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Media Financing as a Mechanism of Media Capture in Bosnia and Herzegovina and Serbia

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Abstract: This article examines public media financing as a mechanism of media capture in Bosnia and Herzegovina (BiH) and Serbia. Based on a qualitative comparative analysis of academic and policy sources, it compares two models: BiH's decentralised system of direct subsidies, grants, procurement and public-sector advertising, and Serbia's project-based financing system introduced through the 2014 reforms. Despite their different institutional designs, both enable political influence through opaque or discretionary allocation, governance arrangements and weak safeguards for editorial independence. The findings show that formal reforms alone do not prevent capture when regulatory, ownership and political structures continue to reinforce media dependence on political actors and public funding.

Keywords: media capture; public media financing; state advertising; project-based financing; public service media; Bosnia and Herzegovina; Serbia

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Introduction

Media financing has become a central issue in debates on the future of the media and the sustainability of journalism. Amid profound transformations of the media economy, migration of advertising revenues to digital platforms and changing audience consumption habits (Egan et al., 2026; Picard, 2016), securing sustainable and sufficient sources of income has become one of the greatest challenges facing media outlets. Media financing is equally central to discussions of media freedom, since financial resources can shape editorial priorities and content (Dragomir, 2018). Quality journalism depends on legal guarantees of freedom of expression but also on access to sustainable, diverse and independent sources of financing. Across Europe, public funding has been recognised as a legitimate policy instrument for promoting media pluralism, supporting local and minority media and investigative media reporting (Murschetz, 2020; Council of Europe, 2018). States also have a positive obligation to create legal, institutional and economic conditions that safeguard the sustainability of the media sector and protect editorial independence (Council of Europe, 2016; UNESCO, 2022; European Union, 2024).

Financial support, however, has more often been used as an instrument for influencing media reporting (Dragomir, 2018). Without adequate safeguards, transparency and independent oversight, financial resources may create incentives for self-censorship or interference in editorial decisions.

Establishing effective safeguards against such influence has proved particularly challenging in post-communist media systems. The transition from state-controlled to market-oriented media systems during the 1990s was expected to strengthen editorial independence through privatisation, liberalisation and the development of competitive media markets (Jakubowicz, 2007). Although important institutional reforms were introduced across Central and Eastern Europe, political influence over the media did not disappear (Boshnakova & Dankova, 2023). Many former political and economic elites adapted to the new market environment, using ownership structures, public resources and regulatory capture to maintain influence over the media.

In Serbia and BiH, political control over the media intensified during the wars of the 1990s, when media were instrumentalised for nationalist mobilisation and propaganda (Thompson, 1999; Gordy, 1999; Kurspahić, 2003). Although the post-war period brought a significant decline in wartime propaganda, political parallelism remained a defining feature of the media landscape (Boshnakova & Dankova, 2023).

Media ownership has often been opaque, concentrated and influenced by politically connected business interests (Sokol, 2025; Milojević & Kleut, 2023). Donor assistance and international media played an important role in establishing independent journalism, but they were insufficient to transform the broader political economy of the media or weaken the structural ties between many media outlets and political power. Declining donor support, weak advertising markets and the migration of revenues to digital platforms in recent years have undermined independent and public-interest journalism, leaving many outlets dependent on public funding, politically connected advertisers or owners with vested interests (Sokol, 2025; Nielsen & Ganter, 2022).

This article uses media capture as its analytical framework and examines media financing in BiH and Serbia as one of the principal mechanisms through which media capture operates. It compares BiH's decentralised system of direct subsidies, grants, public procurement and state advertising with Serbia's project-based financing model introduced through the 2014 media reforms. It argues that, despite their different institutional designs, both models enable media capture through opaque and discretionary allocation, weak oversight and inadequate safeguards for editorial independence.

Theoretical and Methodological Framework

Media capture refers to the interference of political, economic, or other powerful actors in the functioning of the media for private or political interests, to the detriment of journalism's democratic role. Mungiu-Pippidi (2013) defines media capture as the interference of influential actors and vested interests in the news media, whereby individual actors intervene for their own benefit and at the expense of the public interest and the democratic functions of journalism. Similarly, Schiffrin (2017) understands media capture as a condition in which governments, political elites, businesses, or other centres of power are able to shape media behaviour by creating relationships of dependence that undermine editorial autonomy. Media capture operates through political, regulatory, and economic mechanisms that influence the conditions under which media outlets function.

The literature identifies multiple mechanisms through which media capture may occur. These include regulatory capture, political influence over public service media, ownership concentration, strategic acquisition of media outlets, and the use of state financial resources to influence editorial behaviour (Štětka, 2015; Dragomir, 2018; Schiffrin, 2017). Dragomir (2018) identifies four principal dimensions of media capture: control over regulation, public service media, state financial resources, and private media ownership. Enikolopov and Petrova (2015) identify direct ownership, the provision of financial resources, media regulation, and privileged access to information among the principal channels through which governments seek to exercise influence over the media. Their review suggests that financial resources operate alongside ownership and regulation as an important mechanism through which media capture affects media content. These mechanisms often reinforce one another, producing systems of political and economic dependence that constrain editorial autonomy.

This article focuses specifically on media financing as a mechanism of media capture. It argues that state financing constitutes one of the principal instruments through which governments can reward supportive media, disadvantage critical outlets, and shape media markets. It draws on Dragomir's (2018) argument that funding is often a more effective instrument of media capture than direct restrictions on media freedom because it enables governments to reward compliant media while depriving critical and independent outlets of the resources necessary for their survival. Instead of censoring media directly, governments shape the economic conditions under which journalism operates by selectively allocating public resources to media organisations that support the government's agenda and the interests of allied political or business actors. Because access to these resources is often essential for the financial survival of media organisations, funding decisions may shape editorial behaviour even in the absence of explicit political instructions.

Consequently, it focuses on the first three of the four principal financial strategies identified by Dragomir (2018) through which governments influence the media sector: (1) funding for state-administered media, (2) state advertising, (3) state subsidies and (4) market-disruption measures. While the first three represent forms of state funding, market-disruption measures include a range of interventions designed to distort competition, financially weaken critical media or provide economic advantages to politically aligned outlets. These may include debt write-offs, tax relief, state guarantees, favourable lending arrangements and other forms of selective state intervention in media markets, which fall outside the scope of this article.

This study employs a qualitative comparative case study to examine how different models of public-sector media financing contribute to media capture in BiH and Serbia. Although media capture may involve both state and non-state, the article focuses specifically on financial resources controlled directly or indirectly by public authorities. These include funding allocated from public budgets and advertising expenditure by public institutions and publicly owned enterprises. The analysis does not examine advertising and other commercial financing originating from private actors, while recognising that these sources may also affect editorial independence and contribute to media capture.

The two countries were selected because they share a similar historical legacy, as well as comparatively low levels of media freedom and democratic governance. Both countries share a common post-communist legacy, oversaturated media markets, weak democratic institutions, extensive political influence over the media, comparatively low levels of media freedom, and similar aspirations towards European integration. Unlike Serbia, BiH has not implemented comprehensive media reforms or privatized its large number of publicly owned media outlets. Its current financing system is not the result of a coherent media policy but rather reflects a combination of historical legacies and fragmented decisions taken by different levels of government. It relies on a highly decentralised model combining direct budget subsidies and financing of publicly owned media, grants, public procurement, and advertising by public authorities and state-owned enterprises. Serbia, by contrast, has largely replaced direct institutional financing of local media through the 2014 media reforms with a system of project-based financing of media content, complemented by state advertising, public procurement, and financing of public service broadcasters. However, despite these reforms, as the paper argues, public financing continues to constitute an important mechanism of media capture. Comparing these two models provides an opportunity to examine how different systems of public media financing shape patterns of media capture.

The analysis is based on qualitative desk research drawing on a range of sources, including academic literature and reports produced by international and civil society organisations. It also benefits from the author's observations and interviews with journalists, editors and public authorities conducted for different media studies (Sokol, 2025; Sokol, 2018a; Sokol, 2018b).

Media Financing in Bosnia and Herzegovina

BiH is characterised by an ethno-political power-sharing system and fragmented governance structure, which have produced separate and politically divided media spheres. These operate within relatively small markets and are closely linked to different centres of political power. The country consists of two entities: the Federation of Bosnia and Herzegovina (Federation of BiH), which is further divided into 10 cantons with their own governments, the Republika Srpska (RS), which has a more centralised system of governance and Brčko District. This fragmented structure also shapes media financing and funding. Each entity has its own news agency—FENA in the Federation of BiH and SRNA in Republika Srpska—as well as its own public service broadcaster: the Federal Television (FTV) and Radio-Television of Republika Srpska (RTRS), respectively Radio and Television of Bosnia and Herzegovina (BHRT) operates as the state-level public service broadcaster and, with the two entity broadcasters, forms BiH's public service broadcasting system.

A significant share of media financing originates from public budgets. Earlier research estimated that between EUR 15 million and EUR 50 million annually was allocated to the media from public funds (Hodžić & Sokol, 2018b). However, comprehensive country-level data remain unavailable, and there is no regular research, centralised record or systematic oversight through which current annual expenditure can be verified. Consequently, neither the overall scale of public financing nor the distribution of funds across different levels of government, funding mechanisms and media categories can be reliably assessed, thereby limiting scrutiny of funding allocations.

Public financing is channelled through several mechanisms: (1) regular annual subsidies to publicly owned media and public news agencies at the cantonal and municipal levels; (2) occasional grants awarded to media and public service broadcasters;

(3) public procurement contracts for promotional services and advertising placed by public authorities and publicly owned companies. Although these mechanisms differ formally, they are frequently characterised by insufficiently transparent procedures, broadly defined criteria, limited independent oversight and considerable discretion on the part of the institutions allocating the funds.

BiH has a large number of media outlets that cannot be sustained through market revenues alone, while safeguards against political interference and the procedures governing the allocation of public funds remain inadequate. The decline in donor support for independent media, together with persistent problems in the collection and distribution of the public service media licence fee, particularly since 2025, has further increased the financial vulnerability of the media sector, including public service broadcasters.

Media capture must also be understood within the broader political and institutional context of Bosnia and Herzegovina with its politically divided media spheres. In such circumstances, media coverage frequently reflects the narratives, political priorities and interpretations promoted by the governing parties within particular political and territorial contexts (Sokol, 2020; Media Freedom Rapid Response, 2024a). Public financing reinforces existing patterns of political parallelism and further entrenches Bosnia and Herzegovina's fragmented and ethnically divided media landscape.

Annual Subsidies to Public Media

In BiH, numerous publicly owned media outlets continue to operate as public enterprises established by municipal, cantonal or entity authorities, with a substantial share of their annual budgets provided directly by their founders (Hodžić & Sokol, 2018b). Direct subsidies constitute one of the most institutionalised mechanisms of financing-based media capture, as public authorities often simultaneously act as the founders, principal funders and appointing bodies of publicly owned media.

Previous research has shown that a significant share of public funding is channelled to these media (Hodžić & Sokol, 2018b). The scale and distribution of these subsidies vary, but available figures illustrate the continuing structural dependence of publicly owned media on direct budgetary support. Data for 2025 indicate that the financing of local public media in the Federation of BiH amounted to approximately EUR 4.8 million, while the RS Government allocated around EUR 5.8 million to entity-level media (Mahmutović, 2026).

Some of the largest known allocations of public funding are provided to the cantonal public broadcasters in Una-Sana, Tuzla and Sarajevo cantons. In addition, local and cantonal assemblies appoint supervisory or management boards that subsequently select the directors of public media. This represents another mechanism of political influence, particularly because safeguards against partisan appointments and political interference remain weak (Kovo, 2018).

Publicly owned media also frequently enjoy privileged access to government institutions; in some municipalities, they are granted exclusive rights to broadcast municipal council sessions, while other media are excluded.

Grants to Private and Public Media Outlets

In addition to regular transfers to publicly owned media, cantons and municipalities in BiH allocate occasional grants to media outlets, sometimes through public calls. While such schemes are formally intended to support journalism, their implementation frequently raises concerns regarding transparency, accountability and politically motivated allocation. As Dragomir (2018) argues, discretionary state grants are among the least accountable forms of public funding because they are allocated on a case-by-case basis, providing governments with considerable discretion over both the selection of beneficiaries and the amount of funding awarded.

In late 2025, Tuzla Canton reportedly awarded annual subsidies totalling approximately EUR 100,000. The list of beneficiaries and the evaluation of submitted projects were not published proactively and became available only following a media inquiry. Reportedly, the approved projects included titles focusing on following the work of the cantonal government, while one of the eligibility criteria was the number of followers on Meta platforms (Mahmutović, 2026). The beneficiaries included media outlets, civil society associations and a marketing agency for which only limited publicly available information on ownership was available. Similar discretionary allocations were reported in Una-Sana Canton and Herzegovina-Neretva Canton during 2025 (Mahmutović, 2026). In Herzegovina-Neretva Canton, the allocation of grants attracted repeated criticism because media outlets based in Sarajevo received funding while some local Herzegovinian media were excluded. Media stakeholders also questioned the lack of transparent procedures and the absence of clearly defined and consistently applied evaluation criteria (Fukelj, 2025).

The overall scale of such allocations is difficult to determine. There is no comprehensive record of grants distributed by different levels of government, and some forms of support may not be publicly disclosed, significantly limiting public scrutiny.

Occasional public grants have increasingly been used to finance the public service broadcaster. BHRT has faced a severe and prolonged financial crisis because the financing arrangements established by the Law on the Public Broadcasting System (2005) have not been fully implemented or enforced. Political elites have consistently failed to implement the necessary reforms or agree on a sustainable financing model.

The prolonged institutional deadlock constitutes a form of structural media capture. The unresolved financing crisis has weakened the capacity of the country's only state-level public service broadcaster to operate effectively, fulfil its public-service mandate and maintain editorial and institutional independence.

Advertising and Commercial Contracts with the Media

Different levels of government and public enterprises allocate substantial resources to media through commercial contracts, primarily for promotional services and public information campaigns. The allocation of advertising expenditure and commercial contracts by public authorities and state-owned enterprises has been widely identified as one of the most effective economic mechanisms of media capture. As Dragomir (2018) argues, state advertising is among the most insidious forms of government funding because it operates through seemingly ordinary commercial transactions while allowing political actors to reward favourable media and deprive critical outlets of an important source of revenue.

No recent comprehensive data on public-sector advertising in BiH are available. Previous research documented substantial expenditure on official announcements and promotional coverage, while incomplete disclosure indicated that the reported expenditure was underestimated (Hodžić & Sokol, 2018a).

The scale of these expenditures is particularly significant because many of the state-owned enterprises operate in monopolistic markets where extensive commercial advertising is not always economically necessary. Although these contracts are generally subject to public procurement legislation, the application of transparency and accountability standards remains uneven. The frequent use of procurement exceptions, inconsistent classification of media services, limited access to tender documentation after procedures have been completed and incomplete publication of contracts substantially reduce public scrutiny. Researchers have also identified procurement specifications that appear tailored to particular media outlets, as well as contracts for "media monitoring" or similar services that, in practice, resemble payments for favourable media coverage rather than legitimate communication services (Hodžić & Sokol, 2018a).

Media Financing in Serbia

Serbia's public financing system reflects a more centralised model of media capture than the one found in BiH. Media reforms have formally sought to establish a market-oriented media system based on private ownership, independent regulation and project-based financing of media content in the public interest. However, these reforms have been only partially implemented and have been accompanied by mechanisms through which the state has retained significant influence over the media sector (Matić & Valić Nedeljković, 2014; Milojević & Kleut, 2023). Rather than withdrawing from the media market, the state has preserved its role through control of public service broadcasters, project-based financing and state advertising (Milojević & Kleut, 2023).

Unlike BiH's fragmented and decentralised system of public financing, Serbia operates within a far more centralised political environment. The government, dominated by a single political party with highly centralised decision-making structures, has consolidated influence over key institutions affecting the media sector, including the media regulator, public service broadcasters and public financing mechanisms (Spasojević, 2021; Milojević & Kleut, 2023).

Public funding reaches media outlets through several principal mechanisms: (1) financing of public service broadcasters through a combination of licence-fee revenues and state budget transfers; (2) project-based financing of media content through competitive public calls organised at the national, provincial and local levels; (3) state advertising, sponsorships and procurement contracts awarded by public authorities and state-owned enterprises.

Media capture is reflected in the unequal treatment of political actors by many Serbian media outlets. National television channels, including public broadcaster RTS, devote disproportionate attention to the government and ruling party, while opposition actors receive less and predominantly negative coverage. Organisation CRTA found that the ruling majority accounted for more than 90 per cent of political airtime in the main news programmes of national broadcasters in 2024 (CRTA, 2025). Pro-government tabloids frequently reproduce official narratives and discredit opposition figures, critical journalists and civil society organisations. Although independent outlets continue to provide critical and investigative reporting, they generally have more limited reach and face political and economic pressure.

Financing of Public Service Broadcasters

Two public service broadcasters in Serbia continue to receive direct state funding despite obtaining most of their income from the compulsory public media licence fee. Radio Television of Serbia (RTS) and Radio Television of Vojvodina (RTV) operate under a mixed financing model combining fee revenue, budget transfers and commercial income, primarily advertising. An estimate from 2019 indicated that 54 per cent of RTS's revenue came from the public media service fee, 23 per cent from direct budget transfers and 23 per cent from advertising and sponsorship (Fabijanić & Sittig, 2019). More recent data indicate that RTS has become considerably less dependent on direct budget support. According to Sigeti and Koledin (2025), the public media licence fee accounted for 72.6 per cent of RTS's revenue in 2023, advertising for 25.4 per cent and direct public funding for 0.3 per cent. Direct budget financing nevertheless remains considerably more important for RTV.

In Serbia, vulnerability arises principally from the interaction of financing with captured governance and regulation. Under Serbian legislation, members of the governing boards of RTS and RTV are appointed through the Regulatory Authority for Electronic Media (REM), whose independence has repeatedly been questioned by domestic experts, the European Commission and international media freedom organisations (European Commission, 2024; Marko, 2015). Since the governing boards appoint the directors of the public broadcasters, concerns regarding the independence of REM extend directly to the governance of public service media.

Competitive Project-based Financing

Competitive project-based financing represents the principal mechanism through which Serbian authorities finance privately owned media. Introduced by the 2014 media reforms following the withdrawal of the state from ownership of most local media outlets, the system was intended to replace institutional subsidies with competitive funding for the production of media content in the public interest. Rather than financing media organisations directly, public authorities were expected to support journalistic projects addressing public-interest objectives and commercially unattractive topics through open competitions evaluated by independent expert commissions (Law on Public Information and Media, 2014; Milojević & Kleut, 2023).

In practice, however, project-based financing has become one of the principal mechanisms through which public resources are distributed to politically connected media. Rather than functioning as a market-correcting instrument that promotes pluralism and quality journalism, the system has evolved into a major source of financial dependence for a substantial part of the Serbian media market (Sejdinović et al., 2021). Between 2019 and 2021, national, provincial and local authorities allocated approximately EUR 43 million through project competitions. Although more than 1,250 beneficiaries formally received funding, a group of 538 recurrent recipients obtained almost 90 per cent of all allocations (Balkan Investigative Reporting Network [BIRN], 2022). Financial statements further illustrate the structural dependence created by the system. Nearly one-tenth of these media generated more than 80 per cent of their revenues from project-based financing, while almost half relied on public sources for more than half of their income. In several documented cases, annual public funding exceeded commercial revenues (BIRN, 2022). A particularly illustrative example is from the town Novi Pazar, where local outlet RTV Novi Pazar received approximately 80 per cent of the city's total project-based allocation in both 2023 and 2024, demonstrating the continued concentration of funding despite the procedural reforms (Kovač Nastasić, 2025b).

The implementation of the system has been characterised by persistent institutional weaknesses. In the initial years following the reforms, numerous municipalities failed to organise public competitions despite their legal obligations, while others continued to allocate funds directly to municipally owned media, thereby circumventing the objectives of the 2014 reforms (Milojević & Kleut, 2023). Where competitions were organised, monitoring identified irregularities in the appointment of evaluation commissions, insufficiently defined selection criteria, limited transparency and inadequate evaluation of funded projects and their outcomes. Milojević and Kleut (2023) observe that pro-government tabloids, including *Alo*, *Informer* and *Srpski telegraf*, became prominent beneficiaries of project-based financing, while representatives of established journalists' and media associations on evaluation commissions were increasingly replaced by members of newly established organisations. Funding also became concentrated within politically connected ownership networks. Most notably, companies owned by Radoica Milosavljević, a media entrepreneur whose acquisitions and funding have been linked in reporting to the governing Serbian Progressive Party, repeatedly secured substantial grants in national, provincial and local competitions (Milojević & Kleut, 2023; BIRN, 2022). Monitoring has also documented the allocation of funds to media that repeatedly violated professional and ethical standards, together with weak subsequent evaluation of funded projects and limited accountability for the use of public resources (Sejdinović et al., 2021; BIRN, 2022).

The 2023 Law on Public Information and Media sought to address these shortcomings by strengthening the procedural framework for project-based financing. It introduced mandatory deadlines for organising competitions, penalties for responsible officials who fail to comply with the prescribed procedure, and the Unified Information System (JIS), designed to digitalise and centralise applications, funding decisions and project monitoring. The accompanying 2024 rulebook introduced standardised evaluation criteria and numerical scoring for proposed projects and commission members. The legislation also made adherence to professional and ethical standards an explicit evaluation criterion, requiring relevant decisions of the Press Council or the Regulatory Authority for Electronic Media to be considered when assessing applicants (Kovač Nastasić, 2025b). Nevertheless, important limitations remain. Repeated ethical violations do not automatically disqualify an applicant; the framework does not prevent companies linked through common ownership from cumulatively receiving substantial funding; and monitoring of project implementation and enforcement against non-compliant authorities remain weak. Moreover, media that violate professional standards have continued to receive public co-financing. The reforms have therefore strengthened formal procedures, but available evidence does not yet demonstrate that they have eliminated politically selective allocation or ensured effective oversight.

Overall funding for project-based financing declined from approximately EUR 16.8 million in 2023 to EUR 12 million in 2024, a reduction of around 28.5 per cent, as some authorities shifted expenditure to procurement contracts. Despite this decline, allocations remained concentrated among recurrent beneficiaries, including pro-government and municipally affiliated media, while outlets that repeatedly violated professional standards continued to receive funding (Kovač Nastasić, 2025b).

State Advertising and Indirect Public Funding

In addition to direct subsidies and project-based financing, state advertising constitutes a major channel through which public resources are transferred to the Serbian media sector. Similar to BiH, this mechanism operates through ostensibly commercial transactions rather than explicit media support schemes, making political influence less visible while preserving considerable discretion in the allocation of public funds. As Dragomir (2018) argues, state advertising is among the most effective instruments of media capture because governments can reward favourable media outlets while excluding critical ones without directly interfering with editorial content. State influence extends well beyond conventional advertising. The Serbian Anti-Corruption Council identified numerous mechanisms through which public-sector institutions channel resources to media and related intermediaries, including advertising, public information campaigns, specialised information services, media monitoring, subscriptions, sponsorships, research and other contractual arrangements (Anti-Corruption Council, 2011, 2015). The Anti-Corruption Council's 2011 and 2015 reports documented extensive public-sector spending on advertising, campaigns, sponsorships and related services without media-specific safeguards (Anti-Corruption Council, 2011, 2015). No comparable recent dataset is available, reflecting continued weak transparency and the limited institutional follow-up to the Council's findings.

Advertising expenditure by public authorities and state-owned enterprises has consistently exceeded the value of project-based schemes. Major state-owned enterprises purchase advertising space, sponsorships and media services through commercial contracts governed primarily by public procurement legislation. While these contracts are formally intended to promote products, services or public information campaigns, they are generally not subject to media-specific safeguards concerning editorial independence, media pluralism or objective allocation criteria. Public procurement legislation regulates the legality of purchasing procedures but does not contain safeguards specifically designed to protect media freedom and editorial independence.

The growing importance of procurement-based financing became particularly evident following the reform of the project-based financing system. After the adoption of the Law on Public Information and Media in 2023, which strengthened procedural safeguards governing public competitions, numerous local authorities substantially reduced budgets for project-based financing while simultaneously increasing expenditure on media services procured through public procurement procedures (Kovač Nastašić, 2025b). In several municipalities, funding available through competitions reportedly declined by as much as 90 per cent, while spending on promotional services, media monitoring and public information campaigns increased. Unlike project-based financing, procurement contracts do not require independent expert commissions, public-interest evaluation criteria or consideration of compliance with professional standards, thereby providing contracting authorities with substantially greater discretion.

Conclusion

The comparison of BiH and Serbia demonstrates that media financing functions as an important mechanism of media capture in both countries despite differences in their institutional arrangements. Serbia formally restructured its media financing system through the 2014 media reforms, replacing institutional subsidies to most local media with competitive project-based financing. Whereas the highly decentralised constitutional structure of BiH has produced fragmented and largely ad hoc financing arrangements that vary across different levels of government.

From the perspective of the theoretical framework, the findings support Dragomir's (2018) argument that state financing represents one of the principal mechanisms of media capture. In both countries, political influence operates less through direct censorship than through the allocation of public resources that rewards supportive media, sustains politically aligned outlets and creates incentives to avoid critical reporting. Regulatory capture, politically influenced appointments, ownership structures and selective access to information and public institutions further reinforce media dependence on political actors. The findings support Schiffrin's (2017) and Mungiu-Pippidi's (2013) understanding of media capture as a system of structural dependence rather than a series of isolated instances of political interference.

The most significant difference concerns the financing of publicly owned media. BiH has retained a large number of municipally, cantonally and entity-owned media outlets whose operations depend directly on annual budget allocations from their founding authorities. This financial dependence is reinforced by political influence over the appointment of management and supervisory bodies, creating close institutional links between media organisations and local political authorities. Serbia, by contrast, largely abandoned this model following the 2014 reforms. Nevertheless, although direct budget financing of public service media has decreased, political influence over their governance, management appointments and editorial policies persists. Public service media in Serbia therefore remain vulnerable to political control despite relying predominantly on fee revenue rather than direct budget allocations.

The allocation of grants represents another important difference between the two countries. In Serbia, project-based financing became the principal model of public support for privately owned media following the 2014 reforms, which largely replaced direct institutional subsidies with competitive funding for media content. However, despite subsequent reforms and stronger procedural safeguards, implementation has remained marked by politically influenced evaluation commissions, recurrent beneficiaries, concentration of funding among politically connected ownership networks, weak monitoring and allocations to media that violate professional standards.

BiH has never introduced a comparable country-wide reform or unified model of project-based media financing. Grants are instead allocated by different entity, cantonal and local authorities under fragmented and frequently ad hoc arrangements. Procedures and criteria vary considerably, while executive authorities often retain substantial influence over the selection of beneficiaries. Limited transparency, inconsistent use of public calls, insufficiently independent evaluation and weak subsequent oversight create broad opportunities for discretionary allocation.

The comparison likewise demonstrates increasing convergence in the use of state advertising and indirect public funding as some of the least transparent ways of influence. In both countries, advertising by public institutions and state-owned enterprises, together with procurement contracts, sponsorships and other commercial agreements, represents a major source of public financing that operates largely outside media-specific regulation. Although procurement is governed by general public procurement legislation in both countries, these mechanisms continue to provide considerable discretion in allocating public resources to media organisations.

The findings suggest that the introduction of media reforms and formal legal safeguards is insufficient to reduce media capture where broader political and institutional conditions remain unchanged. Serbia adopted significantly more comprehensive reforms than BiH, partly in response to its EU accession process and media reform agenda. However, the analysis indicates that these reforms largely altered the institutional forms through which public funding is distributed rather than reducing political influence over its allocation. BiH, in contrast, largely preserved direct political control through publicly owned media and fragmented systems of public financing. Despite these different trajectories, both countries continue to exhibit substantial financial dependence on public resources and limited institutional safeguards against politically motivated allocation. The comparison therefore suggests that the effectiveness of media financing reforms depends less on the formal design of individual funding mechanisms than on the broader political and institutional environment in which they operate. Due to shifting advertising revenues and declining donor support, the importance of public funding in both countries is likely to increase further. This highlights the urgent need for stronger safeguards to ensure that public financing genuinely supports media pluralism and public-interest journalism rather than reinforcing political influence, financial dependence and media capture.

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