

MEDIA SUSTAINABILITY INDEX

2008

**The Development
of Sustainable
Independent Media
in Europe and Eurasia**



MEDIA SUSTAINABILITY INDEX 2008

The Development of Sustainable Independent Media in Europe and Eurasia

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The past year was marked by a long and fierce political campaign surrounding the parliamentary elections in November. However, this proved that implementing higher democratic values and practices has its difficulties. The pains of transition have carried over into most of Croatia's social sectors, including the media.



CROATIA

Goran Sebelic/CROPIX

Croatia is becoming a stable democracy with a relatively prosperous economy as a result of significant governmental developments in recent years. The parliamentary elections in 1999 and especially the formal start of the EU accession process in 2005 marked the line between a society recovering from war and an authoritarian regime and a new Croatia opening to the promises and challenges of a Euro-Atlantic future.

The past year was marked by a long and fierce political campaign surrounding the parliamentary elections in November. However, this proved that implementing higher democratic values and practices has its difficulties. The pains of transition have carried over into most of Croatia's social sectors, including the media.

Just days before the MSI survey began, several events took place that brought the media scene in Croatia to a boiling point. A well-known investigative journalist was arrested and kept in prison overnight for publishing "top-secret documents." A convicted kidnapper and alleged organized-crime boss sent a letter to a publisher outlining the network of organized-crime figures, politicians, the judiciary, and the media. One of the top drug bosses in Croatia was shot by a contract killer during his weekend leave. He died in the arms of his fiancée, an important news editor at Croatian Public Television (HTV). A well-known crime reporter wrote a revealing article on the assassination and received a clear message the next day from the criminal underground: his own obituary was published in a daily paper. A notorious local tycoon accused of rape threw a bag of fresh cow bones at the court entrance, shouting at journalists, "This is for you, blood-thirsty jackals."

The year 2007 presented MSI panelists with many additional issues to consider. In January, the Ministry of Culture tried again to open and close in just one day a "public" debate on amendments to the Law on the Electronic Media. In April, the Council for Electronic Media declined to renew a key expert's term, proposing to replace him on the council with someone having a strong political background. Divisions inside the Croatian Journalists' Association (CJA) seriously endangered its position as a strong advocate for the profession. Many saw changes in the news department at HTV as a reminder of 1990s-era Croatia. In early December, an editor at a weekly business paper resigned because she no longer wished to publish paid promotional materials under the guise of articles written by the paper's staff.

Given these circumstances, Croatia's final score for 2008 is noticeably lower than the past few years. Modest gains in Objectives 2 and 3 (professional journalism and plurality of news) were offset by a small decline in Objective 1 (free speech) and drops of about half a point in Objectives 4 and 5 (business management and supporting institutions). Although setbacks and shortcomings are almost inevitable in a media market emerging from an authoritarian government, panelists expected higher standards both in legislation and professional practice. Panelists expressed that they cannot cope with market rules and trends that favor unscrupulous and blatantly commercial media over serious, responsible journalism.

CROATIA AT A GLANCE

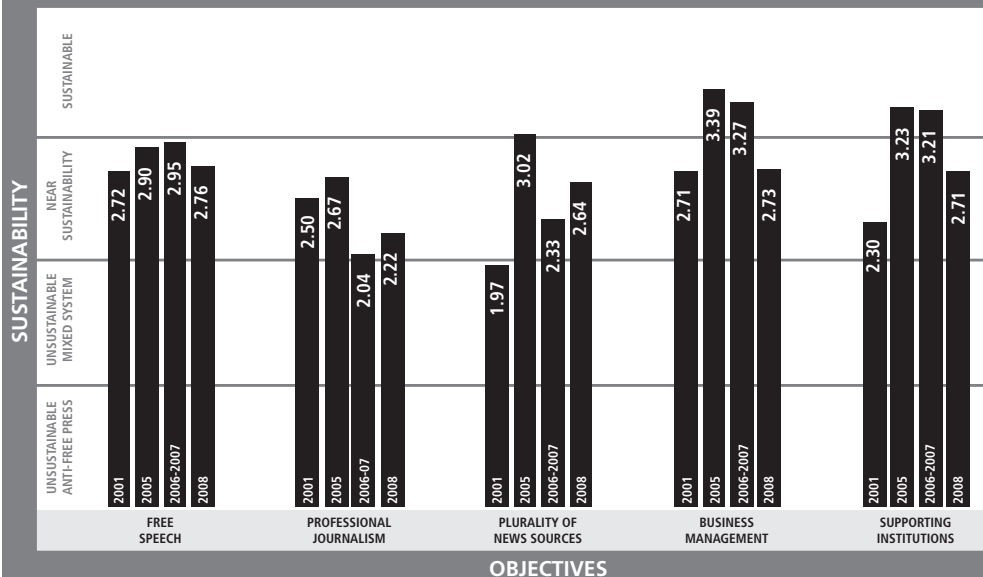
GENERAL

- > **Population:** 4,493,312 (July 2007 est., *CIA World Factbook*)
- > **Capital city:** Zagreb
- > **Ethnic groups (% of population):** Croat 89.6%, Serb 4.5%, other 5.9% (including Bosniak, Hungarian, Slovene, Czech, and Roma) (2001 census, *CIA World Factbook*)
- > **Religions (% of population):** Roman Catholic 87.8%, Orthodox 4.4%, other Christian 0.4%, Muslim 1.3%, other and unspecified 0.9%, none 5.2% (2001 census, *CIA World Factbook*)
- > **Languages (% of population):** Croatian 96.1%, Serbian 1%, other and undesignated 2.9% (including Italian, Hungarian, Czech, Slovak, and German) (2001 census, *CIA World Factbook*)
- > **GNI (2006-Atlas):** \$41.40 billion (World Bank Development Indicators, 2007)
- > **GNI per capita (2006-PPP):** \$13,680 (World Bank Development Indicators, 2007)
- > **Literacy rate:** 98.1% (male 99.3 %, female 97.1%) (2001 census., *CIA World Factbook*)
- > **President or top authority:** President Stjepan "Stipe" Mesic (since February 18, 2000)

MEDIA-SPECIFIC

- > **Number of active print outlets, radio stations, television stations:** 14 daily newspapers, 46 weekly newspapers, 19 television stations, 143 radio stations
- > **Newspaper circulation statistics:** The total circulation of daily newspapers is estimated at 550,000 copies a day.
- > **Broadcast ratings:** highest rated television outlets: HRT 1 (public television), RTL Croatia (private commercial television), HRT 2 (public television), Nova TV (private commercial television)
- > **News agencies:** HINA, IKA, STINA
- > **Annual advertising revenue in media sector:** Approximately \$900 million (estimated 60% of advertising income goes to broadcasters, 40% to print)
- > **Internet usage:** 1,576,000 (2006 est., *CIA World Factbook*)

MEDIA SUSTAINABILITY INDEX: CROATIA



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.

OBJECTIVE 1: FREEDOM OF SPEECH

Croatia Objective Score: 2.76

Panelists rated Objective 1 slightly lower than last year, partly as an expression of frustration over the lack of continued progress and partly due to a number of events that exposed some cracks in the media regulatory environment. Indicator 5, covering preferential treatment of public media, significantly held back performance in this objective, scoring more than a full point lower than the average. Indicator 2, regarding broadcast licensing, and Indicator 6, on libel laws, scored a little more than a half point below the average. On the positive side, Indicators 8 and 9 received scores close to a 4, reflecting the panelists' view that both media access to international news sources and entry into the journalism profession are secure in their current freedom.

Panelists concluded that the legal framework that protects freedom of speech in Croatia is well-elaborated and, in general terms, follows recognized international standards. Media and media-related legislation include the Constitution of the Republic of Croatia, the Media Law, the Electronic Media Law, the Croatian Public Radio and Television Law, the Penal Law, and the Freedom of Access to Information Law, plus numerous sub-laws. One general objection, defined by panelists Tena Perišin and Ivan Čičak, is that there are obviously over-regulated areas (for example, defining in detail the minimum area in square meters foreseen for the working spaces per each employee), while some open but undefined issues remain that are potentially subject to arbitrary decisions.

"The Electronic Media Law stipulates exact details, such as the exact percentage of news and original production in the daily schedule of each broadcaster or allowed advertising time per hour, but there is no efficient monitoring in place. Without it, these provisions are just empty words," Čičak said.

"Each time I turned to the Law on HTV for specific answers on specific problems, I couldn't find them," said Perišin, assistant to the news director at HTV. "There are so many technical details and general provisions, but just too many grey zones where concrete stipulations should be."

Panelist Emil Havkić, an attorney at law and a media law specialist, said that media-related legislation is very well-defined but that laws often have some obvious flaws in implementation. Havkić recommended implementing additional provisions on safeguarding privacy, which has become an important issue given the blatantly commercial media that control a significant market share. Havkić said, and other panelists agreed, that public opinion on media

freedom and civil society are generally mature enough to prevent potential misuse of privacy provisions by the government or others.

Still, panelist Neven Šantić made an important objection to the current media legislation. "I just can't consider [the law] good and just as long as a journalist or his editor could be fined for printing or broadcasting statements made by the politicians or public figures with no alterations," he said. "This opens just too big a window for the courts to make arbitrary decisions on it, although there haven't been any recent cases of this type."

The government in other ways still shows a lack of understanding on the importance of media's role in a democracy and an unwillingness to work cooperatively with media professionals. In January 2007, the Ministry of Culture (which is responsible for media legislation) revisited amendments to the Electronic Media Law by, among other things, adding the position of manager to the Council for Electronic Media who would be appointed by the government. Most media professionals considered this proposed change unacceptable and a step backward from the common standards already achieved. As in the past, the ministry tried to open and close in just one day a "public" debate on the amendments to rush them through. Only after an immediate reaction from the CJA and other NGOs did the ministry organize a proper public debate, which resulted in substantial changes to the first draft: the manager position was no longer government-appointed and had reduced responsibilities.

LEGAL AND SOCIAL NORMS PROTECT AND PROMOTE FREE SPEECH AND ACCESS TO PUBLIC INFORMATION.

FREE-SPEECH INDICATORS:

- > Legal and 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 offended parties 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 Electronic Media Law stipulates exact details, such as the exact percentage of news and original production in the daily schedule of each broadcaster or allowed advertising time per hour, but there is no efficient monitoring in place. Without it, these provisions are just empty words,” Čičak said.

Licensing of the broadcast media has always been a lively topic for MSI panelists, and was again this year. Most of the panelists felt that the main shortcoming with the Council for Electronic Media, the body that allocates frequencies and licenses to broadcast, is no longer its political affiliation (as it was in 1990s), but rather incompetence and alleged corruption. Panelists pointed to an April 2007 decision by the council to not renew the term of one of its key experts. Renewal is normally common, but the council chose to replace him with someone having almost no media experience but strong political ties. Regarding the council's decision-making process on licensing, the panelists said that the main problem is not a lack of transparency (bids for frequencies are public, as is voting), but rather the undefined criteria that give advantages to some bidders. Lack of criteria facilitates arbitrary decisions and applications that exaggerate financial means and professional experience, undercutting post-award enforcement of terms.

Most of the panelists agreed that the damage done in the 1990s, when the council issued licenses almost exclusively to government cronies, is almost irreparable. Most of the quality frequencies were allocated at that time, and given that no one has withdrawn a frequency, the broadcast scene (especially when it comes to radio) is cemented; also, due to the lack of new frequencies, quality competition is prevented from entering the market.

Panelists could not agree on the council's practice of renewing licenses almost by default. Some thought that, given that no available quality frequencies are available, the practice prevents the development of the market and encourages license holders to openly breach license terms and conditions. As Perišin mentioned, “Who cares anymore to compare the original application of, say, national television channel RTL, which included obligations to produce a high percentage of educational and cultural content, with its current schedule, completely oriented toward commercial productions? Is that a breach of the contract that eventually could and should result with the license's withdrawal?”

Other panelists said that the practice of withdrawing licenses could potentially lead to arbitrary decisions. In addition, these panelists said, given that licenses are issued for five to seven years, making a proper business plan (or involving a serious investor in a project that requires at least four to five years of capitalization) would be almost impossible to do without some kind of guarantee of the license's renewal.

Panelists agreed that the tax structure and market entry rules for the media are fair, competitive, and comparable with other industries. After years of lobbying by CJA and Association of Publishers, the government in 2007 finally implemented tax breaks for the print media (lower value-added tax [VAT] on newspapers compared with other products), which should contribute to better overall financial performances in the industry.

Although the government should be praised for this decision, its timing raised some concerns. Panelist Zdenko Duka, CJA president, said, “The tax break to the print media is a good decision, by all means. But what worries me is that it happened only weeks before the general elections. It was almost like sending a subtle political statement to the media on whom to side with.”

Panelist Ante Gavranović, founder of the Association of Publishers, added that daily and weekly papers are probably the only large-scale products in Croatia that have not changed their prices since 2001. Preferential VAT status is, therefore, “well-earned,” he said, and could be of the utmost importance in keeping some of the publishers on the market.

There are no restrictions or special procedures in starting a print media business, compared with any other industry.

The broadcast media sector is more complicated. Market entry in broadcasting is defined primarily by the number of available frequencies, not by the investors ready to take a risk with a new market entry. Taking into consideration that only a small number of less attractive local radio and television frequencies are available after the last big frequency allocation process in 2003, few (arguably no) important new market entries have been made.

However, Croatia should become fully digital by 2012, and the switch to a digital frequency spectrum will dramatically improve the broadcast market and open almost unlimited new resources. Because the transition is less than five years from now, panelists expressed their concern that the council and other responsible institutions are not doing enough to prepare themselves, the broadcast market, advertisers, consumers, and the media legal framework for the forthcoming digital revolution.

Physical attacks on journalists in Croatia are very rare, but panelists are concerned with the increasing number of harassment cases. Although the public is very sensitive to harassment of the media, the prevailing opinion of the panel was that the police and judiciary should be more active both in protecting journalists and prosecuting offenders.

“My feeling is that the judiciary does not prevent the harassment of journalists. Even more, by being passive, it could be said that they are actually encouraging such attacks,” said panelist Anja Picelj-Kosak, referring to the two most recent cases (“obituary” and “cow bones,” described in the Introduction).

Čičak also mentioned the difference between working in a big, national media company, where journalists have a sense of security and protection, and working in a small local media company, where journalists—and their families—are far more exposed to different types of subtle or open harassment.

There has been a dilemma among MSI panels for years over Indicator 5, public media receiving preferential legal treatment. Does the fact that HTV collects subscription fees (in addition to its high share of the advertising market) mean that HTV has a preferential status over the other broadcasters? Or, is subscription vital for financing educational and other noncommercial programming and advertising revenue additionally safeguards editorial independence, as Perišin said? The panelists could not agree on this point.

They did agree, however, that interference in the editorial policy at HTV still exists and is even more visible after the recent changes in key editorial positions. The problem is not one of a defined and systematic interference, but rather about having “loyal” editors and journalists in key positions. Furthermore, while laws are quite clear on delineating editorial independence at public broadcasters, many powerful politicians still wield extra-legal influence and willfully ignore these laws in spirit and practice. Interference in the editorial policy is much more tangible in the local broadcast and print media, where municipalities still have ownership shares and do not hesitate to use them to leverage different forms of interference and pressure.

In practice, libel is regulated by the civil code, and the offended party must prove falsity or malice. Still, as Šantić mentioned above, journalists or editors are sometimes held responsible and could be fined for publishing direct quotes made by public figures.

An additional problem is the huge backlog of libel cases and the transferring of some to nearby local courts, a practice that panelist Denis Kuljiš said is a further insult. “Now it is not

An additional problem is the huge backlog of libel cases and the transferring of some to nearby local courts, a practice that panelist Denis Kuljiš said is a further insult. “Now it is not only about going to the court, which is a kind of harassment anyhow, but going in the early morning hours to find some obscure local court. It is double harassment,” he said.

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As shown by the December 2007 resignation of the minister of internal affairs (photos published on the Internet showed him and war-crimes suspect Mladen Markac, who was on parole but not allowed to leave his house, taking part in a Christmas boar-hunting trip), the expectation is that public officials will be held to higher standards. However, recent examples at both the national and local level have shown that the highest-positioned officials are still in a class of their own. The prime minister, for example, has never made good on his promise to make public the invoices for his collection of very expensive wristwatches, in order to prove that they were personal purchases and not gifts from “business partners.”

Regarding access of information, panelists agreed that no regulations restrict access per se, but they warned that public officials (especially at the local level) are still discriminatory in providing information. “It is not a problem to find one’s own sources from the government, but the real problems occur at the local level, where the officials talk only to ‘their’ media,” Šantić said.

Duka said that government and public officials simply do not comply with their legal obligation to provide an answer upon written request. “There are no sanctions for the public officials if they don’t answer within the defined time frame, so some of the officials are simply ignoring [the law],” he said.

Access to local and international news, including the Internet, is completely open and absolutely unrestricted, both for journalists and the general public. The high cover price of international newspapers is a definite factor preventing higher sales. However, ever more affordable rates for online services, and a relatively high percentage of households using broadband Internet connections, have decisively contributed to a massive and efficient flow of international news.

There is no such thing as an “average salary” for journalists in Croatia, the panel concluded. Salaries and other benefits are as little as \$600 or as much as \$15,000 a month. But a higher salary is no guarantee that the earner is above corruption. As mentioned earlier, even some higher-paid journalists tend to be corrupt in some ways—by accepting paid travel packages, for example.

Croatia has never required any kind of licensing for journalists. Accreditations in general depend on publishers/ editors, and there have been almost no cases in which accreditations were denied or withdrawn by the government or other public institutions.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Croatia Objective Score: 2.22

Objective 2 showed a minor increase over the score of 2.04 it received last year. The leading indicator, regarding modern facilities and equipment, scored significantly higher—more than a full point—than the overall average. However, the indicator about self-censorship scored nearly a full point lower. Pay levels for journalism and corruption also were a concern for panelists, and they scored Indicator 5 about half a point lower than the average. All other indicators fell relatively close to the final average.

The issue of fair and objective reporting has raised controversies among the panelists, and did so again this year. Kuljiš declared himself to be a “great admirer of Croatian journalism,” stating, “Have there been any important social or political processes from the ‘90s onward, without the media having a key role in exposing wrongdoings and involving the public by giving needed facts? No, there haven’t been any. We should be proud of it.”

Panelist Davor Glavaš, of the Croatian Radio Network and a professor at Zagreb University’s Study of Journalism, commented, however, that this role is inherent to journalism and that there is no reason to be proud—only satisfied with what the profession in general has achieved.

All panelists agreed that the quality of reporting has been on a downward trend since 2000. The events of 2007 reinforced

this conclusion and showed diminished chances to stop or reverse the trend. Triviality and sensationalism, generated by low-quality commercial media, tend to fill an increasingly greater proportion of the media content. Tabloid journalism does not have much regard for facts, sources, research, accuracy, or decency but has seized a large part of the print and broadcast media market. Some specific features of the Croatian media market also contribute to the trend of triviality—it simply takes offensive headlines for customers to single out one edition among dozens of others on newsstands and kiosks. (Only 3 to 4 percent of circulation is through subscription; 96 to 97 percent of copies are sold at kiosks.)

The downward trend has been supported actively by the high-circulation free papers and has reached mainstream media outlets as well—not (yet) with regard to the core content, but in the changeover to tabloid-like graphic design and layout, the adding of trivial supplements to print dailies and weeklies, and the introduction of commercial, low-quality “showbiz” productions on HTV.

The CJA and Croatian journalists have been well-known for their relatively efficient self-regulation and the high standards defined in their ethics code. More than 90 percent of all active journalists in Croatia are members of the CJA, and a large majority of them do follow basic ethical standards. Panelists felt that recent developments in the industry put this record at risk. According to Kuljiš, “When it comes to ethical standards, I wouldn’t say that journalists are a key problem in their implementation. On the contrary, journalists are recognizing and following these standards as much as they can. The problem is in their editors and owners. They are shaping the media to their interests, and journalists really can’t do much about it.”

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).

Certain groups lean more toward the accepting of different types of gifts in exchange for articles. Sports journalists often travel at the expense of the clubs they are reporting on and simultaneously take per diems from their publishers. Journalists covering the health system are very often guests at expensive presentations of new medicines and drugs, usually at exotic destinations, with all expenses covered. Journalists for car magazines often use cars owned by big car dealers, or buy them at bargain prices.

But gratuities are not the core of the problem. Ethical standards have declined with the new generation of journalists, who do not recognize the higher responsibilities of the profession but take it simply as a tool to promote themselves, or who are used by the publishers in promoting business interests.

Long gone are times when self-censorship was the result of direct political pressure, but self-censorship does exist—simply in a different form. “In March 2007, I gave my students at the Study of Journalism a list of the biggest advertisers in Croatia and asked them to search the archives to find any article in the media from the past six months critical of any of these companies,” said Glavaš. “Guess what? They couldn’t find a single piece.” Panelist Gabriela Galić, president of the Journalists’ Trade Union, added, “Journalists depend on editors, editors depend on owners, owners depend on the biggest advertisers.... My feeling is that our margin of professional independence is ever smaller. Frankly, we have contributed to it as well, being only passive observers of these trends for years.”

Havkić said that self-censorship in the Croatian media is stronger than it used to be. “It is not political self-censorship. It is about a new alliance that has been formed between the editorial and advertising desk in media, which tends to influence content—at times even more so than the authoritarian regime of the ‘90s did,” he said.

Interference of the big advertisers with media content sometimes assumes forms that are ridiculous, although not less dangerous. For example, a member of the immediate family of one of the biggest Croatian tycoons (and one of the largest advertisers) opened for the company a new shopping and business center in the second-biggest city in Croatia. A local daily paper published an article on the ceremony, mentioning marginally that the “godmother” of the new shopping center had “a retro hairdo.” The next day, a message from the company was on the editor’s desk, stating that the company would cease its advertising (a page a day, plus special weekly supplements) in that paper for the next two months.

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In more serious forms, big corporate money has undeniably found a way to discourage investigative reporting of their companies in most of the mainstream papers. The practice of mixing journalism and public-relations pieces has taken many forms as well. As mentioned previously, an editor of a weekly business paper resigned recently because she felt she could no longer in good conscience publish public-relations pieces under the names of the paper’s journalists, as ordered by the chief editor. Panelists felt that if such events happen in a national media company, one could only guess what is going on in local media.

This practice affects not only business media sections, but political content as well. It has taken more subtle forms than the public-relations/reporting mix, but professionals can see it almost on a daily basis. With a consensus achieved among all parliamentary parties on key national issues (EU and NATO membership, for example), a new space for promotion of certain political variances between political parties has opened. And, more often, these jobs are not the journalists’ responsibility. “One of the key spin-doctors recently told me: I don’t waste time with you journalists. I go to your publishers and arrange the type of article I want,” Kuljiš said, somewhat bitterly.

Panelists concluded that journalists cover all key events in the country, but there is an increasing lack of quality investigative and follow-up reporting, searching for background information, etc. Many of the events, including international events and processes, are covered only in a superficial or sensationalistic way. Still, imagining a situation in which all the media would accept a suggestion not to write about any event or scandal seems impossible. As always, it takes only one to publish the story; others would have to follow if they do not want to lose their reputation with their readership/audience. A typical example is the aforementioned demission of the minister of internal affairs following the publication of compromising photos. One Web portal published the photos, so the other media could not ignore the matter even if they had wished to.

Foreign investors own a large percentage of the print media sector, along with two national television channels. After an initial adjustment period between the foreign entities and Croatian teams, the two sides have had no major disputes. Aside from the trivial content on the foreign-owned television channels, it could be said that the foreign owners have contributed to the transformation of the Croatian media industry from domination by politics and politicians to more market-oriented programming.

There is no such thing as an “average salary” for journalists in Croatia, the panel concluded. Salaries and other benefits are as little as \$600 or as much as \$15,000 a month. But a higher salary is no guarantee that the earner is above corruption. As mentioned earlier, even some higher-paid journalists tend to be corrupt in some ways—by accepting paid travel packages, for example. Salaries in the private media are generally higher than in public media, with exceptions for the “star” journalists on HTV, to whom individually tailored contracts are offered.

Entertainment programming and related articles have been seizing more and more of the media content. Most of the print media still have a relatively respectable news section. This is true for HTV as well; news programming on HTV is still the most watched among all national channels. The more serious change is the prevalence in the commercial media of low-quality entertainment content, with no respect for accepted professional standards. Most of the “serious” papers do have entertainment pages or supplements, contributing to its somewhat schizophrenic content policy.

Generally, technical facilities are modern and efficient, especially at national print or broadcast media companies. In some cases, these media are equipped with state-of-the-art equipment, but the same cannot be said for some of the small local print or broadcast media.

When remarking on niche reporting, Glavaš reported, “Just by coincidence, I’ve recently found on one newsstand, among all the other dailies, weeklies, and monthlies, two magazines titled *My Carp* and *How to Catch a Carp*. I think this is ultimate proof that the niche market in Croatia is

well-covered.” Sectors such as business are well-covered by specialty outlets and journalists, with multiple print media dedicated to the topic as well as the success of 24-hour business news channel Kapital Network. The Croatian market is sophisticated enough to support such specialty media. However, when it comes to in-depth investigative reporting, panelists expressed frustration with what they called a “new alliance” of advertisers and media outlets. Essentially, there is an agreement to not rock the boat; media prefer to not take the initiative on uncovering crimes and misdeeds perpetrated by the business sector.

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Croatia Objective Score: 2.64

The overall average for Objective 3, 2.64, is an aggregate of diverse indicator scores. Three indicators, covering plurality of news sources, independent news agencies, and private broadcasters producing their own news, scored above a 3. Indicator 2, on barriers to citizens accessing media, scored a perfect 4. However, Indicator 3, on the impartiality of public broadcasters, and Indicator 6, on transparency of ownership, both scored well below 2. On balance, however, the score reflects an improvement over last year’s 2.33.

Panelists agreed that plurality of public and private news sources exists and efficiently contributes to the goal of better-informed citizens. The Croatian media market has more than 950 registered publications, which makes one publication for every 3,000 adult citizens. Croatia has more

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.

than 3,100 registered journalists, seven national daily papers, more than 150 radio stations, and four national television channels. Almost 40 percent of the population regularly uses the Internet, and nearly 25 percent of households have a broadband connection. Plurality of news sources is by all means secured.

A relatively high cover price of the print media (buying regularly just one daily paper and one weekly paper would consume about 3 percent of the average salary—high by all standards) is compensated somewhat by a higher number of readers per copy. Foreign papers, although available with absolutely no restrictions, are prohibitively expensive, so those interested use the Internet to access them. In general, people in bigger cities have better access to media, but with the further expansion of broadband Internet, satellite, cable, and IPTV, these differences tend to be increasingly smaller. Thanks to the ever-tougher competition, prices for broadband Internet and other similar services have dropped significantly and have become quite affordable.

There are no restrictions when it comes to using foreign news sources, whether provided by print, broadcast, or Internet. The free availability of foreign papers is a particularly Croatian phenomenon: since the early 1970s, they have been brought in mostly thanks to the many foreign tourists, but also to the hundreds of thousands of Croats working in nearby countries.

Another feature particular to the Croatian media scene is that foreign television channels and radio stations (for example, Italian or Austrian) have never been jammed and are tuned in to by a large percentage of the population.

Roughly 40 percent of households subscribe to cable and satellite television services, with penetration notably higher in urban areas. Internet and IPTV service might soon change this proportion more in favor of the rural areas. Given the country's geographic shape, most of the population has access to international terrestrial television stations as well.

Unlike in most of the previous Croatia panels, the MSI 2008 panelists raised serious concerns over the recent, partisan-inspired changes at HTV. "Applying high standards, as we in Croatia should apply, we could say that the recent parliamentary elections [in November 2007] have shown that politics managed to influence HTV again. It was surprisingly easy to achieve this. We were probably too naive in thinking that HTV has become resilient to such attempts. I am afraid it will take the Croatian media scene years to recover from that," Kuljiš said.

Čičak said that HTV and other media are still deliberately superficial, with no desire for quality reporting on crucial

matters. Havkić agreed, saying, "We couldn't say that any segment of the political spectrum or any party's activities remained uncovered, but media still do not use their strength for in-depth reporting or opening a public debate on certain important issues, taking the position of an uninterested and superficial observer."

Infotainment as a global trend has taken hold in Croatia as well. The programming schedule of the two national commercial television channels and the structure of their news programming (with a special features of "citizens-news contributors," which usually results in paparazzi-type video footage below accepted standards of technical quality) is proof of the change. "What happened with the educational and cultural programming on HTV?" Glavaš asked. "Instead of the high-quality and internationally awarded serials and dramas, HTV is now broadcasting miserable, local soap operas in prime time—all in the pretext of fighting for their share of viewers."

Perišin questioned whether the change in programming has affected the validity of broadcasters' licenses. "Where is the Council for the Electronic Media when it comes to comparing terms and references under which some national broadcasters got the national license and their current programming schedule and production?" she asked. "Shouldn't a shocking difference between license terms and current programming be enough for the license withdrawal?"

Croatia has only one national full-profile news agency, HINA, now under public management. The other smaller agencies (Catholic News Agency, IKA, and a smaller, privately owned news agency, STINA) are not capable of offering full service to their clients but contribute to the media market with their own features. Recent changes in HINA's customer policy (offering content on pay-per-use basis) have made the service more affordable, although the prices are still prohibitively high for smaller and local media. Aside from the high prices, there are no restrictions in using foreign news agencies. The larger Croatian media (both print and broadcast) have their own national and international correspondents, news-gathering teams, and niche specialists.

All broadcasters (public and commercial, local and national) are required by the Electronic Media Law to produce and broadcast their own news programs. There are no exceptions to this rule. For example, even radio stations that play only music must have some news programming. The law has resulted in a variety of news programming—at least in quantity.

Amendments to the Electronic Media Law adopted in the summer of 2005 resulted in the creation of the Fund for Pluralization of Media, dispensed under the auspices of the

A relatively high cover price of the print media (buying regularly just one daily paper and one weekly paper would consume about 3 percent of the average salary—high by all standards) is compensated somewhat by a higher number of readers per copy. Foreign papers, although available with absolutely no restrictions, are prohibitively expensive, so those interested use the Internet to access them.

Council for Electronic Media. The fund is devoted to supporting news and other types of noncommercial programming on local commercial radio and television stations. The legislation mandates that HTV must reallocate 3 percent of its subscription fees (about \$4.5 million a year) to the fund. Panelists praised the fund and its success in significantly improving the quantity and quality of news production of local broadcasters. However, they did express concern regarding the nontransparent criteria under which the Council for Electronic Media allocates the fund's resources.

Ownership of media outlets is treated in the same way as in any other industry: a registry of owners is available publicly at the Commercial Court, in theory allowing transparency regarding ownership. However, there is a lack of clarity and much speculation regarding whether some named owners are the actual owners or simply decoys.

The ownership status of major Croatian print media outlets is varied, preventing a monopoly. The biggest Croatian publisher, Europa Press Holdings (EPH), is owned by WestAllgemeine Zeitung (WAZ), which has a 49 percent share. *24 Sata* and *Vecernji List*, two of the most circulated daily papers, are owned by the Austrian company Styria. Dailies *Novi List* and *Glas Istre* are majority-owned by their employees. Other important foreign media owners are Sanoma, Kompetenz, and Media Development Loan Fund. The government still owns and heavily subsidizes the daily paper *Vjesnik*, although it has a marginal market share and clear political influence.

Technically speaking, the government (national and local) is still the largest media owner in Croatia, measured by the number of media outlets in which it has a share. This extends to more than 80 radio stations, founded in the 1970s and 1980s when only local government was permitted to hold licenses for radio broadcasting. The government

does not directly finance these media outlets, but it does provide certain tangential support, such as offering newsroom space free of charge or paying for coverage of the local government's activities, which could be avenues for interfering with media management and editorial policies.

There are some notable exceptions, however. A good example is Radio 101, the best-known Croatian radio station, which made immense contributions in the 1990s to both freedom of speech and the general democratization of the country. The station is partially owned by the Zagreb Municipality, which has no restrictions whatsoever on its editorial independence.

Recently, the CJA made recommendations to adopt legislation to exclude local government from owning media within a reasonable time frame (over the next five to seven years). But the recommendations have failed to gain support, mostly due to strong opposition from local radio stations. For them, local governments are still seen more as a means of financial support than as a threat to editorial independence.

Foreign investors own a large percentage of the print media sector, along with two national television channels. After an initial adjustment period between the foreign entities and Croatian teams, the two sides have had no major disputes. Aside from the trivial content on the foreign-owned television channels, it could be said that the foreign owners have contributed to the transformation of the Croatian media industry from domination by politics and politicians to more market-oriented programming. Still, some serious objections have been raised by the Journalists' Trade Union, which is demanding that foreign owners adopt and follow the same protections of employee labor rights as in their countries of origin—which is not always the case.

The panelists did not reach a consensus regarding the minority media. They questioned whether the coverage of minority issues in "mainstream" media means that minority groups still need their own media. If minority issues are treated mostly in the minority media, does that imply that minorities and their specific issues are being separated into a "media ghetto"? Factually speaking, public broadcasters have specialized programming for minorities, with a growing number of these productions aired by local broadcasters, thanks to the financial support from the Fund for Pluralization of Media. At the same time, some minority media have managed to shift from being low-circulated papers with almost zero impact to having a wider social context. A prime example is *La Voce del Popolo*, the Croatian daily of the Italian minority, with a 50-year tradition of journalism and more than 8,000 copies sold each day.

OBJECTIVE 4: BUSINESS MANAGEMENT

Croatia Objective Score: 2.73

This objective suffered a loss of nearly half a point from last year. All indicators shared a similar loss with the exception of Indicator 5, government subsidies of media, which gained minimally and tied as the highest indicator in this objective. Sharing the high position is Indicator 3, on advertising agencies. Both were rated a little more than half a point above the average. Others were rated as near the average except for Indicator 7, broadcast ratings and circulation statistics, which the panel rated a full point lower than the average.

In discussing business practices and management of the media, Denis Kuljiš of Article X pointed out, "Media as a well-managed business doesn't necessarily equal editorial independence." "Financial self-sustainability or profit-making definitely helps in securing independent status from, say, government or different lobbies. But it is no guarantee for the ever-more-important internal editorial independence—an editorial policy independent of the media owner," he continued. Panelists concurred that this sentiment affected their scores and played a strong role in their scores being lower than last year. They felt disappointed that media increasingly focus on profit irrespective of higher professional and labor standards. The previously mentioned alliance between media and advertisers seems ever more influential and, taking into account the trend of falling print circulation, ever more entrenched.

Panelists concluded that the growing number of foreign investors interested in Croatia's media, and the presence of some of the most respected international media companies,

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.

Printing houses and broadcast distribution networks are efficient as business entities, with enough resources to support the unrestricted growth of the media industry. The number and variety of the printing facilities prevent any kind of deliberate obstruction of quality service to media clients.

prove that the media industry in Croatia is a profit-making venture, with flexible and efficient business management. As the panelists repeated often regarding this objective, the biggest publishing company in southeast Europe, Zagreb-based EPH, was founded in the late 1980s by a group of young local journalists and managed by them to reach the highest production and management standards. Foreign investors usually keep local management in place, recognizing the skill of local managers and profiting from their expertise.

However, shortly after the MSI panel completed its work, EPH faced criticism for transferring a number of employees from the *Slobodna Dalmacija* daily (which EPH bought from the government in 2005 under not entirely transparent conditions) to a newly formed "news agency," but did not extend the employees' contracts. That effectively served as the first step toward reducing the number of staff, which would be a breach of the contract under which EPH bought the paper. EPH attempted to explain that it was merely a mistake made by the legal department, which was late in sending the new contracts. The case is still far from being resolved.

During the 1990s, print distribution in Croatia was monopolized, politically controlled, and used as an additional tool for political pressure, most often in the form of financial extortion of the independent media (by delayed payments for sales at kiosks, for example). Print distribution is still largely controlled by one company, Tisak, which is the only national print distributor. In general terms, and from the publishers' point of view, today Tisak is an efficient company. Still, panelists expressed concern regarding the recent buyout of Tisak by the retail-chain Agrokor, one of the biggest corporations in Croatia (see more under Objective 5). This uncertainty contributed to lower scores in Objective 4 this year.

Printing houses and broadcast distribution networks are efficient as business entities, with enough resources to support the unrestricted growth of the media industry. The number and variety of the printing facilities prevent any kind of deliberate obstruction of quality service to media clients.

The media in Croatia receive income from a multitude of sources. Some of the traditional sources of income have always been in the very low percentages (subscriptions, for example, which are usually between 2 and 4 percent). Sold circulation, as the main source of income, has also experienced substantial changes recently. In the past five to six years, circulation of all print media outlets has dropped significantly. It could be argued that a fair comparison cannot be drawn between the media consumer of today and the heavily politicized audience of the 1990s. But a lower level of interest in political activities is not the only reason behind the drop in circulation. Other factors include a lack of trust in the media content, as a result of publishers siding with certain political or business interests; sensationalistic approaches to news; etc. Circulation has also dropped in other market niches (women's weeklies and sports magazines, for example), which indicates other factors at work.

A possible reason is the decrease in disposable income. Although statistics would show a constant increase in the average salary in Croatia, there has also been an increase in more favorable bank loans, resulting in almost two-thirds of households with a bank loan that often consumes more than half of the family budget. Many Croatians have less money available for expenses other than basic needs. In addition, with the prevalence of other "open" media sources (terrestrial television, satellite television) and other increasingly affordable media (cable television, IPTV, Internet), print media is no longer as important to the consumer as it was five or 10 years ago.

Decreases in sold circulation have been largely compensated for by higher levels of advertising income—in some cases, more so. Although the Croatian print media have not yet met the ratio of advertising-to-circulation revenue of Western countries (75 to 80 percent advertising and 20 to 25 percent circulation), revenue figures are inclining increasingly to advertising. Larger national papers (*24 Sata*, *Vecernji List*, *Jutarnji List*) are earning 60 to 65 percent of their total incomes from advertising revenue. Other papers still depend on circulation—sometimes more than 80 percent—which has a palpable impact on their type of journalism (more sensationalism, "screaming" headlines in order to sell more copies at the kiosk, etc.).

Public media (both radio and television, which combined are known as HRT) have different sources of income as well, which theoretically should support its editorial independence. Aside from the mandatory subscription fee (about \$12 per household per month, which equals about \$150 million a year), HRT manages to retain the lion's share of the advertising market, earning an estimated \$250 million from advertising in 2007.

Some of the panelists said that HRT should have two separate accounting lines—one for subscription income and the other for advertising revenue. "In this way, it would be completely transparent where the subscription money goes," Glavaš said. "I don't care if HTV uses its advertising revenue for financing and buying pure commercial programming. But I would like to see subscription money—my money—spent on programming inherent to HTV: news production; higher-quality drama; documentaries; educational, scientific, and other programming of public interest."

The Croatian media advertisement market contributes more than 1 percent to the gross national product, which is relatively close to the standards of higher-developed countries. Constant growth of the advertising market supports the market position of the print and broadcast media, especially considering the drop in circulation as a general trend. As expected, the market entry of a third mobile-phone operator and a few big chains of superstores have contributed to increased injections of advertising money in the media market. Trends indicate that the fastest-growing area is online advertising, although it is still in relatively low figures compared with the more developed markets. This growth will likely motivate even more publishers to create online editions.

Most of the prominent global advertising agencies have opened branch offices (or have bought local advertising companies) in Croatia. One of the biggest international advertising agencies, McCann Erickson, opened a branch office in Zagreb in 1984, which alone speaks of the degree of sophistication of Croatia's advertising market.

Independent media in Croatia do not receive government subsidies. However, panelists referred to "hidden subsidies," such as public announcements, advertising, and awareness campaigns, that are financed by the government or local authorities and are given more often to "friendly" media outlets than to those who are more openly critical.

With regard to financial self-sustainability and government subsidies, panelists, as in previous years, see the biggest problem in the local media, especially with local radio and television stations. A relatively high percentage of local media are still partially owned by municipalities or are dependent on financial and in-kind support from municipalities. So-called contracts on "regular coverage of local government activities" are quite often a normal and substantial part of local media budgets, with predictable consequences for the quality and impartiality of news productions. As mentioned under Objective 2, local media quite often use office space, communications, or other services for free or at below-market rates from local authorities.

Market researchers and advertising companies use sophisticated tools and methods in their surveys. But market surveys, even when done in the most professional way, still have not been a decisive tool in media business strategic plans. To a large extent, and especially in the local media, strategic plans still largely depend more on the owner's own projections or hunches than systematic market analyses and audience surveys.

Despite many attempts, print figures are still not provided by an independent institution. Most independently and professionally conducted surveys are still too expensive to be affordable for the smaller and local media. Many of the bigger advertising agencies make a serious analysis of circulation figures, but those efforts are not enough to produce a transparent and reliable number of the sold circulations. Kuljiš was very critical on this issue. "We haven't found a tool to convince publishers to give a realistic sold circulation figure," he said. "They are avoiding these figures. They are lying big-time to their own readership; they are lying big-time to the advertising agencies...which sometimes even don't care once they get a nice, detailed package of false information." The other panelists found this objection to be perhaps disparaging, but nonetheless illustrative of reality. Panelists agreed that persistent inaccuracies in research and readership or audience figures, attributable to lack of investment, willful negligence, and malice, compelled them to lower scores compared with previous years, especially as this situation seems to be a permanent fixture resulting from an agreement among media and advertisers.

The panelists concluded that broadcasting figures provided by more independent agencies and including sophisticated methods such as people-meters are more reliable, but still not as precise as they should be.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Croatia Objective Score: 2.71

Objective 5 suffered a drop in score similar to Objective 4, losing half a point from last year's 3.21. All indicators shared in the loss, with Indicator 7, channels of media distribution, taking a hit of one full point; this indicator has the lowest score this year. While last year all but one of the indicators was rated at 3 or above, this year only Indicator 6, sources of newsprint and printing facilities, came in above 3, but still almost half a point lower than last year.

Croatia has a well-deserved solid reputation for the trade associations that support the media industry. These associations are very active in backing different issues

affecting the media community, even if not always in a unified way. Local radio and television stations, plus some local print media, are organized under the Croatian Association of Local Radio and Print. Local commercial television stations are organized under the National Association of Local TV Stations. Jointly with national television stations (Croatian RTL, Nova TV), local television stations have formed the National Association of Commercial TV Stations. Publishers have their own association, although tense relations between some of publishers diminish its efficiency. All of these trade associations are active in promoting the agenda of media professionals. Far too often, however, the particular interests of these associations overshadow the common interests for which they should be fighting.

The CJA is by far the largest professional media association. Perhaps a unique case among transitional countries, CJA encompasses almost all professional journalists in the country, regardless of their political affiliation and other interests. It has a membership of about 3,100, more than 90 percent of active journalists.

During the authoritarian regime in Croatia in the 1990s, the CJA had an irreplaceable role in defending basic media freedoms. In later stages, the CJA's role was more focused on introducing and implementing advanced professional standards. In the new Croatian political climate, after the elections in December 1999/January 2000, the CJA redefined its agenda from being at least partially a political agent to a strictly professional trade association. Given the substantial changes in the socio-political environment as compared with the 1990s, some panelists said that they think the CJA should disperse its activities into smaller, more efficient task forces and pressure groups. In addition to the CJA, smaller journalists' organizations cover journalists of specialty beats

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 in private hands, apolitical, and unrestricted.
- > Channels of media distribution (kiosks, transmitters, Internet) are private, apolitical, and unrestricted.

Supporting industries, such as printing plants and distribution networks, are privately owned and have neither limitations nor restrictions on their operations and preferences regarding services to publishers. Printing facilities are private and offer a multitude of options to publishers. There are more privately owned printing facilities than market demand for this service, which creates an advantageous position for publishers.

or other categories, such as business, sports, ecology, science, freelancers, etc.

The CJA has been working actively on preparing, drafting, and lobbying for legislation and regulations favorable to media, and defining other elements related to the journalism profession (social and health insurance, pension funds, the status of freelancers, problems related to troubled privatizations in the print media, etc.). But despite the positive role the CJA plays, divisions within seriously endanger its position as a strong advocate for the profession. For example, the lack of serious, sharp, and unifying issues that were present in the 1990s has led to a degree of listlessness. It is not pursuing well-defined strategic goals. Competing interests have filtered down to the CJA, such that the most recent election of the CJA president was bitterly fought by diametrically opposed candidates that resulted in a one-vote victory.

Journalists are free to organize themselves in different forms. The Croatian Journalists' Trade Union is a relatively strong institution as well, working closely with the CJA and concerning itself mostly with employment law. The trade union has been actively involved in drafting and implementing labor agreements, especially regarding the newly privatized print media. Currently, labor agreements apply only to major nationwide publishers, but the trade union and the CJA are working on a national collective agreement that would apply to all media outlets. This would be an important achievement in promoting more social and labor security and higher professional standards for journalists and other media-industry employees.

The panelists had a lively debate over Indicator 3, the role of NGOs in promoting free speech. Kuljiš said that he is disappointed by the inactivity of NGOs in Croatia. "Where have they gone?" he asked. "There is no more foreign donor money, so nowadays NGOs are more like para-governmental

than nongovernmental institutions." Other panelists agreed that this sentiment had affected their decision to award lower scores to this indicator this year.

Indeed, many NGOs are partially financed with government funds channeled through the Foundation for the Development of the Civil Society. Other panelists view the current situation as more of a sign of a mature society and civil culture than of an NGO's transforming into subtle tools for promoting the government's interests. "There no longer is such a 'market of crises' as in the '90s that would have immediately engaged NGOs on the public scene in defending free speech," Havkić said. "I don't want to say that there is no need for NGOs to support free speech. But now, when there are situations that require reaction, the CJA reacts, and that should be enough to safeguard free speech."

Martin Mayer, from the Delegation of the European Commission in Croatia, agreed. "What I can see is that when there is a need, NGOs react. But, let's not forget that the CJA is an NGO as well," he said.

The panelists' discussions of studies of journalism, journalist trainings, and workshops did not vary greatly from those in past years. More short-term trainings were held in the mid- and late 1990s, while active foreign donors and media foundations were engaged in Croatia. The CJA and its branch, the International Center for Education of Journalists (based in Zagreb, with a training center in Opatija), are still providing quality trainings for Croatian journalists and journalists from the broader region, but the general opinion is that editors are less willing to give days off to their journalists to attend such workshops. The reluctance is also an indication of the level of burnout among journalists. In addition, too many journalists, even from larger media, work on a contract basis and do not want to risk their position by being absent. Small local media (with only one or two journalists working in the news departments) cannot afford to send journalists to workshops that last more than one day.

Studies of journalism are expanding in number; currently, there are four studies of journalism plus two active and two soon-to-be journalistic academies. But whether they can apply higher educational standards is questionable. The increase in degree studies will result in the inflation of the number of young journalists and will exceed media-market needs. Panelists expressed concerns with the overly traditional curriculum of studies of journalism. "Where can a young or mid-career journalist learn and gain the needed technical skills for online journalism?" Kuljiš asked.

Overall, panelists rated Indicators 4 and 5 lower than last year. The key problem is that just too many of the studies and trainings simply do not meet higher standards of quality.

The drop is the result of expectations that new learning opportunities would result in higher professional standards, instead of being purely profit-oriented. Panelists said that last year's results were partially based on higher expectations, while this year's were based on unfulfilled promises.

Supporting industries, such as printing plants and distribution networks, are privately owned and have neither limitations nor restrictions on their operations and preferences regarding services to publishers. Printing facilities are private and offer a multitude of options to publishers. There are more privately owned printing facilities than market demand for this service, which creates an advantageous position for publishers.

The cover price of papers is still arguably high (notwithstanding Gavranović's assertion that daily papers are probably the only mass product in Croatia that has not changed its prices in the past five to six years). But the reality is that all daily papers are in full color and offer many more supplements at the same price as the black-and-white and no-supplement editions of only a few years ago.

The multitude of private printing facilities is a substantial change from the 1990s, when both printing and distribution were in the hands of the government or government cronies and were used openly to economically exhaust the independent media (for example, printing presses using their monopolistic position to impose unrealistically high prices for their services; or distribution networks delaying payments to publishers for sold copies). As mentioned under Objective 4, print distribution in the 1990s was monopolized by the company Tisak. Today, Tisak retains its national monopoly on the print distribution market but has been functioning as a relatively efficient and well-managed company, devoid of political or other preferences with regard to selling papers. Tisak has points of sale in virtually all Croatian residential areas, including the smallest towns.

Also mentioned under Objective 4, panelists stated concerns over the recent buyout of Tisak by Agrokor, one of the largest Croatian corporations. It is not clear what Agrokor intends to do with the distribution network (aside from turning a profit)—start its own print media, perhaps? Regardless of the new owner's plans, panelists are somewhat worried by the fact that the company with the second-biggest print advertising budget bought the only national print distributor. Could that be an early warning to any print media that would be critical to Agrokor's corporate policy? Could they expect competitive placement in the distribution network should they dare to touch the corporation? "The company's intentions are not clear, but reasons to be concerned remain," Kuljiš concluded. Other channels of media distribution, such as broadcast transmitters, the Internet, and kiosks themselves, are private and free from political meddling.

List of Panel Participants

Denis Kuljiš, president, Article X Croatia, Zagreb

Emil Havkić, media lawyer and specialist in media legislation, Zagreb

Martin Mayer, media specialist, The Delegation of the European Commission to Croatia, Zagreb

Neven Šantić, executive editor, *Novi List*, Rijeka

Zdenko Duka, president, The Croatian Journalists' Association, Zagreb

Anja Picelj-Kosak, media specialist, Zagreb

Tena Perišin, professor of journalism studies, University of Zagreb, Zagreb

Ante Gavranović, founder, The Association of Publishers, Zagreb

Gabriela Galić, journalist, *Novi List*, president, The Journalists' Trade Union, Rijeka

Ivan Zvonimir Čičak, journalist and civil rights activist, Zagreb

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