

MEDIA

SUSTAINABILITY

INDEX

2005



IREX

PANELISTS WERE HEARTENED THAT THE STRENGTH OF CROATIAN CIVIL SOCIETY, COMBINED WITH THE GENUINE POLITICAL WILL TO ADOPT HIGHER STANDARDS AND STRICT EU MONITORING, WOULD MAKE ANY OPEN POLITICAL PRESSURE, HARASSMENT, OR DIRECT POLITICAL CONTROL OVER MEDIA ALMOST UNTHINKABLE.



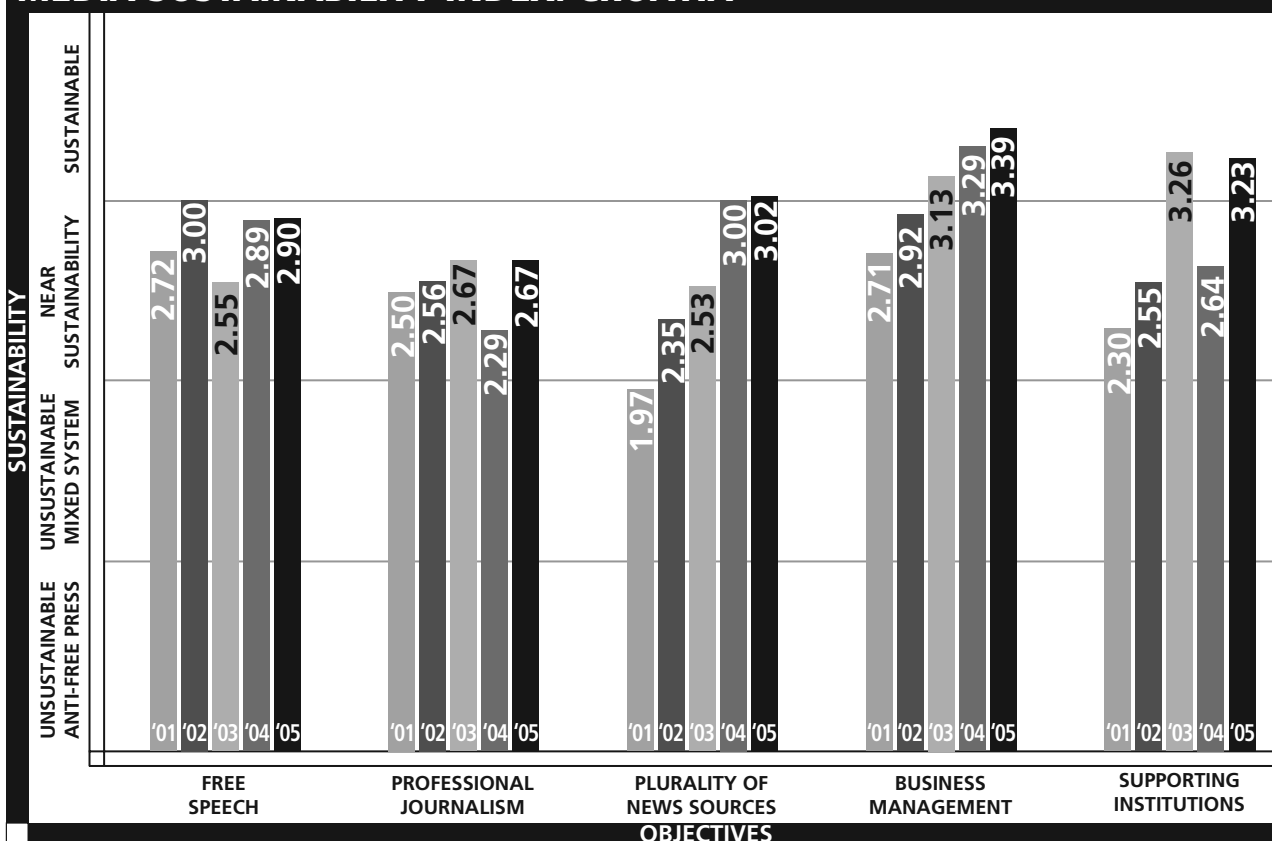
Croatia continued its progress toward acceptance into key European institutions in 2005. In the fall, the European Union (EU) decided to open negotiations with Croatia on membership, representing one more step toward full acceptance into Europe, a goal of both the ruling Croatian Democratic Alliance (HDZ) and the opposition Social Democrats (SDP). This step will have a profound impact on the overall political, economic, and social structure of Croatia, as it must move toward harmonization of key legislation. At the same time, Croatia had to pledge to fully cooperate with the Hague Tribunal as it seeks extradition of Croatian citizens charged before the court.

The media scene in Croatia, as in other republics of the former Yugoslavia, is still affected by the specific elements of Yugoslav socialism. Unlike many other former Communist states—even some that are now EU members—Croatian media enjoyed a level of freedom from the 1960s through the late 1980s. Thanks to this legacy and to the support of local civil society and the international community, independent media managed to survive the 1990s. This period was marked by wars with Bosnia and Serbia, economic hardships, political control over most media outlets, and open pressure and harassment over the surviving independent media.

After the hard-line HDZ government lost to a center-left coalition in elections in 1999 and 2000, the new government dismantled open political pressures and harassment, even if falling short of meeting expectations for rapid democratic reforms. The individual incidents of harassment that have occurred after this period (including those that followed the return of the reformed HDZ to power in December 2003) have been seen more as a reminder of the past than as a real threat to the media.

While 2005 saw improved scores and the attainment of a “sustainable” rating, the panel did express some concerns. With foreign investment in the media and locally owned outlets now dependent on the market, the panel felt that “trivialization” of the media contributes to a drop in quality of the overall media market. Many of the new media seek the lowest common

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Unsustainable, Anti-Free Press (0-1): Country does not meet or only minimally meets objectives. Government and laws actively hinder free media development, professionalism is low, and media-industry activity is minimal.

Unsustainable Mixed System (1-2): Country minimally meets objectives, with segments of the legal system and government opposed to a free media system. Evident progress in free-press advocacy, increased professionalism, and new media businesses may be too recent to judge sustainability.

Near Sustainability (2-3): Country has progressed in meeting multiple objectives, with legal norms, professionalism, and the business environment supportive of independent media. Advances have survived changes in government and have been codified in law and practice. However, more time may be needed to ensure that change is enduring and that increased professionalism and the media business environment are sustainable.

Sustainable (3-4): Country has media that are considered generally professional, free, and sustainable, or to be approaching these objectives. Systems supporting independent media have survived multiple governments, economic fluctuations, and changes in public opinion or social conventions.

professional denominator and are almost “brutally commercialized,” in the words of one panel member. While solid news organizations continue, these new outlets tend to slant the market toward the commercial and away from a public-service ethos. In addition, this has resulted in a lowering of the professional standards, even in some of the “serious” media, as they are faced with commercialized, and at times unscrupulous, competition.

On the other hand, panelists were heartened that the strength of Croatian civil society, combined with the genuine political will to adopt higher standards and strict EU monitoring, would make any open political pressure, harassment, or direct political control over media almost unthinkable.

OBJECTIVE 1: FREE SPEECH

Croatia Objective Score: 2.90 / 4.00

MSI panelists agreed that existing legislation (the Constitution, the Media Law, the Electronic Media Law, the Law on Public Radio and TV, the Freedom of Access to Information Law, and the penal code) provide a quality, well-defined framework for enabling and safeguarding freedom of speech. Croatian media legislation and its implementation has been moving in a positive direction since the 1990s, and this has also been reflected in a political culture increasingly supportive of freedom of speech. As international panelist Antonella Cerasino noted: “It is a good sign for Croatian society that when there is a violation of freedom of speech, it causes an immediate public outrage.”

Attempts to interfere with media and journalists are more often on the local level, where municipalities and local government still participate actively in the financing of the local media. This does not mean there has not been attempted interference in media at the national level. The Minister of Foreign Affairs, for example, tried to intervene in a HINA news agency dispatch from Brussels to change the content concerning his participation in EU meetings. The Deputy Prime Minister tried to directly intervene in a news show on the public broadcaster. Both instances were made public, and the backlash has partly contributed to the marginalization of these political figures.

However, the panel noted a unique feature of Croatia that is a potential setback for freedom of speech in Croatia, at least at the level of basic principles. Croatian journalist Josip Jovic was arrested on October 6 under a request from the International Criminal Tribunal for the former Yugoslavia (ICTY) and indicted for “revealing

the identity of a protected witness” and for “disrespecting the Court” as it relates to articles published in 2000. However, as international human rights and journalists’ rights organizations

have pointed out, the information was available on the website of ICTY and others had already published the identities. Emil Havkić, a media lawyer, argues that “the ICTY decision to prosecute a journalist for publishing information that has already been available to the general audience has created quite a peculiar situation. Croatia has achieved certain standards of media freedoms, but these standards of free speech are now jeopardized from the least expected source—a high international institution designed to promote justice and stability in the region.”

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Legal and social norms protect and promote free speech and access to public information.

FREE-SPEECH INDICATORS:

- > Legal/social protections of free speech exist and are enforced.
- > Licensing of broadcast media is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against journalists or media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > State or public media do not receive preferential legal treatment, and law guarantees editorial independence.
- > Libel is a civil law issue; public officials are held to higher standards, and the offended party must prove falsity and malice.
- > Public information is easily accessible; right of access to information is equally enforced for all media and journalists.
- > Media outlets have unrestricted access to information; this is equally enforced for all media and journalists.
- > Entry into the journalism profession is free, and government imposes no licensing, restrictions, or special rights for journalists.

The licensing of broadcast media and the allocation of new frequencies is part of the mandate of the Council for the Electronic Media. As in 2004, the panelists questioned the professional competence of the Council's members, pointing out that most of them could hardly qualify to be "experts" or "well-known professionals." Still, there have been no indications of direct political control over the Council's activities, as was the case in the 1990s. Most of the objections point to a nontransparent licensing procedure. "I am sure that this Council is not politically controlled as it was in the 1990s, but this is still no guarantee that the Council is not corrupt or, more likely, incompetent," panelist Denis Kuljiš of Europapress Holding stated.

Panelists agreed that the Council should be more active in cooperation with the Ministry of Telecommunications in providing new frequencies, instead of waiting to get a list of frequencies and then putting them on tender. "The last radio frequency in Zagreb was allocated back in 1998. In the meantime, the radio advertising market has almost tripled its volume. The Council should be more active in providing new frequencies, especially where the market can support it," Davor Glavaš of the BBC Croatian Service objected.

"Croatia has achieved certain standards of media freedoms, but these standards of free speech are now jeopardized from the least expected source—a high international institution designed to promote justice and stability in the region," said Emil Havkić.

Additional comments on the Council's nontransparent decision-making process were generated by the recent decision on the allocation of funds from the Fund for Pluralism. Up to \$150,000 of small grants have been given

to commercial radio and television stations for productions of "public interest," yet panelists objected to the lack of transparency and fixed criteria. "I don't think there was direct political intervention in these decisions. I am not that sure that there were no shady deals with the owners whose media received grants," one panelist concluded.

Market entry and the tax structure for media are fair and comparable to other industries; there are no notable changes since 2004. No special requirements exist for starting a media outlet, aside from the general provisions for all commercial enterprises or specific antimonopoly requirements as defined by the Media Law. The Croatian

Association of Publishers is still engaged in advocating for reduction of the value-added tax (VAT) of 22 percent for print media outlets. If successful, this initiative would give even better positioning to the print media compared with other industries, but reduced VAT for print media is a widely accepted international practice so it would not be out of the norm. For broadcast media, the main obstacle to starting a new outlet was seen as the inefficiency of the Council for Electronic Media and other related institutions.

Crimes and threats against journalists are rare and declining year to year. "So far, nobody has beaten me this year [2005]," commented panelist Denis Kuljiš, well known for almost 150 court cases against him and many close encounters with organized crime. More often, lower-profile types of harassment are used against journalists. While the public is seen as very sensitive on this topic, the prevailing opinion of the panelists is that the police and the judicial system should be more active both in protecting journalists' rights and prosecuting the violators. Nonetheless, "Croatia is definitely much more advanced in that regard than the other countries," according to Antonella Cerasino, who expressed the unanimous view of the panel.

The nature of support to public media remains a topic that evokes dissenting viewpoints. Many in the media believe that HRTV receives preferential status by collecting and using subscription fees, while at the same time enjoying high advertising revenue. Others believe that advertising revenue is of vital importance for public media, not only as an additional source of income, but also as a safeguard against political interference in editorial decisions. "It would be much harder to prevent political interference on the public television if subscriptions were the only source of income," said Tena Perišin of HTV, the public broadcaster.

The panelists agreed that interference still exists in editorial decisions, particularly at the local level. For instance, in local radio stations, where municipalities have some ownership, they can change the editor-in-chief with relative ease, leading to a situation of influence over content. There have been attempts to interfere in the editorial policy of HTV, but panelists believe this is more a relic of the past than current policy.

Libel remains regulated by the criminal code. The law remains seldom used, and recent changes have defined that the offended party must prove falsity or malice. However, leaving the law on the books as a criminal code is seen as an unacceptable situation. After the resignation of the Minister of Foreign Affairs, mostly due to questionable business deals exposed by the media, public officials have been held to higher standards.

Panelists warned that public officials (especially at the local level) are still discriminative in providing information. "We can always find our own sources from the government for any needed information, but the real problems occur on the local level, where the officials talk only to 'their' media," warned Neven Šantić of the Rijeka-based Novi List.

Access to local and international news is completely open and absolutely unrestricted, both for media outlets and for the general public. The high price of the international papers and relatively expensive online services do serve as a deterrent to access, although there has been improvement with lower rates for Internet access. There remain no restrictions or limits to entry into the journalism profession.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Croatia Objective Score: 2.67 / 4.00

Although all of the panelists, both local and international, agreed that journalism in Croatia is more professional and sophisticated compared with all countries in the region, including Slovenia, Hungary, and the other new EU members, this was not enough for a higher mark. This objective has improved only slightly since 2004.

The MSI panelists discussed "trivialization" as a new and devastating trend on the media scene. At the same time, it was recognized that this trend is characteristic of most transitional countries as media migrates to a market-based approach and new investors, foreign and domestic, enter the market. The media in Croatia that survived repression in the 1990s and reached higher professional standards are now faced with a new and very different challenge: Commercial media are interested first and foremost in profit and are seizing an ever bigger market share. As a direct consequence, most of the "serious" and more professional media are having commercial difficulties and have lost part of their audience. Some of them have found a solution in lowering their own professional level, offering more trivial and pure commercial content. However, the panel noted that the final consequences of this trend and whether it is permanent or a temporary market condition remain uncertain.

"There are a number of journalists in Croatia who are very good and maintain high professional standards. But there are also many who don't check their sources and are unfortunately very subjective in their reporting," said Antonella Cerasino. The growth of low-quality commercial media has significantly contributed

to the offensive, subjective, and sensationalistic type of journalism. Pressure to be "more commercial" also discourages good investigative reporting or checking information with multiple sources.

Editors too often don't want to allow journalists the additional time needed for checking information or for conducting in-depth investigations. They want to be ahead of the competition—to be the first on the market—even at the expense of the facts. Since 97 percent of the circulation of Croatian papers is sold on newsstands, the practice of "screaming headlines" is seen as a necessary sales tool.

Croatian journalism is well known for its relatively efficient self-regulation and high standards as defined in its ethics code. More than 90 percent of active journalists are members of the Croatian Journalists' Association, and a large majority of them do follow basic ethical standards. But there is also a minority

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Journalism meets professional standards of quality.

PROFESSIONAL JOURNALISM INDICATORS:

- > Reporting is fair, objective, and well sourced.
- > Journalists follow recognized and accepted ethical standards.
- > Journalists and editors do not practice self-censorship.
- > Journalists cover key events and issues.
- > Pay levels for journalists and other media professionals are sufficiently high to discourage corruption.
- > Entertainment programming does not eclipse news and information programming.
- > Technical facilities and equipment for gathering, producing, and distributing news are modern and efficient.
- > Quality niche reporting and programming exists (investigative, economics/business, local, political).

“The ‘average’ salary in Croatian journalism simply does not exist. I know journalists working for 400 euros a month, but I also know journalists working for 15,000 euros a month. In general terms, we could say that journalists in Croatia are relatively well paid,” one panelist said.

who do not necessarily follow basic standards. Probably the best case is an e-mail sent by the then editor-in-chief of one daily paper to his staff: “I want good-looking T&A, not politicians, on the cover. I want sensations. Don’t tell me there are no sensations;

create them, I don’t care.” This paper is one of the largest daily papers in Croatia.

“After the 1990s, with its high level of adrenaline and socially and politically engaged journalism, journalism today is mired in certain apathy. Ethically engaged journalism is in crisis,” said panelist Denis Kuljiš. Other panelist didn’t agree, replying that “non-engaged” journalism is a sign of the society returning to normality.

Panelists agreed that politically motivated censorship is extremely rare, existing only marginally in some local media. But, as was stressed in 2004, occurring ever more often are cases of editors promoting the agenda of owners, siding not so much with political parties but with different—and elusive—interest lobbies. They are not practicing censorship, but reports based more on “who am I writing for” than on fact are actually not that far from some forms of self-censorship. “With a bit of cynicism we could change the title ‘Transparency of media ownership allows consumers to judge the objectivity of news’ into ‘Reading of papers allows consumers to judge who the owners of the media are,’” said panelist Davor Glavaš. “We all know more stories than we have written or published,” added another panelist.

Unlike in the previous years, Croatian media have faced more subtle forms of influence over content, which is not unknown in the more developed media markets. The corporate world in Croatia is exerting an ever larger impact on media content. First, the corporate world’s advertising money discourages investigative reporting on big business. Second, panelists felt that big businesses don’t like to see their ads and commercials placed by the serious social and political reports, but are looking or specifically asking for more entertaining content. Therefore, they have both a direct and indirect negative influence on media content.

Most of the panelists agreed that Croatian journalists cover all key events and issues. Citizens still must read more than one paper, or combine reading papers and watching television news, to get the complete picture of what has really happened. However, the panelists agreed there are no noncovered or deliberately overlooked issues. “The whole range of information is available to the public. But, one could say that there is ever less good investigative reporting, background information explaining some of the key local or international issues. Not because of any censorship or self-censorship, but simply because of editors who think that this type of journalism is not commercial enough,” media lawyer Emil Havkić said.

“The ‘average’ salary in Croatian journalism simply does not exist. I know journalists working for 400 euros a month, but I also know journalists working for 15,000 euros a month. In general terms, we could say that journalists in Croatia are relatively well paid,” one panelist said. Panelists agreed that there is no direct relationship between salary level and corruption in Croatia. If a journalist tends to be corrupt, then he or she will be corrupt, regardless of the salary level. Unlike in many transitional countries, the public broadcaster is still the highest rated in Croatia. The relatively decent news production on HRT is still the main source of news for most of the audience. Panelists expressed concern over the increasing entertainment content in both print and electronic media as a result of the ever growing pressure of the commercial media.

Technical facilities for most of the national media outlets are modern and efficient. Some of the local media are underequipped, but these are more marginal examples. Also, the variety of media outlets in Croatia (some 960 dailies, weeklies, and periodical editions for a population of 4.5 million) shows that all the market niches are covered at least in number of editions, if not necessarily in the quality of reporting. On the day of the MSI panel, one large international corporation and one local company almost simultaneously announced the launching of two business weeklies, pointing to the market’s seeking to fill certain niches.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Croatia Objective Score: 3.02 / 4.00

Panelists agreed that a plurality of news sources on the Croatian media scene exists, in terms of “print” and “broadcast” (plus online), “local” and “international,” and “public” and “commercial” media. With more than 3,000 registered journalists (in a country with a population of 4.5 million); more

than 1,100 freelancers; about 150 registered radio and television stations on the city, county, or national level; about 960 print media outlets; 40 percent of the population using online services; and about 10 percent of households connected to the broadband Internet, one could say that the plurality of news sources in Croatia is absolutely secured. Access to local and international news is completely open and absolutely unrestricted, except by cost for the lower-income portion of the population (pensioners, unemployed, rural population).

Issues do exist, however. Access was limited by income and while the sheer number of sources was increasing, the quality was not. One panelist cited a Russian journalist, speaking recently of media pluralism, who said that dozens of lies do not make the truth. While this situation is far better in Croatia, the panel argued that it takes more than one paper or more than one broadcast news show to understand what has really happened.

Panelists were also very concerned about the issue of affordability. The cover price of daily papers (6kn or \$1), weekly papers (12kn or \$2), Internet rates (starting at \$20/month), and the high prices of international dailies and weeklies (\$3 to \$5 on average) are prohibitive to a substantial part of population, who

Multiple news sources provide citizens with reliable and objective news.

PLURALITY OF NEWS SOURCES INDICATORS:

- > A plurality of affordable public and private news sources (e.g., print, broadcast, Internet) exists.
- > Citizens' access to domestic or international media is not restricted.
- > State or public media reflect the views of the entire political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for print and broadcast media.
- > Independent broadcast media produce their own news programs.
- > Transparency of media ownership allows consumers to judge objectivity of news; media ownership is not concentrated in a few conglomerates.
- > A broad spectrum of social interests are reflected and represented in the media, including minority-language information sources.

therefore rely on information from the "open sources" (terrestrial television and radio).

Foreign broadcasters (BBC, Voice of America, Deutsche Welle, RFI, etc.) operate freely in Croatia, most of them on their own networks of local radio stations. Almost 40 percent of households have access to satellite television and radio stations or cable television networks. Due to the geographic shape of the country, most of the population has access to foreign terrestrial television and radio stations as well. The biggest Croatian phone operator will introduce IPTV (Internet-provided television) early in 2006, with a combination of local and international terrestrial and satellite stations, plus video-on-demand service. Most of the users of the broadband Internet (about 10 percent of households) will probably use this new service as well.

Public media cover the entire political spectrum and a wide range of views. One panelist argued that there has been less quality, in-depth investigative reporting or analysis of international events, but the majority of panelists concluded that

"Which media outlets have been the most active in opposing pro-democratic and pro-European government policy?" panelist Denis Kuljiš asked.

this is not a specific feature of the Croatian media scene, but rather a global trend. Panelists have expressed more concern over the situation in local media, which remains dependent on local governments and too often serves a certain political, rather than the public, interest.

There are three news agencies operating in Croatia (HINA, STINA, and IKA), but only HINA provides a general news service for print and broadcast media. In the 1990s, HINA had been a government mouthpiece, but in the past five years it has developed into a respectable and professional news agency. HINA offers a variety of services and "packages" to its clients, but the starting level of subscription fees is still prohibitively high for many of the local media. In addition to the domestic and foreign news services (mostly Reuters), bigger national media outlets have their own news-gathering teams, including foreign correspondents and niche experts.

The Croatian Electronic Media Law strictly defines that commercial broadcasters (on the local, county or national level) must have their own news production. As a consequence, there are a variety of news

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productions in quantity, but not always on the expected quality level. Some commercial broadcasters treat news production not as content in the public interest, but more as content they are obliged to produce by legislation. It is

more akin to “alibi” news production, as one panelist defined it.

News programs are still the most watched production in Croatia, and therefore neglecting it (as some commercial broadcasters do) is not smart market-wise. But this is not the only paradox related to this indicator. “Which media outlets have been the most active in opposing pro-democratic and pro-European government policy?” panelist Denis Kuljiš asked. “It is rather interesting that two [of the] most outstanding opponents are media outlets owned by an Austrian and an American company. Do the owners know the editorial policy of their outlets in Croatia? Have they created it? Do they care about it? We don’t know.” Still, the predominant opinion was that public and commercial television and radio stations do offer a sufficient level of political, social, and cultural pluralism.

Transparency of the media ownership is still an open issue. All businesses in Croatia, including media, must register their owner’s structure with the Commercial Court. This registry is publicly available, and in theory media ownership is transparent. But there are reasons to believe that at least some of the media outlets have registered only “cover names,” hiding their real owners. It is not only or exclusively about political interests; more often, it is the case in the broadcast sector, where “cover names” are used to bypass strict antimonopoly provisions. Some panelists expressed their concern over a recent takeover of the third largest daily paper in Croatia (*Slobodna Dalmacija*) by the biggest Croatian publisher, Europa Press Holding (EPH). Although EPH formally hasn’t been in breach of antimonopoly provisions, most of the panelists think that this acquisition brings the Croatian print market close to the type of media concentration that could be prohibitive to market competitors.

Panelists agree that the sheer number of media outlets in Croatia guarantees that all of the major social, political, cultural, or other issues will be covered. There were different opinions on minority-language sources. Some panelists think that minority-language information sources could actually increase a minority community’s feeling of living in a social or political ghetto. As a good example, panelist Neven Šantić mentioned a daily paper in Italian (“*La Voce del Popolo*”) that has been serving the Italian minority for many decades, “supporting the Italian minority’s cultural identity without being a victim of a different political interest.”

OBJECTIVE 4: BUSINESS MANAGEMENT

Croatia Objective Score: 3.39 / 4.00

The growing number of media outlets in Croatia and the entry into the market of many respectable international companies is the “ultimate proof that media in Croatia is a highly profitable industry,” said panelist Denis Kuljiš. Given the relatively small market of Croatia, it takes certain managerial skills to develop a media business to the point where it is profitable enough for local owners or for serious foreign investors. The biggest publisher in Southeast Europe, EPH, was founded by a group of young Croatian journalists in late 1980s and has been managed exclusively by local managers. It has since generated a

Independent media are well-managed businesses, allowing editorial independence.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets and supporting firms operate as efficient, professional, and profit-generating businesses.
- > Media receive revenue from a multitude of sources.
- > Advertising agencies and related industries support an advertising market.
- > Advertising revenue as a percentage of total revenue is in line with accepted standards at commercial outlets.
- > Independent media do not receive government subsidies.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor products to the needs and interests of audiences.
- > Broadcast ratings and circulation figures are reliably and independently produced.

pool of local professional skills as well as contributed substantially to the country's overall entrepreneurial climate.

The Croatia media receive revenue from a multitude of sources. Some of the more traditional sources of income, such as subscription to newspapers, are still in very low percentages (in many cases, only about 3 percent). Some of the panelists think that the 97 percent of the circulation sold in kiosks has had a direct impact on the type of journalism, favoring "screaming headlines" on the cover page, in order to distinguish the paper on the newsstands, even in more serious papers. Advertising revenue both in print and broadcast media is constantly growing.

The MSI panel debated the multitude of income sources for the public television. It annually receives between \$120 million and \$130 million from the mandatory subscription fee, an average of \$10 per household per month. The public television also has the lion's share of the advertising market, earning an estimated \$200 million from advertising per year. Panelist Tena Perišin (of the public television) said that advertising income is substantially important for the broadcaster, making it less vulnerable to different forms of political pressures than it would have been if the subscription were the only income source. Some other panelists would like to see more transparency or consistency in spending the subscription money.

"I would like to see my subscription used for the news production, educational, cultural, and similar productions. I don't want to finance reality shows on public television with my money. Public television earns on advertising, fine, but then it should use this money, not subscription fees, to buy and finance commercial programming," Davor Glavaš said.

Advertising is one of the faster-growing industries in Croatia, supporting the stable market position of most of the national media. The recent market entry of the third mobile-phone operator will additionally contribute to the growth of the advertising market. Most of the biggest global advertising agencies have opened branch offices in Croatia, making the advertising market ever more professional. In fact, one of the biggest international advertising agencies, McCann Erikson, opened its local office in Zagreb back in 1984, which points to the sophistication of the Croatian advertising market even then.

The advertising revenue of the Croatian print media is, in percentage terms, still lower than in Western markets. Some of the largest national daily papers are earning 60 or more percent of their overall income

from advertising, but this percentage is substantially lower in local media. Some panelists think that a balance between advertising and income from copy sales should be kept. "Content matters more if the percentage of cover-price income is in balance with advertising. Some of my colleagues from more developed markets say with a bit of cynicism that the journalist's job in a media with a very high percentage of advertising income is only to fill the gaps between the ads. It is really more than just cynicism in this," said panelist Ante Gavranović, president of the Croatian Association of Publishers.

The Independent media in Croatia do not receive government subsidies. This is a general conclusion, but with certain variations in a real-life situations. Namely, a relatively large percentage of the local media (especially local radio and television stations) still depend on financial and in-kind support

from local governments, with all the potential negative implications for editorial independence. It is not about direct financial support (although this is not excluded, it is relatively rare), but more often about so-called contracts on regular coverage of local government activities. In other words, local governments are paying to have their activities covered in the local news on local broadcasters. The professionalism of such productions is, of course, questionable. In-kind support to local media is most often in the form of using office space, communications, or other services provided for free or at lower-than-market rates by local government. Providers of such financial and in-kind subsidies may expect more favorable treatment in those media supported in this way.

As of 2005, there is an additional source of finance for independent media. According to the amended Electronic Media Law, 3 percent of the subscription fee (a tax on radio and television sets) goes to the

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Fund for Media Pluralism. The intention of the Fund is to “support productions of the public interest on commercial broadcasters” and is allocated to the recipients by the Council for Electronic Media. The total amount is approximately \$3 million per year; individual grants vary from \$1,500 to \$150,000. Although the Fund could have an important role in upgrading production in local radio and television stations, it is still necessary to define allocation criteria more precisely, to implement strict oversight measures, and to introduce more transparency into the decision-making process.

Market research and strategic planning are even more important in Croatia. Media and advertising agencies are using sophisticated market-research methods and tools. Still, panelists mentioned a large gap between the national media—which are in line with the newest global trends and solutions—and the local media, who are too often managed in an old-fashioned style with little use of research or strategic planning.

Print and broadcast figures are still not provided by a generally accepted independent source (i.e., an Audit Bureau of Circulation or an accepted ratings agency that serves as the “currency” between advertisers and broadcasters), but most of the larger advertising agencies do undertake a serious analysis of ratings and circulation figures independently. People-meters are quite common for broadcast ratings, and estimates of the print circulation are quite precise.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Croatia Objective Score: 3.23 / 4.00

Croatia has an excellent reputation among transition countries for its professional supporting institutions. The Croatian Journalists’ Association (CJA) has a membership of almost 3,000 (more than 90 percent of active journalists). This is an almost unique case of a single effective association that encompasses almost all of the professionals in the country, regardless of their political positions and interests. The CJA had a critically important role in the 1990s, defending and promoting basic human rights and professional standards. Today, the CJA is a well-organized, financially self-sufficient professional association that promotes and safeguards industry standards and free-speech rights. Neighboring countries have competing (and often ineffectual) journalists’ associations.

The CJA example could be applied to the Croatian Journalists’ Trade Union (CJTU), a partner association that collaborates with CJA to protect the professional interests and labor rights of journalists. Due to its

reputation and results, the Croatian Journalists’ Trade Union has been appointed by the IFJ (International Federation of Journalists) as the referral center for the trade unions in transitional countries. CJTU has helped partner institutions in both Southeastern Europe and the wider region (e.g., Ukraine and Belarus) to organize themselves into more efficient professional organizations.

Both the CJA and the CJTU have been active in drafting media legislation in Croatia. It would be proper to say that there has not been any action of civil society in Croatia since the 1990s in the wider spectrum of human rights without the active participation of both the CJA and CJTU.

However, not all panelists rated the CJA so highly. Denis Kuljiš argued that the CJA is “a dinosaur, a species in extinction” and called for new organizations to represent more specific interests of the journalist community. “It is now high time for smaller, task-oriented, efficient, and flexible pressure groups,” according to Denis Kuljiš.

In addition to the CJA and CJTU, there are a wide variety of professional and trade associations actively promoting the professional agenda of different media interest groups. Local media are organized in the Croatian Association of Local Radio and Print (HURIN). Local television stations are organized in the National

Supporting institutions function in the professional interests of independent media.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of private media owners and provide member services.
- > Professional associations work to protect journalists’ rights.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs that provide substantial practical experience exist.
- > Short-term training and in-service training programs allow journalists to upgrade skills or acquire new skills.
- > Sources of newsprint and printing facilities are private, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Association of Local TV Stations (NUT). Together with the national television stations (Croatian RTL, Nova TV), local television stations have formed a joint national association of commercial television stations that has been very active lately. A group of local radio stations are organized in the Association of Independent Radio stations (AIR). The publishers also have their own association, although very tense relations between some of the publishers diminish its efficiency. All of these organizations have been very active in promoting their agendas and ensuring that the policy process includes the views of diverse interests within the media.

There also exists a lively nongovernmental organization (NGO) scene in Croatia. The NGO sector was shocked in late 1999 and early 2000 after most international donors withdrew from Croatia, but the NGO scene has recently consolidated its activities. Some, such as the Croatian Helsinki Committee (HHO), have earned an international reputation for their activities. Still, panelist Antonella Cerasino said she would like to see "more activities of NGOs which promote freedom of speech."

The quality of available journalism education divides the media community. Tena Perišin argued that journalism study is professional, giving students both theoretical knowledge and well-equipped training centers for practical activities. The CJA is active in organizing training for both young and mid-career journalists, especially in its training center in Opatija (the International Center for the Education of Journalists). However, as Tena Perišin stated, "Media owners and editors are still not willing to encourage staff to participate in trainings and workshops." Neven Šantić mentioned specific problems in the local media, where owners and senior editors "don't want their journalists to become more educated or more aware of their position and rights, or simply operate in such small newsrooms which couldn't afford to send a person for a week or longer to trainings or workshops."

Denis Kuljiš argues that the journalism degree from the University does not prepare journalists for a real professional environment: "The journalism degree is based on the old-fashioned notion that it is enough to learn theory and get some practical journalism experience. But, there are many other professions and skills that are indispensable for media, such as graphic designers, web designers, cameramen, and software operators. Where are they going to acquire their knowledge and skills?"

Panelist Ante Gavranović thinks that Kuljiš is too critical: "Croatia has the ICEJ; this is recognized by the EU as a referral regional educational center. This should be enough to conclude that in Croatia there exists quality education and training for journalists."

Neven Šantić believes there are "enough opportunities for journalists to learn and improve their skills. Yet another question is how many of them are willing to accept the idea of permanent education? Not the majority unfortunately."

Newsprint acquisition and printing facilities are completely deregulated,

private, and offer a multitude of options to publishers. There are currently more privately owned printing facilities than the market demands for this service, which is beneficial to publishers. Consequently, printing prices have decreased recently. Although one could rightly say that the cover price of the papers is high, the fact is that all daily papers are in full color, offering a greater variety of supplements at the same price than the black-and-white editions with no supplements did only a few years ago.

Distribution is still dominated by one single company, Tisak. Unlike the 1990s, when this company was owned by one of the most notorious Croatian tycoons and used by the Tudjman regime as a tool for extortion of independent media, Tisak now operates as an efficient market- and profit-oriented company. Panelists agreed that other distribution means (Internet, broadcast transmission) are completely apolitical, privately owned, and offer professional, efficient, and unrestricted access under market conditions.

"The journalism degree is based on the old-fashioned notion that it is enough to learn theory and get some practical journalism experience. But, there are many other professions and skills that are indispensable for media, such as graphic designers, web designers, cameramen, and software operators. Where are they going to acquire their knowledge and skills?" said Denis Kuljiš.

Panel Participants

Antonella Cerasino, Public Affairs Unit—
Spokesperson, OSCE

Ante Gavranović, President, Croatian Association
of Publishers

Emil Havkić, Media Lawyer

Denis Kuljiš, Editor, Europa Press Holding

Zdenko Duka, Vice President, Croatian
Journalists' Association

Tena Perišin, Editor, Croatian Television (HTV)

Zdravko Tomić, Media and Political Specialist,
US Embassy

Neven Šantić, Journalist, *Novi List*

Moderator

Davor Glavaš, Director and Editor-in-Chief, BBC Croatia

CROATIA AT A GLANCE

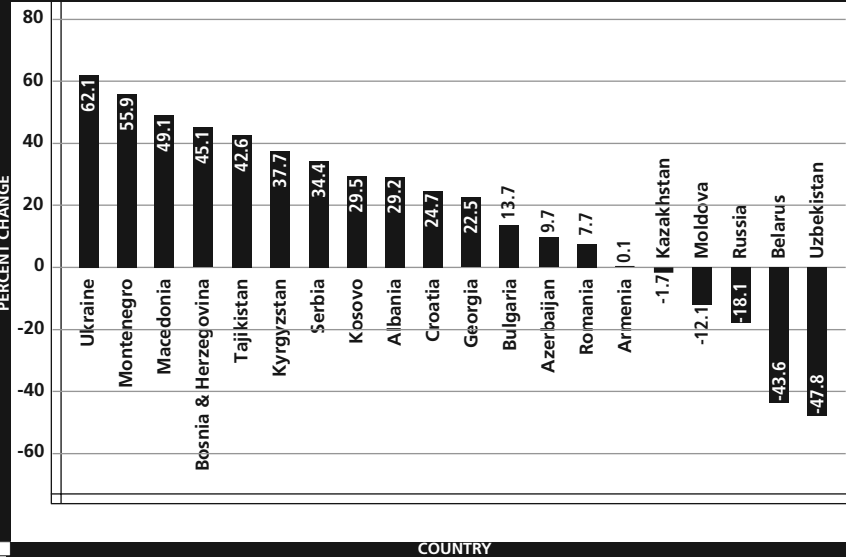
GENERAL

- **Population:** 4,495,940 *CIA World Factbook, June 2005 est.*
- **Capital city:** Zagreb (773,000, est. 2004)
- **Ethnic groups (% of population):** Croat 89.6%, Serb 4.5%, Bosnian 0.5%, Other: 5.4% *2001 Census*
- **Religions (% of population):** Roman Catholic 87.8%, Orthodox 4.4%, Muslim 1.3%, Protestant 0.3%, none 5.2% *2001 Census*
- **Languages (% of population):** Croatian 96%, other 4% *2001 Census*
- **Literacy rate (% of population):** 98.5% *CIA World Factbook, 2003 est.*
- **GDP:** \$50.33 billion *CIA World Factbook, 2004 est.*
- **President or top authority:** President Stjepan Mesic, Prime Minister Ivo Sanader
- **Next scheduled elections:** January 2010

MEDIA-SPECIFIC

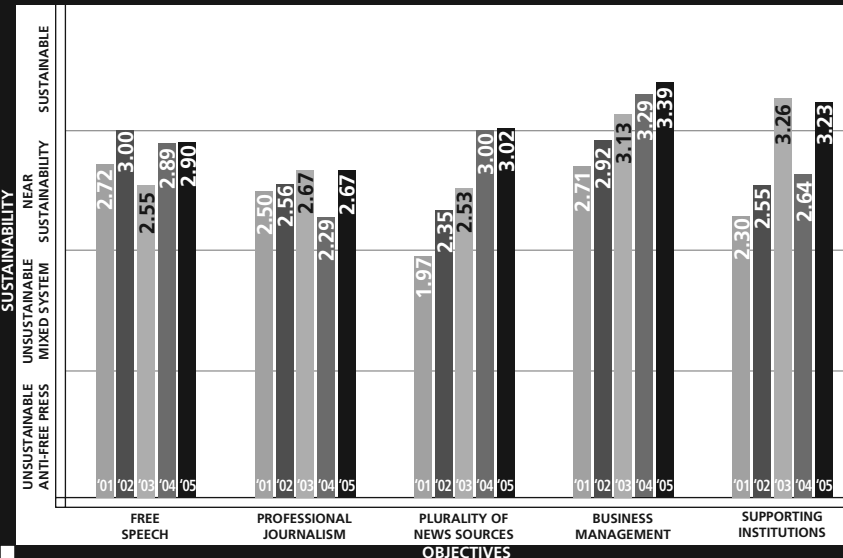
- **Newspaper circulation statistics (total circulation and largest paper):** There are no reliable figures on total circulation of the papers. The total circulation of daily newspapers is estimated at 500,000 to 550,000 copies a day.
- *Vecernji List* (Zagreb) sells 95,000 to 145,000 copies per day.

MSI AVERAGE SCORES—PERCENT CHANGE 2001–2005



- *Jutarnji List* (Zagreb) sells 70,000 to 110,000 copies per day.
- *24 Sata* sells 45,000 to 60,000 copies per day.
- *Slobodna Dalmacija* (Split) sells 45,000 to 55,000 copies per day.
- *Novi List* (Rijeka) sells 40,000 to 50,000 copies per day. *Croatian Journalists' Association*
- **Broadcast ratings (top three ranked stations):** HRT 1 (public television, first channel), HRTL (Croatian RTL), HRT 2 (public television, second channel), Nova TV (private)
- Narodni radio, Otvoreni radio, and HRT 1 radio are the most listened to radio stations. *Croatian Journalists' Association*
- **Number of print outlets, radio stations, television stations:**
- **Approximately 900 print outlets:** 14 daily newspapers (five national daily papers, nine local) and 46 weeklies (three major national political weeklies)
- **131 licensed radio stations:** Five stations have national coverage, and 126 operate regionally and locally
- Three national television stations (HRT, HRTL, Nova TV) and four national channels (HRT 1, HRT 2, HRTL, Nova TV); 16 television stations operate on the local or county level; cable television is provided by 21 licensed operators

MEDIA SUSTAINABILITY INDEX: CROATIA



- **Annual advertising revenue in media sector:** Approximately 4 billion kn (about \$650,000,000). An estimated 60% of the advertising income goes to broadcasters, 40% to print. *Croatian Chamber of Commerce and Croatian Association of the Advertising Agencies estimates*
- **Number of Internet users:** About 40% of the population uses the Internet at home or at work.
- **News agencies:** HINA, STINA, IKA. IKA (a Catholic news service) provides news only to Catholic media.

