

The Government of Serbia passed on 3rd November 2015 a decision to close the news agency, Tanjug.

Until today, Tanjug has been functioning as if nothing had happened, many clients – and we kept all our clients, and media, and companies – claim that performance is even better and more quality than before, however, with half of our staff (currently around 100) and without subsidies that were cancelled on the same day when the decision on closure of the agency was passed.

We simply refused to stop working and refused to close the agency, and the Government's decision, i.e. legal framework under which we currently operate does not stipulate a deadline for formal closure, and therefore, in legal terms we do not violate the law.

Essentially, we ignored the Government's decision, and in the meantime certain novelties appeared in our favour.

A novelty would be the new office, i.e. the new Minister of Culture and Information, whose relation towards Tanjug and its importance was completely contrary to his predecessor's.

The only constant in the opinion that Tanjug should continue its operations is the Prime Minister, because practically since the "beginning of the end" he recognised that need. Whether a state-owned or a private agency, but fully in accordance with the opinion stated by the Board of this Association in a letter sent to the Government of Serbia (twice) last year – that regardless of the ownership model and any failure of the first round of privatisation process, Tanjug should be enabled to continue its mission to be a reliable source of unbiased news.

However, let's go back to the beginning of this case, which I believe is without precedent, and if we speak of closure of a national institution, which at that moment recorded a significant profit, had no debts or any professional failures. We practically fought against one administrative and essentially unfounded and harmful decision.

It is a unique phenomenon without precedent in the world. There is no country in this world that does not have a national news agency.

As theorists often emphasize, news agencies are media of media. Digital era, social networks, portals did not change much. On the contrary. Someone must produce the content, as it is said in modern media industry, the main news, relevant one, significant for the public, in a timely manner and – correct, i.e. reliable.

Was Tanjug performing its main function well? All researches indicate that it did. It had almost absolute coverage in Serbia and an extraordinary reputation abroad. In the region also, after conflicts in the Former Yugoslav countries.

Even in 2012 a research, which was conducted within the European Journalism Observatory, showed that the most reliable source was Tanjug regarding key information shows.

An independent agency did a survey that confirmed this conclusion, and noted that the possible removal of Tanjug from the market would devastate Serbia's media industry. In the conditions of the increased commercialization and tabloidization of the media, Tanjug truly performs a role of reliable public service news organization.

Therefore, the decision made by the Government of Serbia on closure of the public company News Agency Tanjug is a result of obstruction by the former governmental administration, which received significant assistance from certain structures from the European administration, and which conducted a privatisation process in a manner so that the process proved to be unsuccessful. They simply waited for the expiry of deadline stipulated by the Law on Public Information and Media.

Namely, the law stipulated that Tanjug should be privatised until 31st October, and in case of failure until that date, to acknowledge that the law on Tanjug ceased to be valid and that the agency should be closed.

However, the entire process, i.e. the campaign against Tanjug, more precisely attempts to remove Tanjug from the market, where Tanjug would be a dominant source of news, and to make space for other media players, has lasted for several years now and was finally realised by reference to

the alleged requirement from the EU, which was included in the law, that the state must not possess any media.

Apart from several arguments to such claim, which I will state later, I will specify only two facts that support a thesis that certain interest groups and structures had the objective – not to privatise Tanjug, which was also our idea – but to destroy it and finally close down.

In the beginning of 2015, one European Union mission visited Belgrade, and, among others Tanjug. During conversation about future of Tanjug, which even then could be anticipated, one Mission member stated the next dilemma by asking me: Can we conclude that it was someone's idea to put Tanjug out of the game?

Secondly, when decision on closure of Tanjug was published, current state secretary in the Ministry of Culture and Information, I do not wish to mention his name, stated that "two private agencies are sufficient for Serbian market".

I believe that you would find it hard, as I did, to imagine a European state official to arbitrate in such a manner in the market by saying, for example, that for German market it is sufficient to have only Mercedes, no need for BMW or Audi...

Although declared objectives and ideas of the new media strategy, which were subsequently incorporated in the law, cannot be disputed as such, an impression remains that interests of the private capital affected specific decisions, and everything was done under the veil of harmonisation of legislation with the EU directives.

Decision-makers did not take into account the specific nature of activities of the news agency, the fact that great majority of news agencies in the world is one way or another publicly funded, i.e. their business operations have public characteristics.

Specific features of Tanjug were not taken into account, i.e. the fact that it was the only media in Serbia that had its law, the Law on Tanjug, so it was

privatised "in a package" with local radio stations, which for example had only three or four employees.

Leaving aside the debate on whether news agencies should be owned by the state, it can be concluded that the process of privatisation of Tanjug was marked by inertia, lack of interest, controversial decisions, and practically even by deliberate obstructions by certain governmental officers and agencies.

Government of Republic of Serbia adopted in September 2011 document titled "Strategy of development of public information system in Republic of Serbia until 2016". The document popularly called "new media strategy".

Arguably the central part of the strategy was underlined and clear commitment on behalf of state to relinquish all state ownership rights in the media publishers whether as a majority or minority owner. The only exceptions were public broadcasting services and minority community media. The financing of public interest in public information would be done exclusively through projects of co-financing. This was the first time that Tanjug news agency wasn't considered as an exception to this regime of privatization, and therefore it was to be excluded as service in public domain, and consequently to be privatized.

Even before the new media strategy was published, management of Tanjug had been taking measures in order to transform Tanjug towards a more efficient business model. These measures included reform of business politics, introduction of new multimedia services, investment in new technologies, etc. In this period Tanjug managed to take overwhelmingly leading position in the Serbian news market, and was most cited and most credible source of information. However the fact that Tanjug was a public enterprise, under the supervision of government, meant that space for more radical reform was limited.

When the new media strategy was publicly announced, the need for more comprehensive reform became even more pressing, as it was the precondition of successful privatization. In order to insure that the agency

would be ready for takeover, the management in the period 2011 – 2015 addressed the competent ministry and other state authorities on dozen of occasions, stressing the issue of excess of employees, and demanding guidelines on how to handle process of privatization.

The cooperation of the ministry and government was curtail, not only because the agency was a property of state, and that the state authorities would be in charge of the process of privatization, but because the dealing with the problem of redundancy of employees couldn't be done without state cooperation, and its financial support. None of these initiatives were ever taken in the consideration. Moreover the agency never got a reply to any of them.

Eventually the news media strategy was implemented through adoption of set of new laws, most notably the new Public Information and media law ("Official Gazette no. 83/2014 and 58/2015) in 2014. The newly adopted law set a 31 June 2015 as the final date for privatization, which was latter prolonged until 31 October 2015, and also derogated the Tanjug law which would also cease to take legal effect on 31 October 2015.

As expected, the privatization of Tanjug sparked the biggest interest in public.

The process of privatization was managed by Serbian Agency for privatization.

The whole process was to be conducted in three potential stages. The first bidding price would be 100 percent of estimated valued, and if there are no interest for the enterprise in the first stage, the price would drop to 50 percent in the second stage, and finally 30 percent in the third stage. It is worth noting that law envisioned the fourth stage in case there is no investor interest, and that was employee stock holding.

The enterprise went through 2 stages of assembling of the bids, but eventually failed to draw interest and any concrete bid by potential buyers.

This result came as no surprise, having in mind that the company was not fully financially sustainable, for the reasons previously mentioned, and needed additional investment.

In this state of affairs the Agency for privatization concluded that the privatization process had failed, although official decision was never made. This was subjected to public criticism because there were enough time to organize a third stage of bidding, were the starting price would be 30 percent of the estimated value, but Agency for privatization arbitrarily decided against such option, which was highly dubious from a legal stand point of view.

The forth step envisioned by the law, transfer of company stocks to employees, also never took place. Instead on the 03 November 2015, government adopted a "Decision of legal effects of cessation of Public Enterprise News Agency Tanjug (Official gazette no. 91/2015, 102/2015)", by which the Tanjug ceases it's activates on the 31 October 2015. This was also a date of termination of employment status for all the employees.

The archive materials of the agency were to be handed over to Archive of Yugoslavia, and after the fulfilment of all obligations to third parties the agency would be erased from Serbian Business Registry.

This decision was and still remains one of the most controversial highlights of media privatization process in Serbia, and it is often debated in public circles.

However up to this date the decision was never fully implemented, meaning the Agency is still active legal entity.

Therefore, on 31st October Tanjug lost the right to subsidies from the state budget, which amounted from 65% to 70% of the agency's budget, but Tanjug was not out of the game; on the contrary.

In extremely difficult circumstances we managed to preserve the professional level and quality and meet all market's requirements without doing anything that may harm the reputation and integrity of the agency.

We highly appreciate support from users of our services and partners in media market.

We are grateful to current administration, the Government and the Prime Minister for protecting, essentially, the brand and legitimacy of Tanjug.

We are also especially grateful to this association that clearly stated that there must be a way which would enable Tanjug to, regardless of the first round of unsuccessful privatisation process, continue with its mission of being a reliable source of unbiased news.

The new minister announced that "the case of Tanjug" will be reconsidered and that the solution, i.e. model will be sought in some of solutions applied in European countries.

To conclude – perhaps it was good that everything happened as it did. Transformation of the agency was surely inevitable and desirable. In recent years we have made an extraordinary breakthrough both in professional and financial terms, but we were constantly under mortgage, so the basis for such success was the state aid. Now we have proven that that was not the reason for our dominance. Although we proved it in the harder way and under extremely difficult circumstances.

When the Government passed the decision on closure, I called my colleagues and said: This is the worst that could have happened to us. Nothing worse can happen. Therefore, after this we can only expect good things to happen.

And, I believe, that is just happening.

I hope that we will triumph in the end so as to be able to say: We defended our position, our profession and we preserved Tanjug.