

## VI THE PRIVATIZATION PROCESS

In his first public appearance (on the conference entitled “Media Strategy – What’s Next”) since he was appointed to the post of Assistant Minister for Culture and Media, Dragan Kolarevic said that the state would withdraw from the media as owner in the time periods foreseen in the Media Strategy. “According to the Media Strategy, it is clear that the state must withdraw from media ownership and we will try to respect the deadlines, while providing for wide public debates and acknowledging the opinions of experts”, Kolarevic said. He added that the new government would continue with media regulations-related activities where the previous government had stopped and that it would not start from scratch. Kolarevic stressed that the Ministry of Culture and Media would not favor either state or private media, because it did not have the right to do so. At the same time, it is the Ministry’s obligation to ensure a stable source of financing and editorial autonomy for the public service broadcasters RTS and RTV. “We will leave enough space to private media to be able to freely and successfully operate on the media market. We will not have any favorites, since the Ministry is not entitled to have any,” Kolarevic said. His sentiments were echoed by other government representatives. At a meeting with the OSCE freedom of media representative Dunja Mijatovic, the First Deputy Prime Minister Aleksandar Vucic said that Serbia want to be a modern country and that it would do everything in its power to reach international standards in the area of media freedoms and that the government would accordingly guarantee full freedom of media. Vucic too said the state would withdraw from media ownership.

We remind that the Media Strategy provides for the withdrawal of the state from media ownership, with the exception of several particular cases, where the share of the state in the media will be regulated by Law. More specifically, the state might remain the owner of public service broadcasters, Serbian language media for the population in Kosovo and Metohija, specific media tasked with informing the citizens about the work of state authorities and public companies, as well as indirectly, through the national councils of ethnic minorities and minority languages media. Regarding the mechanisms for the aforementioned withdrawal, the Strategy mentions privatization, as well as the conversion of state ownership into shares and the assignment thereof free of charge. What is, however, extremely important and is still not being discussed, is the fact that there will be no interested investors for acquiring state media until the media market is not properly regulated. At the same time, even if the state would distribute their shares (in the absence of interested investors) to the citizens free of charge, these media would not be able to survive amid the current state of the market. Therefore, the prerequisite for a successful ownership transformation of state-owned media is the withdrawal of politics from

marketing space in the media, namely opening up the advertising market, putting an end to the practice of giving preferential status to certain media at the expense of others by misusing marketing budgets of public and state enterprises, preventing cartel-like agreements and abuse of dominant positions on the advertising market, as well as putting order in the system of budget financing of the media. The above should be done transparently, in a precisely defined public interest and in a way that will not undermine competition. At the same time, the state should demonstrate greater understanding for various situations existing in specific segments of the media market; it should also encourage (while not losing from sight the need to preserve media pluralism) the consolidation on the market of local and regional electronic media, bearing in mind that market potentials are conducive to the survival of the existing number of the aforementioned electronic media to survive and be self-sustainable. If the above is not ensured, the current situation will persist: the media will be privatized by shady investors, the privatized media will continue to disappear as soon as the local government cuts the budget funding, while the journalists and other media professionals, especially at the local level, will continue losing their jobs, with slim opportunities for new employment in their profession.