

## **The IFJ Conference, Budapest, February 15, 2002: Public Service Broadcasting in Transition / Croatia, Montenegro, Slovenia**

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When we define public broadcasting service as a service made for the public, financed by the public and controlled by the public, then we must add that this public broadcasting service philosophy has always been adapted to national circumstances and at the moment we can hardly find a country where it is implemented in its pure form.

Even more, with the exception of BBC, public broadcasting service is going through crisis in most of European countries, facing problems with organizational structure, financing and with own identity.

How does this fact influence transformation of state radio and televisions into public broadcasting services in post-socialistic countries? We can say that it has significant influence since all broadcasting services in transition are searching for a public service broadcasting model to copy. There are very often wrong assumptions that PSB could be transplanted mechanically.

In the countries of South East Europe it is clear that transformation of state into public service broadcasting is painful and meets much resistance. In most cases we are talking about dinosaurs-type organizations, heavy bureaucratic structures characterized by the lack of control, and inefficient to establish the modern management. In all these countries the most popular myth is that with a good law a state radio and television may be transformed overnight into a public service broadcasting. "A considerable energy was wasted on debates about legislation, while production and programming were addressed only in passing," says Damir Matković from HRT, Croatian Radio and Television, a contributor in this paper.

In this paper we will review, rather than compare, the transformation and the present situation of the public service broadcasting in three countries of the former Yugoslavia - Croatia, Montenegro and Slovenia. (Focus on these three countries was proposed by the organizer of the conference Public Service Broadcasting in Transition - International Federation of Journalists).

These radios and televisions share a significant part of their history. In the former Yugoslav federation they were part of a federal broadcasting system - Yugoslav Radio and Television (JRT). The system was organized in a way that member radios and televisions produced certain programs for all other members. Even some editions of the

news program were produced by one center and broadcast by all members. It is maybe interesting from this time distance to point out that the names of radios and televisions in republics and provinces of the former Yugoslavia didn't include names of respective republics or nations but only names of the capital where they were located (for instance Television Zagreb or Radio Belgrade).

But even such artificial policy didn't help. The JRT system disintegrated even before the disintegration of the federal state. To be more precise, it happened three years earlier - in 1988 - TV Zagreb left the common system first, followed by TV Sarajevo. In 1990 there were only four TV stations remaining within the JRT (those under control of Serbian regime). There was an attempt at the beginning of the 90s to create a federal television. It was called Yutel and it tried to produce balanced coverage with news from all republics, but the process of disintegration was so strong that such news and such media outlet were not welcome any more in any part of the former Yugoslavia.

In new independent states the state radios and televisions obviously didn't gain editorial independence, they were still exposed to political control and pressures and especially during the conflicts and war they often disseminated political and war propaganda.

It is not easy to make simple comparison and evaluation of the transformation of state radio and televisions into public service broadcasting since in some countries of the former Yugoslavia reforms towards public service broadcasting started in the early 90s (Slovenia) while in others they are beginning right now (Serbia).

In all new states private broadcasting media were established during the 90s, although appropriate legal framework for their work was not created in time. It caused many problems to private broadcasters, but was also sometimes detrimental for the public interest. In Slovenia, for instance, frequencies were distributed in the early 90s to private broadcasters free of charge, although soon after that many of them made significant profit out of that.

For state radios and televisions private broadcasters rarely became serious competitors on the national level, because they rarely obtained a frequency with a national coverage, which has been a part of the media policy in most of these countries. In Slovenia, the strongest private commercial broadcaster achieved national coverage by networking regional stations (and frequencies with regional coverage). Nobody knows whether it was legal, but it wasn't illegal either, since the 1994 media law didn't consider and didn't regulate such a situation. Being established in such controversial way this private commercial broadcaster - POP TV - now sixth year into its existence, beats public service broadcasting TV Slovenija in both audience and market share.

### **Croatia: HRT remains the lord of the media space**

The transformation of the state television into the public service television in Croatia proved to be a long, slow and painful process. Ten years after the fall of the communist regime, the Croatian television landscape is not yet worked out in detail. Oversized and over-expensive Hrvatska radiotelevizija (HRT) remains an absolute lord of the television landscape, while political rulers continue to attempt to exert influence on the program,

even though admittedly not so openly as they did during the time of President Franjo Tuđman.

In the course of the past ten years the ruling political party, Croatian Democratic Party (HDZ), endeavored to maintain and protect its monopoly over HRT, excusing its conduct by higher national interests. At a certain moment even 6 members of the Central HDZ Board held key editorial positions within HRT. (During the communist regime only director was a member of the Communist Party Central Committee.) HDZ took over from the previous regime a classic model of state TV changing only its symbols. Tuđman's party's answer to the objections of the domestic public and international community that political party's control over television is not quite in harmony with democratic principles, was: we won at the elections so it is quite normal that we should supervise television. President Tuđman perceived HRT as a specially important interpreter of "Croatian national politics" with this politics having been shaped by the HDZ which had an absolute majority in Croatian Sabor (Parliament).

In order to defend itself in the face of objections coming from abroad and simultaneously retain monopoly over HRT, the HDZ resorted to special tactics. In the summer of 1994 when pressures from Brussels and Washington proved to be too strong, the HDZ abolished legal monopoly held by HRT and allowed the establishment of private broadcasting companies. As for radio stations, too many broadcasting licenses thus allocated created a situation in which Split, for example, had more radio stations than New York! In addition, licenses were granted to reliable friends only. No frequencies remained available for other applicants. The strategy was clear: too many stations on the small market will exhaust each other in their struggle for survival, while the survival will be guaranteed only by close links with the ruling party. Such small and weak radio stations did not pose any serious competition to huge HRT. Television broadcasting licenses, 14 altogether, were allocated according to the same principles.

By allocating licenses to 14 pigmy television stations, HDZ neutralized objections coming from abroad that it obstructed plurality of the media. It was not until just before the elections, when it became clear that the HDZ could not be certain about the victory, that the public invitation for license applications on the national level was sent out. Technical parameters were so exacting that the only two foreign candidates soon withdrew. As a matter of fact, instead of offering frequencies used by one of three national channels held by HRT, which would have been the simplest and the best solution, the HDZ decided to offer the fourth channel, whose setting up is technically very complicated owing to the limited number of available channels and interference of signals from neighboring countries.

Some independent analyses have shown that in Croatia advertising was too meager to enable the survival of four channels. The technical parameters prescribed a complex and expensive transmission network. The transmission system, however, belonged to HRT and it was not clear whether HRT was going to allow, and if yes at what price, the use of its transmission towers. Confronted with such facts, the only two foreign candidates did precisely what HDZ aimed for - they withdrew! Once the foreigners withdrew, the Telecommunications Council, a regulatory body in which HDZ had 7 to 9 members, gave concession to a domestic candidate, Nova TV consortium, whose real owner is not

known up to this day. There are some indicators that the owner might be the right wing of HDZ.

The election promises of the opposition coalition included essential changes in the broadcasting system, elimination of political control over HRT and its transformation into the public service TV, fundamental reforms of the private broadcasting landscape including the checking of all given concessions.

Unfortunately, in the course of two years following their victory, the ruling coalition did virtually nothing in the field of the transformation of broadcasting space. The transformation of HRT from a state TV into a public service TV is slow, while the system of private television stations, remains as set up by the HDZ.

### **Croatization of the television**

It is interesting to note that the Law on Public Television was among the first adopted by new Sabor in June 1990 after the first free elections. At that time, however, the main political duty was not denationalization of TV or its transformation into a public service, but "croatization" of television. As a matter of fact, in the former Yugoslavia, when HRT was a part of Yugoslav Radio and Television (JRT), only 27% of the broadcast program was produced in Croatia while the rest was a program produced by other JRT members. In a surge of enthusiasm that prevailed after the victory at the elections, when the possibility of confederative Yugoslavia or even independent Croatia first appeared on the horizon, a silent political consensus was that television should transform as quickly as possible into Croatian TV.

It was not until the end of the 1990s that the debate on public television started. The debates were encouraged by opposition parties that were dissatisfied because of their under-representation in the program. Rather than carrying out a genuine reform, in 1997 the opposition (leaning on the Italian model *lottizzazione*, at that time already obsolete) proposed division of political parties' influence. Or, to be more precise, it requested control over one HRT channel, meaning that instead of one politically controlled television channel, Croatia was to get a second one too.

In November 1997, a group of journalists dissatisfied with the state within the electronic media, established Forum 21. Its founding declaration included the first consistent plan for the transformation of the state television into a public service TV, for the development of television market and protection of journalists from the arbitrariness of the ruling powers. The Forum's initiative met with broad public support. It was proclaimed the most important civil initiative since Croatia gained independence, but the ruling HDZ rejected every form of dialog. In the spring of 1998 Forum 21 proposed changes in the law intended to enable elimination of the political control over HRT. Opposition parties accepted the proposal and sent it to Sabor. Under public pressure, and pressure by the international community, the HDZ agreed to changes but, thanks to the majority in Sabor, only some minor modifications were enacted with the mechanism of political control over TV remaining in place.

## **The model resistant to changes**

In the course of ten years it became obvious that the Croatian model of state television was curiously resistant to changes. In the first place, the vast majority of HRT employees accepted the influence of politics as something self-understandable. Television in Croatia has been a branch of the ruling powers ever since its foundation in 1956. To have a job with a television company was always considered a privilege, because working for television enabled direct contact with the political elite.

After the power was taken over by the HDZ, the party started an extensive purge that took place in autumn 1990. Those who in the HDZ's view were belonging to the hard core of the communist regime were removed or retired. The second extensive purge took place after Serbs started aggression in autumn 1991. The employees of Serbian nationality who were considered unreliable were removed, as were those who were thought to be Yugo-nostalgic. HRT still suffers the consequences of these purges. For example, HRT's correspondent in a very delicate area of east Slavonia became a 22-year old boy whose only reference was his presiding over the HDZ Youth Party in Solin (a small city in another region in Croatia)! The news editor position was entrusted to a 20-year old girl who spent her whole life in Germany. She did not have experience in journalism, and even could not speak Croatian well. The only reference she had was a membership in the HDZ Youth Party in Bavaria. She participated in a contest for Miss of the Diaspora so this attractive young woman was an ideal solution for the HDZ wanting to show how attentive it is when it comes to linking locals with Croats in diaspora. As for the language, don't we have language editors anyway?

This large group of young people that were selected on the basis of political party's affiliation or birthplace (Herzegovina), became journalistic celebrities, presenters and editors practically overnight. In addition, attractive loans and other privileges were also lavished on them. It is precisely this group that today represents a great problem for HRT. They have not yet mastered journalistic skills but they know from experience that connections with the right "political option" may yield material benefits. From their perspective, the problem does not lie in television being subordinated to politics, but in the fact that a "wrong" political party is in power. They are too young to be sent to retirement and since the freedom of political belief is guaranteed by the Constitution they cannot be dismissed even though during the reign of the HDZ they obediently disseminated propaganda for the ruling party. As a result, HRT today faces a paradoxical situation. Young people who should most fervently demand and encourage changes, if only owing to their youthful enthusiasm, are in fact the most controversial part of journalistic force and employees in general.

During the ten years of its reign, the HDZ completely devastated HRT professionally and in terms of human resources. The new, post-election management board of HRT continued to systematically reject every aid offered from abroad to train people or reorganize business and production. Consequently, 12 years after the downfall of the

communist regime, HRT has not started reforms that would bring it in line with the mainstream in European public television services.

Another important fact is that a vast majority of deputies in Sabor, where laws are adopted, are aware of one model of television only - the one existing in Croatia. Accordingly, the idea of political control over public TV is familiar to them and completely acceptable.

### **New law on HRT**

Like in other countries in transition, in Croatia too a conviction that prevailed was that with the help of a good law the state television may be transformed overnight into a public service TV that would be in harmony with democratic European standards. A considerable energy has been wasted on debates about legislation, while production and programming were addressed only in passing. Experience shows that laws are not in any way correlated with the quality of the program, since the latter simply cannot be regulated by law. And the audience is interested in program, not laws. The law should just set down mechanisms which would prevent political powers to directly interfere with editorial policies of a public TV, while on the other hand, they should ensure stable financing.

Experiences of other countries in transition show that the social environment is much more important than the wording of a law. In the absence of civil values and efficient public influence, even the best formulated laws are just a dead letter. Politicians will continue to issue orders to program editors, and media will perhaps report on this but those who violate the rules will not suffer any consequences. A comparison of legislations in countries in transition with west European legislation, say, French, English or Dutch, could be deceptive in producing an impression that many issues relating to public service TVs in transition countries are better resolved and more transparent. Yet in reality in transition countries political ruling powers continue to exert an important influence on public service TVs, while in France, Great Britain or the Netherlands their influence is much lower and program is of much higher quality. Croatia is therefore not an exception in this respect.

Croatia placed much hope in the composition of the HRT Council, which should play a role of an independent body for the supervision of programming orientations. The Council was introduced in June 1990. Even though its composition changed many times, until the end of the HDZ rule it was composed of the deputies to Sabor. We must add that in 1998 they first became a minority in the Council (10 out of 23 members altogether).

In February 2001, one and a half year after the election victory and following a long public parliamentary debate, Sabor adopted a new law on HRT. Despite bitter objections that could be heard during the parliamentary debate and after it, the new law does create opportunity to eliminate political influence, or at least diminish it.

The greatest attention was devoted to the legal status of HRT. Formerly HRT was legally defined as a "public company", but the legislative reform abolished this category so HRT can be registered only as a "public institution" or "a limited company". The experts

pointed out that the status of a limited company would be more suitable in the future competitive race as it enables greater business flexibility. Nevertheless, probably out of ideological reasons, the government decided on the status of a "public company", which places HRT closer to the state administration than to the market.

The director of HRT is no longer appointed by Sabor but by the Managing Board consisting of 7 members. Six members of the Board are appointed by Sabor. However, they are not selected from among the ranks of deputies, but they are independent experts in finances, legal matters, economy, media and culture. The seventh member is selected by HRT employees by secret ballot. The regulations are obviously clear, but out of 7 Board members, only one is currently well known to the public. This is a composer Nikica Kalođera who has been present on the Croatian musical scene for 40 years now. Other members are unknown to the public, so it is difficult to get rid of the impression that they were chosen on the basis of inter-party agreement in Sabor rather than for their professional merits.

The HRT Council for the first time does not include deputies to Sabor. Two criteria were attempted to be satisfied through such a composition: that representatives of all social layers are included, and representatives of non-political organizations and associations from all walks of social life. Out of 25 members, seven are appointed by various cultural and educational organizations and institutions, one by national minorities, two by religious communities, twelve by various social professional associations and social groups (youths, pensioners and the like). It is paradoxical that the Council, which should protect independency of television, includes three members appointed by the president of the country, president of Sabor and prime minister respectively.

Many arguments against such a high number of members in the Council were put forward in the public debate. Foreign expert missions also recommended a smaller number. Despite this, the Council consists of 25 members with referential examples being Slovenia, Germany, Austria and Hungary. It has already become obvious that such a high number of members hampers work instead of simplifying it. The most important change is that radio and television editors in chief are now appointed by the HRT Council on the basis of public invitations and not on the director's proposal as in the past. This provision may appear more democratic than the previous one at first glance, but in reality it does not observe the demand that a director and editors in chief must form a closely connected and harmonious team. With this provision being such as it is, it could happen that the director's viewpoint on the business and programming policies is completely opposite to that of editors in chief, which could paralyze the operation of the whole HRT system.

For the first time the new law determines license fees. In the past the fees were determined by the government, meaning that the public television was in a subordinate position with regard to politics. With the new law the monthly license fee was set at 1.5% of average netto salary in the country in the previous year. This solution made HRT independent from the current political powers, while on the other hand, it takes into account the buying power criterion which is a very important aspect in the period of a serious economic crisis. Furthermore, this provision compels television itself to manage its finances more efficiently, because it can no longer count on politicians to come to its rescue by increasing license fee.

With a view to enabling a more efficient functioning of broadcasting companies and to introducing market competitiveness, the law prescribed the abolition of Channel Three by the end of 2002 and leasing of the frequencies now used by this channel to the best bidder. This provision provoked much dissatisfaction among some HRT employees who were of the opinion that through this measure the state takes away their property. Dissatisfaction did not reduce even after an explanation that what was implied was not selling out of a part of a building or equipment for a low sum, but leasing frequency to another user. Neither could help the argument that frequencies have never been, nor could ever become, a property of HRT.

The new law took into account the proposal that the national mastodon HRT should be "dismantled" to form three separate companies that will operate independently: Croatian Television and Croatian Radio will have the status of public institutions, while Transmitters and Lines will be a joint-stock company 100% owned by the state. The separation of distribution from the rest of the HRT system is in harmony with European trend to separate production from distribution, but this gave rise to many disagreements in Croatia.

The employees of HRT demanded to be allocated the stocks of the new company, as if they were owners (not the state). The explanation that owners are free to do with their property whatever they choose, was not satisfactory for the union leaders, while HDZ announced that it would give back Transmitters to HRT immediately after regaining power.

The separation of Radio and Television should symbolize the end of a monolithic system of public broadcasting. Since HRT has one business account, the relations between radio and television departments are the source of constant tensions. The radio department complains that it is financially neglected, while the television complains about immodest financial appetites of the radio. In the time when media companies tend to extend their scope of activities, the separation of radio and television services may seem to be an economic failure, but it is in fact the best way to force both of them to go on a slimming diet. There are some proposals saying that once the two departments are separated and reorganized, they should unite again. This implies merging of resources as well, say, a common newsroom and the like, not just physical co-existence in the same building of two systems that accuse each other of reducing each other's funds. Since the deadlines for the establishment of Transmitters and Lines are long since been past, and not even the principles of separation of radio and television department or the division balance have been worked out, the suggestions could be heard that the "dismantling" of HRT should be postponed to some later date.

### **What the new law neglects**

The new law, unfortunately, completely neglects two key elements on which is based the future of public television: new technologies and regionalization. For television, the Internet will be an equally important element as are now transmitters or satellite-cable combination. Digital technology enables widening of programs, introduction of special channels, new services and interactive television. None of this is mentioned in the new law, but even more importantly, within HRT itself the issue of digitalization is reduced to

the question of purchasing new equipment, with no attention being paid to other implications of digital television.

In accordance with the model proposed by France 3, German ARD and Danish TV 2, in spring 1998 Forum 21 proposed the regionalization and decentralization of public TV. However, the new government and the new management of HRT both stubbornly maintain the old system where the entire non-news production (save for rare exceptions) is concentrated in Zagreb, while each of 21 counties has its own regional TV center that employ many people and have many expenses with their share in the broadcast program being only symbolic. In addition, the existing regional centers have practically no programming autonomy, because all decisions are taken in Zagreb. The new government has not shown any understanding for decentralization so far, nor for the strengthening of the regional component, even though this is probably one of the most important future tasks awaiting public TV.

At any rate, the new law does not offer any solution to two biggest problems faced by HRT - too many employees and irrational organization of the system and production. With the total annual income amounting to 160 million euros HRT ranks among the 20 biggest companies in Croatia. Yet the major part of money, as much as 55%, is still used for salaries, so it seems that the main activity of HRT is the production of salaries rather than programs. Only 30% of the total income is spent on the production of program. Accordingly, HRT's program is lacking in domestic serials and entertainment program, because their production costs more than purchasing ready-made foreign programs.

Despite the fundamental reforms announced by the left-center coalition after the election victory in January 2000, two years later HRT is in a hibernating state of "postponed transition". The time for systemic reforms within HRT has not yet come.

### **Montenegro: Slow reform despite foreign aid**

Too many declarations and promises, too few results or essential changes - this is the shortest assessment of the transformation of the state Radio and Television in Montenegro (RTV CG) so far. Even though the first steps towards the reform of RTV CG were made three and a half years ago, with the help of BBC and ZDF (expert appraisals of the situation and needs, programs for the training of journalists and editors, aid in the form of equipment, which resulted in an action plan for changes), the process had not advanced beyond the preparatory stage.

In a predominantly (pre)politicized Montenegrin society, where in comparison with other Central and East European states the transition is ten years late, and with the status of the state still unresolved, RTV CG remains tightly embraced by politics primarily serving the interests of politicians and political parties rather than citizens. The main losers in the race of the government and political parties for primacy within the national media are citizens.

In such circumstances very little has remained of the three main functions of a good public TV which are "inform, educate, and entertain".

## **Legal status**

The legal status of RTV CG is defined by the still valid Law on Public Information (adopted by the Montenegrin Parliament in February 1998). The founder of the public company RTV CG, which consists of Television Crna Gora and Radio Crna Gora, is the Republic or the Assembly of Montenegro.

This law separates the managing function and financial responsibilities (the main responsibility for finances lies with the director, selected by the Managing Board who is responsible to the Supervisory Board) from editorial responsibilities (the latter lie with the editor in chief of the Television CG and Radio CG, supervised by the programming boards). Therefore the director is responsible for finances and the management of technical and common services, while the editors in chief of Radio and Television are responsible for the contents.

Even though the Law on Public Information guarantees freedom of editorial policies and prohibits censorship, RTV CG is, according to this law (and particularly in practice) primarily in the service of political parties rather than the public.

This especially comes to light when management and editorial staff is selected and when programming strategies are proposed and adopted, where the reins are in the hands of the government and political parties.

## **Management**

The Law on Public Information prescribes three managing bodies: the managing board, the supervisory board and the director. The managing board of RTV CG is proposed by the government and appointed by the Assembly with its mandate lasting 4 years. The "Decision on the organization of the public company RTV CG" that was adopted by the Assembly in December 1998 defines that the Managing Board consists of 11 members out of whom 3 are the representatives of the employees. The Managing Board appoints the director of RTV through a public advertisement for this position, for a period of four years.

The supervisory board, which supervises the legal side of the company's management and submits reports to the founder, is appointed by the Assembly at the government's proposal. The Supervisory Board consists of three members, one of them being the representative of the employees.

The general manager (director) of RTV CG is responsible for the company's management, financial transactions that must be in harmony with the budget allocated by the state, increase in revenues arising from the marketing activities, and research on the public opinion (audience share).

## **The influence of the political parties**

The programming policies of the RTV CG are adopted by the parliament on the proposal of the Programming Board that consists exclusively of the representatives of parliamentary parties that are equally represented (the current Programming Board includes 7 members representing all parliamentary parties).

An interesting provision is contained in Article 26 of the Law on Public Information. It prescribes that the editor in chief (who is directly responsible for implementation of programming strategy) may not be a member of the Programming Board - he/she has a right to participate in the work of the board, but has no right to decide.

In addition to proposing programming orientation to the founder and continually monitoring and analyzing its realization, the Programming Board also selects and dissolves the editor in chief. A two-thirds majority is required to elect the editor.

Even though Article 28 specifies that the editor in chief is free and independent, in practice he/she is compelled to maintain close and good relations with political parties and must please them in order not to lose a two-thirds majority support. The candidate selection and duration of his/her term in office is hence to a great extent dependent on the affinities and interests of the political parties, inter-party agreements, compromises and political barter, rather than on the competences of the editor in chief or the quality of the program.

The Law guarantees that all political parties will be represented in RTV CG's program. The rules, which are very strict, are specified in the "Decision on the representation of political parties during the pre-election campaign" (March 1998). Bearing in mind that all sessions of the Assembly are regularly broadcast on radio and television and that a special Parliament TV Channel also exists (established before the elections in April 2001), we get a complete picture of the domination of politicians and politics, their parties' activities and promotions. The Parliament Channel illustrates in the best way possible the intentions of politicians regarding RTV CG - the parties determine, prepare and even edit the program (according to the editorial staff, TV CG is just a "distribution center").

## **New legislation**

New media legislation in Montenegro is planned to be adopted in the first half of 2002.

In July 2001 the Secretariat for Information with the Government of Montenegro formed a working group for the drawing up of draft legislation on the media (public information) and broadcasting. The group is composed of media representatives (both private and state media), journalists and their organizations, non-governmental and governmental sectors responsible for providing information to the public, telecommunications and broadcasting.

By the end of January 2002 the third version of the draft law - harmonized with the suggestions by the Council of Europe - was finished. It envisages new solutions aimed at creating the circumstances (and duties) that would enable the transformation of the state media, including transformation of the state television into public service broadcasting. It is still not clear whether the status, rights and obligations of RTV CG, will be regulated by a separate law or they will be a part of the broadcasting regulations.

The founder of the public broadcasting service will be the Republic of Montenegro, while the founding rights should belong to the Parliament of Montenegro and RTV CG Council. There is a dilemma whether one or two public services (Radio Crna Gora and Television Crna Gora), which would operate as two independent companies, should be established. The relevant bodies of the public service broadcasting should be the Council, the Managing Board, the Supervising Board and the director.

The Council of the public service broadcasting is appointed by parliament. It was suggested that parliament should only confirm the proposals formulated by official bodies. The law should specify who can propose a Council member. The list has not been yet compiled, but it will undoubtedly be composed of the representatives of institutions and NGOs which should ensure that the interests of Montenegro's citizens are met. This should be "reputed experts from the fields that are relevant for functioning of the public service broadcasting" who "endeavor to achieve respect for democratic principles and the rule of law, building and improvement of the Montenegrin constitution, and those who defend human rights and freedoms and protect freedom of expression". The legal framework is undoubtedly necessary but it is not the only precondition for Montenegrin public service broadcasting to come to life and become a public service that would really fulfil its cultural, social, political and economic roles. For this a more serious, even radical, changes in internal organization and methods of work are needed.

### **Financing**

RTV CG is prevalingly financed from the state budget adopted by the Parliament on the government's proposal. More than two thirds of income arise directly from the budget. Other sources of finances are: license fees that are paid through the telephone bills (at the moment the fee is 2 euros), and income from advertising. In 2002 the government allocated 5.65 million euros to RTV CG (maintaining the same level as in 2001, but approx. 3.5 million euros marks less than requested by the management of RTV CG). This type of financing makes the management and editorial board heavily dependent on and responsible to the government. In practice, government officials make advantage of such a situation and thus exercise control over the state media, even shape the content of the program, for example, by specifying or virtually ordering which governmental activities must be featured in the program. The main losers in the race of the government and political parties for primacy within the national media are citizens.

### **Programming**

TV CG has three channels (Channel One, Channel Three, and Parliament Channel) plus a satellite program. Radio has two channels (Channel One broadcasting around the clock, and Radio 98, broadcasting six hours a day, mainly music and content for youths).

Looked at from the perspective of own production, RTV CG became a "national mass medium" in April 1998. Before that, the major part, up to 80%, of the broadcasts was taken from RTV Srbija (formerly RTV Beograd).

Channel One broadcasts app. 17 hours a day (it focuses on daily news and information), Channel Three app. 14 hours (predominantly shorter entertaining features), while the Parliament Channel, in addition to the regular broadcasts of Parliament sessions, also features public notification by the political parties, statements, reports on press conferences, political parties' public tribunes and meetings. RTV CG generally broadcasts many sporting events (mainly foreign), foreign series and movies, musical spots, while the share of the new, own contents is alarmingly low, for example scientific and educational contents, children's program, cultural or artistic contents, documentaries and the like (the documentaries by the Montenegrin TV used to be among the best in the former JRT network).

### **Staff**

An oversized personnel, characterized by low productivity and intense auto-censorship, represents one of the biggest structural problems of RTV CG. The number of full-time employees is app. 850, plus 250 to 300 outsourced staff. It has been estimated that more than 65% of the budget is spent on the salaries. According to the estimation of several foreign experts and consultants (for example J. Shearer, June 1998. I R. Lucas, BBC World Service Training, January 2000) at least one third of the currently active workforce constitutes a surplus. These people will have to be dismissed soon, during the announced transformation of RTV CG. Shedding of so many jobs in the current situation in Montenegro is a delicate social and political issue that has been swept under the carpet so far.

For years the staff used to expand for approximately 100 to 150 new employees each time the management or a director changed. Directors left but employees stayed. Knowing that for years the employees were chosen on the basis of political criteria ("political competences"), rather than personal competences like talents and knowledge, it is clear that each management has left behind it a whole group of unsatisfied workers belonging to the "defeated" (political) option. Accordingly, many employees even today attach more significance to "consultations with political parties" and "party lobbying" than to the quality of work or tasks assigned to them. The employees are quite good at identifying the real centers of power - these are the cabinets of the governmental ministers and political parties - and it is they to whom they turn. This is the reason why journalists are apprehensive when undertaking tasks that pertain to the work of the government or political parties, which, understandably, generates deadly auto-censorship.

### **Audience share, trust, competition**

Even though RTV CG, generally taken, is regressing in terms of programming, personnel structure and technological equipment, rare probes into the public opinion show that it still has the highest share of audience and accordingly, the most influence on the public opinion (even though the competition posed by private, especially local media, is ever stronger).

The last survey of the share of audience (2001, January-February) showed that, despite all we said, RTV CG retains the highest ratings. Channel One is watched daily by 67.4% of the audience on average or 353,944 viewers (the survey used a representative sample, 700 respondents older than 10 coming from 8 municipalities), while Channel Three is watched by 64.5% or 337,715 viewers. Approximately one in three viewers watches only TV CG channels, while as little as 5.48% do not watch TV CG at all.

The major part of the audience (64.9%) believes information broadcast by TV CG.

Even though the competitors' share of audience is essentially smaller (one of the reasons is certainly that they do not have the nation-wide coverage), some of them, for example NTV Montena and Elmag TV, will soon become serious competitors.

Radio CG already had to face competition. Program One by Radio CG has third highest share of audience (on average it has 142,613 listeners daily or 26.2%). The biggest audience share belongs to a prevailingly musical radio station with almost national coverage (Elmag Radio, 41.8%), and local radio stations which are second by audience share (38.5%).

A constant increase in the number of electronic media on the Montenegrin market (at the moment more than 40) poses new challenges to RTV CG.

Looked at from the perspective of competition and its influence on RTV CG and other state and private media, especially alarming is the emergence of several new media (for example, a new TV station whose workforce - more than 20 very creative authors - almost all come from RTV CG Channel Three). These new media suck in professionals from state-owned or private media thanks to the vast sums of money that have. Some analysts of political and media situation explain this as a creation of mass media parallel to the existing state-owned ones, through which the viewpoints of certain political and business elites will continue to be promoted once the state-owned media undergo the process of transformation and their exploiting for such purposes becomes impossible.

Therefore prevention of the regression of RTV CG in terms of programming, personnel and finances, before the launching of the transformation process, is an imperative.

### **Plans, donors' support**

BBC expert assistance, with the support of the EU, started immediately after the new concept was set down and new editorial team at RTV CG was inaugurated in mid 1998. From this period (June 1998) dates the first analytical report on the state of RTV CG (the author was John Shearer). After a hold-off of the project in 1999, a BBC Training Center within RTV CG was formed, and the training programs and studying visits of young journalists and managers to Great Britain started. In January 2001 the Action Plan for the Transformation of RTV CG was drawn up (Author was Richard Lucas). After several further interruption in the realization of the program, the project was reactivated towards the end of 2001 and in the beginning of 2002. A new director of the BBC project was appointed, while the beginning of the implementation of the Action Plan for Changes, which is to last two years, is scheduled for March 2002. Therefore, after the phase of the preparations for transformation (analysis, assessment of the situation and needs), which

lasted three and a half years with several interruptions, in March 2002 we may expect a definite commencement of the implementation phase. The project will be headed by a BBC project director based within RTV CG, who will be assisted by experts in the field of journalism, finances, organizational development and the like, who are expected to introduce and reinforce planned changes.

Parallel to this RTV CG received support from the German government, through the Stability Pact for South Eastern Europe. The aid package for the transformation of RTV CG was conceived in cooperation with the German national TV ZDF, and it consisted in technical equipment, equipment for the newsroom, and trainings for journalists and editors. In addition, political parties were briefed on the necessity of a public service TV. The governmental report on the Montenegro's participation in the Stability Pact includes information that German government allocated 1.9 million German marks to the transformation of RTV CG.

One of the reasons why the preparatory stage has lasted so long is the fact that the foreign aid (experts, trainings, studying visits, equipment) was not matched by equally strong political pressures from abroad urging a switch from declarations, announcements and promises to actual steps leading to the transition from the politically dominated state-owned media into the public service media. Without such a clear political pressure from abroad and democratic pressures exerted by the domestic public, one cannot expect politicians to voluntarily renounce their monopoly over such an important instrument of power as national television actually is.

### **Slovenia: Imaginary successful story**

Towards the end of January this year the RTV Council adopted a business and programming plan for 2002. Like previous years' plans, it does not contain transparent data on programming costs so it is difficult to assess how much one minute of RTV Slovenia's program costs. This is a piece of information that has been repeatedly requested by both the union of journalists working for RTV Slovenia and the professional public, but has not been supplied so far.

In this context let us mention that annual reports by RTV Slovenia are not public, as are those by west European public broadcasting services.

The journalists union also persisted that the responsibility of the management for financial losses and harmful business deals in the past years should be established. Here belong, for example, unfavorable co-production contracts or the purchasing of a large, state-of-the-art van worth around 7 million euros, which is unused most of the time because RTV Slovenia does not have a need for such sophisticated equipment.

Years-long efforts of the union resulted in a replacement of the general manager, while the debate on the responsibility of the programming director has been postponed several times. It will be finally concluded this February at the meeting of the Council of RTV Slovenia when it will be decided whether the programming director will be replaced.

## **Management**

The RTV Council, whose composition is specified in the 1994 Law on RTV Slovenia, is made up of 25 members: 5 are appointed by Parliament reflecting the proportional representation of parliamentary parties (a deputy or state official cannot be appointed to the Council); one member is appointed by the Italian, and one by the Hungarian national minority; 15 members are appointed by certain educational and civil society organizations; the remaining three members are RTV employees appointed by employees themselves.

Many public broadcasting services in other countries in transition are following the same structure of RTV Councils functioning as a managing body. Some of them, however, have made a step forward and excluded the representatives of the political parties from their councils. The RTV Council adopts the statute, annual and long-term financial and programming documents/policies. It also appoints and discharges a general manager, program directors and editors in chief. For years now the composition of the RTV Council and its decisions have been the target of public criticism and criticism by RTV employees.

Despite the fact that the representatives of civil society and other organizations prevail in the Council, their political affiliation has proved to be an important factor in decision-taking, especially decisions pertaining to human resources. The current president of the Council has been nominated by the Olympic Committee, but he is better known to the public for his former presiding over the Communist Party than for his other credits.

Even more compromising for the Council is its conduct in the past few years clearly disregarding the warnings by the union that the management of RTV Slovenia is corrupted and that its actions have detrimental effect on the company.

Moreover, the Council similarly ignored requests by the union to change the statute and abolish secret ballot, and to ban from the Council those members who have business links with RTV Slovenia. The secret ballot actually makes it impossible for organizations whose representatives sit in the Council to know how they vote and whose interests they actually represent.

Eventually the changes that were proposed by the union were enacted by Parliament in September 2001 when the law governing RTV Slovenia was amended for the second time. According to the amended law, Council members are now elected by open ballot and individuals having business links with RTV Slovenia cannot be appointed to the Council.

The absurdity that initiatives by the union of journalists are implemented by way of a parliamentary procedure, meaning with the help of political parties, rather than through the actions taken by the RTV Council i.e. representatives of civil society, has not been the sole such example in recent years.

## **Legislation**

The legislation governing RTV Slovenia was adopted in 1994 on the basis of recommendations of the Council of Europe, EU directives, EBU guidelines and models of public service televisions in European countries. This law, which remains in effect, specifies that RTV Slovenia is a public institution which performs a public function in the field of radio and television broadcasting.

The Law on RTV Slovenia was first amended in 1999 when two important new provisions were introduced. First, all electricity payers became obliged to pay license fee unless they could prove that they did not have radio or television set. This raised the number of license payers by more than 20% or by 50,000. Second, the right of employees of RTV Slovenia to approve nominated editors in chief was reduced to just expressing an opinion on candidates.

In the later amendments in 2001 this provision was changed again, so the employees were given right to appoint their own candidate to the Council if the candidate for the position of editor in chief has not received their positive opinion. The Mass Media Act adopted in 2001 includes the provision that 3% of license fee will be allocated to the financing of the programs produced by local radio and TV stations. This provision triggered constitutional dispute and it is highly probable that it will be revoked.

As for the in-house program share and advertising time, the law stipulates that RTV Slovenia must have at least 50% of in-house produced news and information program, educational, cultural and entertainment contents, while the advertising time is restricted to 15% of daily broadcasting time or 12 minutes per hour (between 6. and 11. p.m. only 10 minutes per hour).

According to the data of the journalists union, RTV Slovenia has no more than 25% of in-house production.

## **Financing**

RTV has huge financial losses, so huge that they are practically impossible to assess. The financial director as of recently is currently engaged in the public (media) dispute with the new management. He maintains that the items that the audit company and the new management consider to be losses (re-selling of hired satellite) in fact represent profits.

The approximate annual budget of RTV Slovenia is 113 million euros. A substantial part of this sum, around 43 million euros, is used for salaries. The company's revenues mostly come from license fees (66%) and advertising (19%). Monthly license fee is approximately 10 euros and there are app. 600,000 license payers.

Any increase in license fee must be approved by the government. In March 2001 the government rejected to increase license fee which meant significantly less revenues for RTV Slovenia than planned.

Loans granted to RTV Slovenia are guaranteed by the government. Since previous management raised so many loans, loans payable accumulated over time and reached such an amount that it is virtually impossible to imagine a way out of debts.

The new general manager introduced saving scheme in autumn 2001. It included a plan to abolish or contract certain programs and individual broadcasts, which gave rise to a new surge of dissatisfaction among the employees and the public.

A considerable part of revenues is generated by the division called Transmitters and Networks, which offers its services to all broadcasters in Slovenia. Instead of allocating this money to the budget for modernization of technical infrastructure, it is now used for financing RTV Slovenia's programs. This situation is unsustainable and it is very likely that this division will be separated from RTV Slovenia in the new law.

University professor Sandra B. Hrvatin in her recent research on public service broadcasting compared the budgets of BBC and RTV Slovenija and concluded that BBC spends 66.7 % of the total budget on news, education, documentary and arts program, while RTV Slovenia spends only 46.3 % for the same purpose.

### **Staff**

RTV Slovenia employs 2,200 people, 370 of them being administrative force. In mid 90s the management of RTV has announced reorganization and streamlining of operations including reduction in the number of employees, but these measures have not been launched so far. According to the journalists union's data, outsourced force numbers as many as 3,000 temps. They maintain that these temporaries work day and night creating a major part of the program, while full time employees do not have enough work. The saving scheme implies contractions of programs, but it is not planned to be coupled with the reduction in staff. There are people in RTV who are without work but still receive salary.

Rajko Gerič, the journalists union leader, says that job positions have not been revised for fifteen years. He compares this system to a dinosaur that still endures although long since been extinct. He points out that the RTV Council ignored the alarming data about the state of programming and business figures, adding that it does not have needed knowledge, will or courage to launch and carry out changes.

### **Programming and competition**

RTV Slovenia broadcasts on two national TV channels and three national radio channels, airs one radio and TV channel for the Italian and Hungarian minorities, produces radio and TV programs for Slovenian national minorities in the neighboring countries, radio and TV programs for foreign audiences and radio and TV programs in the regional centers in Maribor and Koper/Capodistria. Only Program Two by Radio Slovenia attained the highest rating on the national level.

According to the data from January 2001, the highest share of viewing is held by a private commercial POP TV (30%) followed by TV Slovenia Channel 1 with 23%.

The prime time news editions by TV Slovenia also lag behind POP TV's news in terms of audience share (POP TV, which was established in 1995, is owned by CME).

The fall in the share of viewing was followed by the fall in advertising revenues. An advertising war between commercial TV stations, POP TV and Kanal A, and TV Slovenia, lasted several years. Each side accused the other of unfair competition. Eventually (last year) they reached agreement on self-regulation proposed by the Broadcasting Council.

Competition also influenced commercialization of the programs broadcast by public service television. Marko Milosavljevič, an assistant professor at the Faculty of Social Sciences in Ljubljana, is nevertheless of the opinion that TV Slovenia managed to wrench itself away from the maelstrom of commercialization. This is evident in movie program where after an initial Americanization the share of movies of European and other world productions increased. As for the news program, a magazine format broadcast at 10. p.m. attained high share of viewing and received several awards. In the opinion of Marko Milosavljevič, RTV Slovenia finally realized that the only correct strategy is to create complementary programs and not compete with commercial tv stations.

Attempts by some lobbyists representing interests of commercial televisions to achieve the inclusion of a prohibition on advertising for public service TV in the new media law have failed.

### **Ethics**

TV Slovenia has a comprehensive code of professional standards and ethical principles introduced in May 2000. It has been used as a guideline in the work of journalists and other creators of the program. It was modeled after British, Canadian and German public service broadcasters' codes (BBC, CBC and ZDF).

The code specifies detailed rules of balanced and unbiased coverage, responsibilities and accountability of program authors, the principles of news covering, rules for creating contents for minority groups and so on.

Until now the code was mostly used by editors as an instrument in resisting political pressures and objections. However, it still does not provide suitable mechanisms for public complaints. Even one and a half year after its adoption, the professional standards and journalism ethics ombudsman has not been appointed.

### **Perspectives**

The professional and general public in Slovenia waits on a new legislation on public service broadcasting RTV Slovenija (according to some sources new legislation is to be prepared during this year) in an atmosphere marked by a decade long lack of strategy and vision in this important public media organisation.

All development plans were overshadowed by financial difficulties and management crisis.

An attempt to contain short-term costs and expenditures was a document entitled

"Strategy of operation until the end of 1996" which specified a 3% reduction in salaries, 10% reduction in the staff and outsourced force, and 50% reduction in hired capacities and external production. None of these plans has been realized. Another document called "Strategy of development until 2000" reveals an attempt to define a long term strategy of development. It envisaged 24-hours a day broadcasting including morning and night programs to be introduced by 2000 (they were not), the beginning of pay television and special programs. It also stressed the need for interactive broadcasts, presence on the Internet, and on-line services. Only presence on the Internet was implemented by 2000.

Although for a number of years now RTV Slovenia has been considered an exemplary and advanced public service broadcaster in a country in transition, the model is in fact deficient and marked by a number of failures and hesitation as regards reorganization and streamlining, a number of business and programming miscalculations, compromised management and Council, and progressive losing of the market share. Transformation into a public service RTV has nevertheless included some positive shifts too, among them the most important being absence of direct political influence and control over television.

In fact, the good legal basis set down in 1994 was not followed by anything that could be understood as a clear concept or an action plan for a long-term, streamlined, stable and credible operation.

Valuable time has been wasted weathering crisis by crisis, struggling for the market share, and relying on the government to increase the license fee. On the other hand, actual reforms and answers to the questions of how to define precisely the mission of a public service institution, how to secure finances to fulfill these tasks, or how to carry out internal reorganization and rationalization have not been addressed.

Another chronic illness of RTV Slovenia is non-transparency, especially in the areas of financing and production. Clear and explicit presentation of operation is precisely the feature stressed by EBU which views it as an essential part of a public broadcasting systems and a part of its accountability to the public.

Analyzing reforms within RTV Slovenia, a Bulgarian researcher Danail Danov correctly concluded that RTV Slovenia still has to decide whether to regard its product as having a cultural or economic value. Finding the right balance is a duty of each society relying on own tradition, needs, models and capacity. Despite the reputation of RTV Slovenia as being a success story in the field of public service broadcasting in transition, we should point out that the balance mentioned by Danov is still not found. More importantly, experience so far does not leave much hope that RTV Slovenia has potentials for strategic thinking, elaboration and implementation of a model of a public broadcasting service with a clearly defined mission and equally clear and transparent source of finances.

Therefore, an answer to the question of what the outlook of the public service radio and television in Slovenia is, is a pure guesswork. The EU left public service broadcasters to national politics and market forces. Every member state should hence define the public interest that should be serviced by a public service broadcaster. As Sandra B. Hrvatin concludes in her study, public service broadcasters in the majority of European countries

are going through a crisis, while the market approach is becoming the model for the future. Such circumstances in the EU countries only increase uncertainty of reforms in public service broadcasting in the countries of our region.

## **Conclusion**

Public broadcasting services in Croatia, Montenegro and Slovenia are definitively at different stages of transition, but after the review we can make few comparisons. It is obvious that RTV Crna Gora is still functioning as a state radio and television and is only beginning transition towards public service broadcasting.

In Slovenia, the RTV Council has 5 representatives of the parliamentary political parties. In Croatia - according to new law adopted in 2001 - there are not representatives of the parties in the Council of HRT but there are 3 representatives appointed by the president of the country, president of the parliament and prime minister. In Montenegro at the moment the Managing Board is proposed by the government, while Programming Board is exclusively composed of the representatives of political parties (!). Draft media legislation in Montenegro proposes that new RTV Council should not include any representatives of political parties and this represents the most important change. It is still open whether the parliament of Montenegro will adopt such legislation and if it will be in the first half of this year as it has been planned.

In Slovenia, any increase of license fee must be approved by the government, in Croatia according to the 2001 law, the license fee is set at 1.5% of average net salary in the country in previous year.

Obviously, a search for proper model to avoid political control is still a predominant occupation, while focusing on the building strategies for balanced programming, financial stability and effective management is rather delayed.