwhile, political interference and corrupt advertising practices deepen their woes. Media outlets are further disadvantaged by the radical changes in media consumption habits and advertising flows. As a result, independent journalism is sustained on only a small number of platforms that are committed to pluralism, democratic debate and democratic processes.

Media ownership in the Western Balkans **lacks transparency**, and ownership of media outlets is often used as a **way of influencing** the public and/or the government, in line with the particular political and business interests of their owners. In addition, there is a strong tendency towards the concentration of power in the hands of few dominant players in areas such as media production, distribution, advertising and related businesses (in BiH, Serbia, and Montenegro, mainly the United Group and Telekom Srbija). By acquiring the rights to virtually all premium content, these dominant groups are making it highly challenging for other media outlets to secure a reasonable share of advertising income.

The advertising market is affected by three dominant issues:

- The continuing economic crisis and the shift of advertising budgets to regional and global media and to online communication platforms;
- Corrupt advertising, instrumentalised for the promotion of particular political and other interests;
- A lack of credible audience data.

On the one hand, advertisers avoid placing their advertisements in independent media for fear that it may harm their business while, on the other hand, some independent media refrain from accepting advertising in order to avoid any possible conflicts of interest and to preserve an untarnished public image.

At the present time, a few large regional programmes and several national media support programmes are in place. Many independent media outlets (both commercial and not-for-profit) rely largely or even entirely on support from these international donors. To date, **donor support** has been **the only relatively systematic guarantee of independent journalism** in the region. This support has, however, fluctuated over time and, in general, has followed a downward trajectory. Donor investments also amount to only a small percentage of total media revenues and pale in comparison with the investment made by local governments.

The main limitations to donor support at the present time include:

- Its short duration (typically two years or less), which is insufficient for strategic development;



- Its lack of responsiveness to the priority needs of the media, including a need for business development;
- The lack of a coordinated approach across donors;
- Diplomatic constraints in the case of state/institutional donors for using effectively political conditionality (e.g. EU accession) to promote an enabling environment for media, as perceived by stakeholders in the region.

Government spending in media (through both government advertising and state subsidies) has been extensive. In its current form it has largely been captured by the political elite and misused to promote the political and financial interests of the main political parties and their affiliates. Independent media are not only sidelined in these competitions, but they also face tougher competition from the less independent outlets that do receive state support.

Serbia has the strongest position within the WB region in terms of its media economy, with a level of advertising spending that exceeds the combined expenditure of the rest of the region. It also has the highest number of active donors. However, recent transfers of ownership in the media and cable operator business in Serbia indicate growing state involvement.

National governments as well as the media and advertising industry associations are, for the most part, **failing to address the structural impediments to a healthy media sector** such as unfair competition by global and regional players (e.g., “under-the-counter” selling of audience reach at heavily discounted rates); unreliable and low-quality audience measurement systems; and the lack of transparency and accountability in the advertising sector.

In addition, media outlets in the region are, **in part, kept afloat by cost reductions based on low staff numbers and an underpaid workforce**. Independent media are often forced to resort to these strategies in order to survive.

In terms of advertising revenues and audience reach, **television remains the dominant medium** in the region, but **internet use is rapidly growing**. Media outlets in the region are trying to respond to audience trends by expanding their presence on online platforms, but these efforts are often undermined by an inability to produce and distribute quality, diverse content, including specialised, niche reporting (tailored to serve the needs of distinct segments of the audience or specific social groups less represented in the current media offer), and to purchase new technologies and use them effectively.

Finally, the high number of media currently active in the local markets is unsustainable in the long term. The **ability of independent media to build recognisable and respected brands and distinguish themselves from their competition** will be a determining factor in their future sustainability.



7. RECOMMENDATIONS



There is an urgent need for stakeholders from governments, media and the donor community to step up to the growing challenge of sustaining independent journalism in the region. This can be achieved in the following ways:

Addressing weaknesses in the media market

The media community should engage, together with the advertising industry, in self-regulation aimed at:

- Promoting the transparency of advertising practices (prices, discount packages, improved transparency on the revenues of media and advertising agencies etc.);
- Implementing joint efforts to improve the reliability and quality of audience research and guarantee its long-term sustainability.

Independent media outlets should also engage in setting up models that may improve their financial prospects and sustainability, including by:

- Improving content quality;
- Strengthening relationships with audiences;
- Building capacity to fundraise or monetise media content (through community fundraising – including through membership and crowdfunding, or through subscriptions – and paid access to selected content, to specialised supplements, and to types of content, including sports and quality/light entertainment, that attract larger audiences and advertisers);
- Diversifying sources of funding (relying for example on the potential expansion of advertising by mid-size businesses and digital advertising), which also contributes to editorial independence by reducing reliance on singular sources of revenues.

Improving networking opportunities

Networking between media outlets can serve to reduce expenses, maximise audience reach and promote greater integration of independent journalism within the broader media environment. Key elements of this networking could include:

- Joint production and distribution;
- Content exchange;
- Joint advertising offers;
- Joint purchases of broadcasting rights (including at the regional level).

Supporting media professionals

The media community should also work on improving working conditions and strengthening the integrity of media editors. This can be achieved jointly by media management, journalists, and journalists' associations, with media employing editors through transparent procedures and criteria based on strong professional credentials; by including in the employment contracts of journalists and editors stipulations that protect their independence (such as the conscience clause); and as a rule, particularly in big and mid-size media organisations, by separating editorial positions from marketing and management structures.



Facilitating media reforms

National governments should commit to media policy reforms aimed primarily at the following areas:

- Promoting the transparency of ownership and funding;
- Preventing and countering unfair competition;
- Stimulating employment in media organisations (including, for instance, by covering part of their employees' tax contributions);
- Ensuring that government funding promotes high-quality, independent journalism.⁵⁹

In addition, national governments should promote, inter alia, niche, investigative, and specialised reporting (e.g. on culture, environment), as well as reporting on minorities and other marginalised groups. Their support should include provision for local, minority and community media, which cannot survive on advertising income alone.

This report focuses specifically on the support to sustainability of independent journalism and media reforms, but one should also emphasise that they alone will not lead to the expected results without requirements for and support to the functioning of democratic institutions and procedures.

7.1. Recommendations for media support

Against a backdrop of unfavourable global and regional trends in relation to media financing, which are likely to continue in the longer term, there is a pressing need for **donors to show continued commitment to media support**. Experience from the region and beyond shows that premature withdrawal of assistance risks reversing positive achievements. Previously, independent media could easily be subverted to create partisanship, polarisation and division.⁶⁰ International investment in media development is pivotal to promoting good governance and democratisation in the Western Balkans, and, given the growing financial difficulties faced by independent journalism, this investment is all the more necessary.⁶¹

⁵⁹ This can be done by improving both the criteria for selecting the media to receive subsidies or government advertising funds, and the selection procedures (with decisions being made by expert selection bodies and with limitations being placed on the scope and content of government advertising, etc.). An example of the regulation of advertising can be seen in the 2016-2017 Annual Report on the Government of Canada's Advertising Activities, p. 4. See also Botero Marino, 2011. For a presentation of the legitimate aims of government funding for the media, see, for example, Psychogiopoulou, 2013.

⁶⁰ See more in Deane, 2013, and Voltmer, 2013.

⁶¹ By contrast, only an estimated 0.3% of total development aid in the period from 2010 to 2015 was allocated to media development (Myers and Juma, 2018: 7).



Provide core support to independent media

The needs of independent media cannot be met simply by providing grants for content production. Commensurate core (institutional) support to independent media organisations is essential for their survival and development. This type of support should go also to local independent media outlets that operate in even tougher conditions. Support aimed at improving capacities and developing both new content formats and business models can also contribute to sustainability.

Donor support should be offered for periods of more than just two years (preferably three to five years, and, if possible, for five to 10 years), which would enable the development of media resources and capacities as well as the production of public interest content. This would also foster a real and perceived sense of sustainability that would be more conducive to long-term strategic planning.

Improve coordination and best practice models

Donor investment in media could deliver significantly greater impact if it were better coordinated and if it adopted a more demand-driven approach – i.e., one that is tailored to the context of both the media system and the specific media outlet. It is also important for donors to ensure that effective monitoring and evaluation systems are put in place, and that there are mechanisms for sharing knowledge both within and across donor organisations.

Donor-funded media assistance programmes should seek to protect their beneficiaries from possible pressures (e.g., smear campaigns). Additionally, with a view to retaining/gaining audience trust, it should be clearly demonstrated that the support does not come with strings attached in terms of editorial decision-making.

Finally, media representatives interviewed in this research agreed that the administrative requirements of project-based funding (which are particularly demanding in EU programmes) should be simplified.

Ensure greater equity and better targeting

In order to foster media pluralism and ensure that different segments of the population have access to high-quality media content, donors should ensure that their assistance reaches independent actors across different regions (including national and local media) and different media sectors, including commercial and not-for-profit media,⁶² irrespective of their scope, funding model, format and thematic focus.

Support should primarily focus on the online sphere (since this is where most of the established and new independent initiatives operate). Here, improved online production, more effective marketing, and expanded audience reach are the first challenges that should be addressed. However, donors should not neglect the rare independent media outlets in other traditional media sectors (including television that still holds the biggest reach).

⁶² Support for public media is not a subject of this research, nor is support for non-media platforms and content producers.



Foster partnerships between independent actors

The donor community should also foster partnerships between independent media outlets in order to maximise the impact. Partnerships and cooperation with media, journalists, marketing and technology experts (including web developers and experts in digital marketing, community building, and business) from the more stable and developed media markets in the EU can facilitate exchange and collaboration in journalistic practice and business development.⁶³

The few surviving independent print media, which face acute financial difficulties at the current time, may need donor support to ensure the survival of their newsrooms and newsprint capabilities. Local, community-based broadcasters urgently require operational aid to cover broadcasting fees (payments to copyright agencies, broadcasting licenses, transmission fees, etc.).

Increased, full-fledged support as outlined above is more likely to yield sustainable results. At the same time, it would also send a strong political message to the media community, governments and other stakeholders, that independent journalism has a sustained commitment to holding power-brokers to account and promoting informed citizenship, thus contributing to the EU accession pathway for the Western Balkans.

Consider creating a fund for content production

The donor community should also explore the possibility of establishing a fund for media production that would enable the production not only of news and investigative journalism but also of documentaries, dramas, content on culture and other types of quality media content.

This could be complemented by an initiative to promote transparency and good journalistic practices among the beneficiaries of donor-funded programmes by introducing national or regional branding/flagging/certification,⁶⁴ as a testimony to the accountability and credibility of media outlets.

Improve the framework for grant-giving

Donors should consider more efficient methods for grant administration, monitoring and evaluation, and auditing.

A medium-term (three-year) grant that would cover both the operational and developmental costs of an independent media outlet could vary in size from €100,000 to €300,000 (TV channels, print and online media) in North Macedonia and Montenegro. Larger media groups such as Koha and RTV 21 in Kosovo estimate their needs to be in the region of several million euros, which would enable them to cover costs and improve their operations (with new transmitters, applications, new cameras, etc.) on different platforms.

The selection criteria for media beneficiaries to qualify for international assistance might include:

⁶³ See, for example, the [Mediabridge platform](#), which fosters collaboration on stories produced by local journalists in conflict areas or hard-to-reach regions of the world.

⁶⁴ UNESCO supports the Balkan Network for Trusted Media, aiming to strengthen good media governance and to introduce the principle of ethical audits for media. The Journalism Trust Initiative, run by Reporters without Borders, also promotes self-regulation, including the disclosure of data on media ownership and revenue sources.



- Value of content (including the periodicity of outputs and their public interest value as well as outputs covering under-reported topics; giving new perspectives; promoting societal pluralism; targeting specific audiences; and providing both context and evidence, etc.);
- Transparency and accountability (transparent ownership and sources of funding; dedication to professional standards and (self) regulation; the absence of bias and favouritism towards any political or other stakeholders; and a proven record of journalistic credibility);
- Innovation (in terms of content, audience engagement and business models);
- Reach and impact (a contribution to open debate and public interest, overall reach, reach of specific demographics, including local communities, etc.).


The criteria should be explicit and publicly available, together with details of the selection process. This is important in terms of strengthening the credibility of donor interventions among the general public. It would also help potential beneficiaries to prepare more mature applications.

Adopt a holistic approach

Direct support to media should be combined with political and practical support to policy reforms (as described above), research, and media literacy. The donor community should support initiatives (research, training, and advocacy) aimed at policy changes and improving the awareness and readiness of audiences to support independent journalism and advocate for an enabling environment for independent journalism (including through the EU's conditionality mechanisms).

Without a long-term support on different fronts, independent journalism in the Western Balkans will continue to survive on life support with few real prospects for impact and sustainability.

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The background features a complex abstract graphic design. It consists of several concentric circles and segments in light gray, blue, and yellow. The segments are arranged in a way that creates a sense of depth and movement, with some segments appearing to be layered on top of others. The overall effect is a modern, geometric pattern that complements the text.



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