

V THE DIGITALIZATION PROCESS

Irina Reljin, the Assistant Minister of Culture, Media and Information Society in charge of telecommunications, told the daily “Politika” that the switching off of the analog signal and the switchover to digital TV broadcasting, scheduled for April 4 next year, would be postponed, whereas the preparations for digitalization would continue. Reljin said that the reasons for postponement were the elections, as well as major international sports competitions planned for next year – the European Football Championship and the Olympic Games. “We cannot start switching off the analog signal before it’s all over,” she said. “A partial switchover of the digital TV will start in 2012, by zones, on certain parts of the territory where a test network of 15 low-power transmitters will be set up. Our country opted for such an approach because it is impossible, with so many TV stations and saturation of the frequency spectrum, to simultaneously broadcast analog and digital signal, as it was done in some countries,” the Assistant Minister said. “Politika” also reported that the entire digitalization process would cost about 75 million euros. The bulk of that sum will be spent for setting up the digital network, while less money is needed for receivers in the households that will receive their program via terrestrial antennas. Under the agreement of the International Union for Telecommunications, which Serbia has signed, the last deadline for the digital switchover is June 17, 2015. The Draft Amendments to the Strategy for the Digital Switchover in Serbia are being finalized, providing for the switchover to take place in stages, as well as for test broadcasting of the digital signal, the daily “Danas” reported. “The equipment for that job has arrived, in the scope of the IPA program and we are currently in the process of reconstructing the poles, namely the transmitter sites, which haven’t been refurbished for decades,” the State Secretary for the Digital Agenda in the Ministry of Culture, Media and Information Society Jasna Matic told “Danas”. In her words, the works are currently underway on 25 sites simultaneously, of which 15 sites have been designated for the Test Network. The works should be finished in the course of the winter. Matic added that the Test Network would cover between 40% and 50% of the viewers in Serbia, who would be able to get the test digital signal.

The current Strategy for the Digital Switchover has set the deadline for the complete switchover to digital terrestrial broadcasting of television program in the Republic of Serbia for April 4, 2012. In our previous monitoring reports, we have pointed to serious delays in the implementation of the action plan accompanying the Digitalization Strategy, which have inevitably led to the postponement of digitalization. The fact is that digitalization, as a complex and demanding task, had also been postponed in much wealthier and technically more advanced countries than Serbia. Actually, extremely rare are countries where this

process was finished in the originally set time limits. In view of the above, the problem is not the postponement itself, but the fact that it was announced only recently, although those who manage this process must have been aware of this reality for quite some time. At the same time, the circumstances, particularly those pertaining to the occupation of the spectrum, have dramatically changed since the time when the current Strategy was adopted. Many stations have, in the meantime, for various reasons, lost their broadcasting licenses, opening up room for both the switchover in stages – instead of a one-day switchover throughout Serbia – and for a more serious simulcast (simultaneous analog and digital broadcasting), which will enable the system to be thoroughly tested before the final switchover. This was, to a certain extent, foreseen as a possibility by the current Strategy, which says that a reduced occupation of the spectrum, prior to the date of the complete analog switchoff, could enable the conditions for the introduction of the simulcast for national broadcasters on the entire territory of Serbia. The latter just happened. What is now extremely important is to consistently adhere to the adjusted deadlines provided for by the amended Strategy. It is also important to responsibly plan the digitalization costs, which will logically not be possible to finance entirely from the pre-accession funds of the EU, meaning that realistic and feasible mechanisms for covering these costs ought to be planned.

VI THE PRIVATIZATION PROCESS

At the presentation of the programming, structural and economic trend of the media in Serbia for the period July-November 2011, the Professor of the Belgrade Faculty of Political Sciences Miroljub Radojkovic said that an omission in the Strategy lied in the fact that it predicted that the media that would remain unprivatized would include ethnic minorities' media and regional public service broadcasters. "The fear that handing the media over to ethnic minorities' national councils will mean that such media will be controlled by the political parties controlling the councils, is justified. The other major omission of the Strategy is the concept of establishing regional public service broadcasters in six cities, which will lead to a major political and electoral wheeling and dealing as to where these broadcasters will be based", Radojkovic said.

In parallel with the opinion of the experts that it is a bad idea to renounce the privatization of a large number of media, the media have continued to report about individual cases where privatization did not bring about the desired outcome. Hence, in early November, it was confirmed that the Privatization Agency had revoked the privatization of the Kragujevac-based weekly Svetlost. The Agency explained that the buyer had failed to pay the fifth

instalment of the sales and purchase price. Svetlost was sold in May 2007 for 21 million dinars, which amounted back then to around 260 thousand Euros, to be paid over six years. The annual instalment was 43,500 Euros. Svetlost's account has been blocked for the last 355 days due to a forced collection of claims in the amount of 3.7 million Euros. The actual losses and debts of Svetlost towards the state, creditors and employees shall be established by the temporary representative of state capital, which will, in the next three months, analyse the financial situation in the newspaper and propose either a new privatization or a bankruptcy procedure. Meanwhile, the employees have been demanding, since the beginning of the year, their salaries and benefits for pension and disability insurances. At the same time, they continued working and Svetlost was released each Thursday, as usual. Even more paradoxically, the owners that have resumed with the publication of the newspaper have not omitted the names of the striking employees in the impressum, despite the fact that they had not participated in the production of the newspaper content. The Kragujevac-based Svetlost, one of the oldest weeklies in Serbia, was privatized in 2007 and sold to a consortium led by the local businessman Gvozden Jovanovic. The then journalists have meanwhile left and set up a new weekly – Kragujevacke novine, while the new content team of Svetlost went on strike over unpaid wages and ultimately ceased working early this year.

The local television station TV Valjevo has ceased broadcasting its program in the cable SBB network after it sold most of its equipment in order to pay the salaries of part of the employees, "Privredni pregled" reported, citing sources in the station. TV Valjevo stopped airing its news program on January 20 and its signal became invisible on the cable network even prior to that, due to unpaid lease of the transmitter. TV Valjevo was privatized in February 2010, when it was bought for 147 thousand dinars by Slobodan Pavlovic from Urovac, near Obrenovac. Pavlovic also bought Radio Barajevo on that occasion. The Privatization Agency terminated the sales and purchase agreement with Pavlovic on March 28, due to non-compliance with contractual obligations. A temporary representative of capital was appointed in May. The remaining five employees of TV Valjevo are waiting for the bankruptcy proceedings to start.

Djordjo Bojanic, the representative of public capital in the Information and Advertising Center "Kula", has been dismissed from that function after the cancelled privatization. The employees in the IPC "Kula", which includes Radio Kula and the local paper "Kulska komuna", claim that Bojanic's dismissal was politically motivated. According to "Dnevnik" from Novi Sad, in the last two years since the privatization of IPC "Kula" was cancelled, the current account thereof was unblocked, the taxes and benefits paid and the salaries paid on time. The newspaper is being released routinely, while the radio station is on the air, as usual.

Everything is going on normally, but the state, the trade union says, is unable to find an acceptable privatization model or create an environment for the commercial media to be successful. At the same time, after it cancelled the privatization of IPC “Kula” and returned it under state control, the government continues to remind us why privatization is necessary by engaging into politically motivated dismissals of the media managers.