

CROATIA

INTRODUCTION

Since 2000, Croatia has successfully changed its political climate as well as its image within the international community. However, it has not been as successful in dealing with the economic and social problems facing the nation, thus incurring significant criticism from the general public and opposition parties. The next government will most likely be a coalition government as well. In any case, democratic values will be maintained through checks and balances among the government, parliament, and civil society.

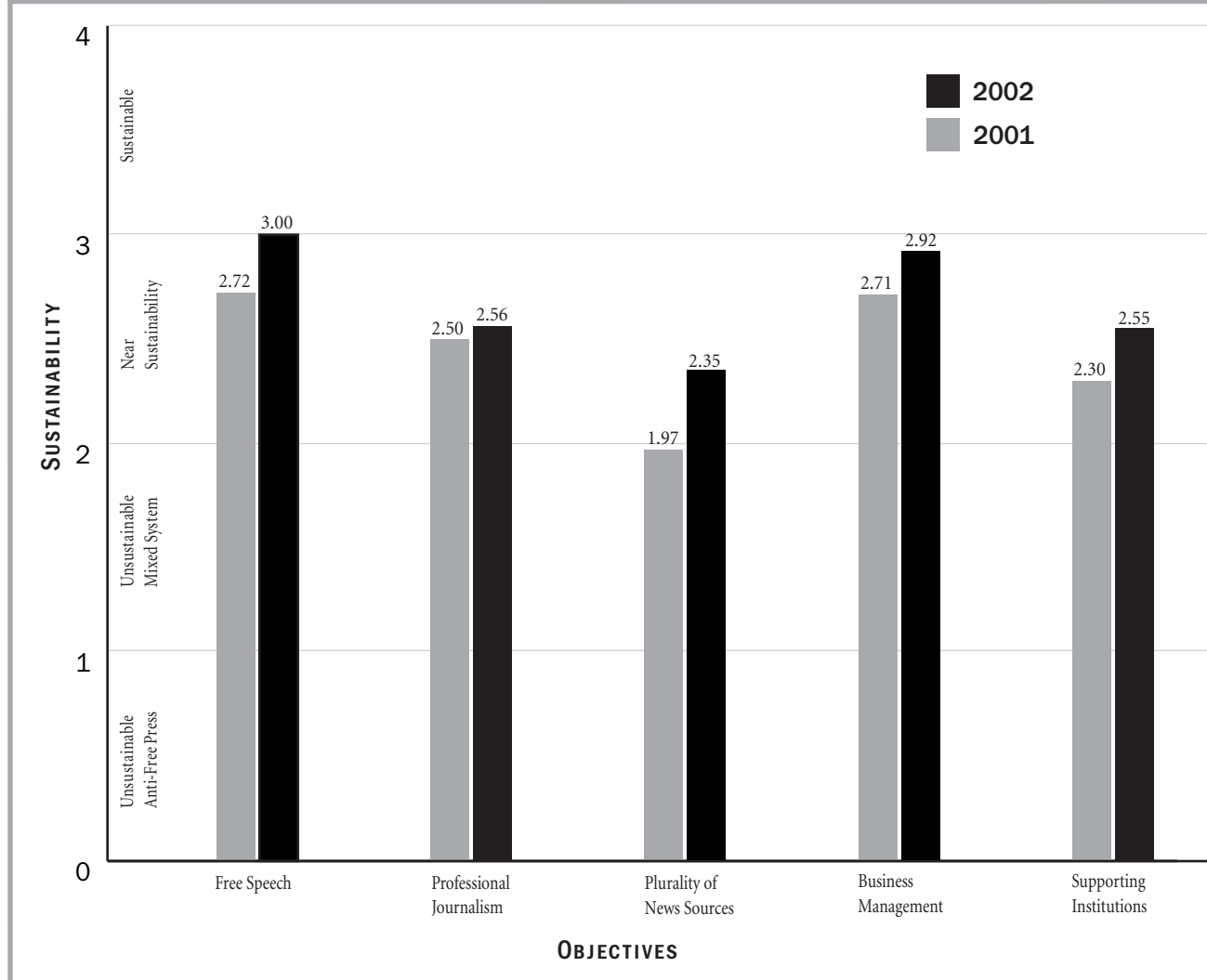
The media today, with the exception of the broadcasting sector, is almost completely unregulated and subject only to free-market rules. No longer evident are the open pressures, harassment, economic extortion, and arbitrary prosecution of the former HDZ government. However, remnants from the 1990s are evident in different forms of self-censorship and also through the promotion of the government's and private media owners' own political and business agendas. Political influence is more evident on state-owned television. Despite objections from the international community, the law on state television still leaves too much control of the most influential medium in the country in the hands of the politicians.

Vijesti Dana (The Daily News) is a successful and critically acclaimed news program on a network of local television stations (CCN). It has changed Croatian State TV (HTV) more than any other legal, institutional, or political agent. The appearance of NOVA TV, a commercial national television channel, has forced HTV to compete in the marketplace. Until recently, this pressure to compete was an unknown phenomenon at HTV. With pressure from the European Union (EU), the Croatian government promised to transform state radio and television into public-service broadcasters. A healthy environment for commercial stations now depends on the drafting, adoption, and then implementation of legislation that respects the standards of free and fair broadcasting.

Print media are characterized by a wide variety of daily newspapers—five national plus three regional, each with its own readership base.

As one panelist explained, "I could never get any information. Transparency of public information is zero. I always get everything through the back door."

CROATIA-MEDIA SUSTAINABILITY INDEX



OBJECTIVE SCORING

The averages of all the indicators are averaged to obtain a single, overall score for each objective. Objective scores are averaged to provide an overall score for the country. IREX interprets the overall scores as follows:

3 and above: Sustainable and free independent media

2-3: Independent media approaching sustainability

1-2: Significant progress remains to be made; society or government is not fully supportive

0-1: Country meets few indicators; government and society actively oppose change

INDICATOR SCORING

Each indicator is scored using the following system:

0 = Country does not meet indicator; government or social forces may actively oppose its implementation

1 = Country minimally meets aspects of the indicator; forces may not actively oppose its implementation, but business environment may not support it and government or profession do not fully and actively support change

2 = Country has begun to meet many aspects of the indicator, but progress may be too recent to judge or still dependent on current government or political forces.

3 = Country meets most aspects of the indicator; implementation of the indicator has occurred over several years and/or through changes in government, indicating likely sustainability

4 = Country meets the aspects of the indicator; implementation has remained intact over multiple changes in government, economic fluctuations, changes in public opinion, and/or changing social conventions

Political diversity is almost guaranteed to continue, with no political sector left without a voice. Even though daily papers encompass the whole spectrum of the political scene, the highest professional standards are not always met. Foreign media companies, primarily Westdeutsche Allgemeine Zeitung (WAZ) and Styria, will expand ownership of the dailies as well as other media before long. This change in ownership will bring more elaborate, but not necessarily better, journalistic, financial, and technological standards that will attract more advertising revenues in the print sector. At the same time, the new owners will sideline more controversial political columnists but not necessarily interfere in editorial policy.

In contrast with the relatively numerous daily newspapers, the market share of political weekly newsmagazines will continue to shrink. At least one of the three national political weeklies (*Globus*, *Nacional*, *Feral Tribune*) will most likely fold or substantially change its format. Sales of weekly newsmagazines are declining due to the lack of public interest in political events, a lack of money to buy the magazines, and bickering between the owners of *Globus* and *Nacional*, which has resulted in the decline of journalistic standards. All three political weeklies are in the red, but *Globus* has been sustained through the profits of other publications by the same publisher. *Nacional* has been kept afloat through weekly commercial supplements and inserts, and *Feral Tribune* through advertising. The market does not seem to support a serious economic weekly. *Poslovni Tjednik* (Business Week), also a publication of Europa Press Holding, has dropped well below the break-even point in circulation. However, *Vecernji List* is about to start a new economic weekly that does show interest in economic reporting.

Croatia is probably the only country in transition with only one association of professional journalists, the Croatian Journalist Association (CJA). During the 1990s, the CJA had the irreplaceable role of defending basic media freedom; in the later stages of the Tudjman era, its role was to introduce advanced professional standards. Within the new political climate, the CJA is redefining its role from that of a partially political organization to a strictly professional association. CJA has been assisted financially and provided with expertise in the process of drafting media legislation.

Three laws defining the media's legal framework are at different stages in the legislative process. The Law on Media is still a conceptual paper. The Telecommunications Law has been in draft form since spring 2000. The Law on Croatian Radio and Television (HRT) was adopted in February 2001, primarily as a result of pres-

sure from the international community. This law still proves to be inadequate. Therefore, the government has started official proceedings to amend a new law on HRT. All three laws need to be addressed by the government if they expect serious bids when HRT Channel 3 is privatized.

Due to the relations between the parties in the ruling coalition, it is unlikely that the government will continue to work on media legislation primarily in the interest of the public. All of the major coalition parties have their own interests in the field of media and will defend them until the coalition collapses. This type of situation indicates that Croatia is not yet a modern democracy, but a society in which politics and politicians wield strong influence on civil society. Almost three years after the election of the current government, the coalition partners seem more concerned with securing the best possible positions in the next elections than with efficiently running the government.

OBJECTIVE 1: FREE SPEECH

Croatia Objective Score: 3.0/4.0—Provisions under the Croatian Constitution guarantee free speech. Even though journalists are aware of these provisions, they are still not fully practicing their rights. Journalists are still afraid to speak, a remnant of the former system. They also want to avoid conflict with the political and business interests of the media owners. Journalists who refrain from expressing their opinions and points of view reflect a lack of progress. Also considered a step backward were the proposed changes by members of parliament regarding media protections for the president. In brief, slander or libel against the president would become a criminal offense. However, the president himself is against these proposed legal changes, and it remains unclear how serious the proposal is.

The licensing of broadcast media is seen to be problematic because laws on electronic media are a part of the telecommunications law. Previously, electronic media were under more political pressure as licenses were granted to those with political affiliations. Now, the focus is on monetary issues. However, the same people are still in control, and no other licenses have been granted in the past three years. Poor transparency of media companies and the change of ownership of public concessions are also problems identified by the panel. Ownership changes were simply rubber-stamped without investigation, in contrast with publicly held

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.	

competitions for publicly held entities. One panel participant commented that “the legal provisions are generally fair, but the problem is in the minds of the people. We don’t need to change the laws, but need to change the people.”

Media Sustainability Index (MSI) panelists immediately agreed that market entry and tax structure for media are fair and comparable to other industries.

Crimes against journalists in Croatia are rare. The MSI panelists could bring up only incidents that took place more than three years ago and incidents from neighboring Bosnia and Herzegovina. Some private pressures or conflicts between journalists and politicians were mentioned, but nothing substantial. There was overall satisfaction with the police and the support they provide to journalists. The only concern was with the inefficiency of the legal system, in which cases have been backed up for years.

There was general consensus on the panel that state or public media no longer receive preferential legal treatment. Only one newspaper, *Vijesnik*, received government support. The public television station, HTV, received about 50 percent of its annual budget from the tax on television sets and radios.

MSI panelists agreed that public officials are held to higher standards in the opinion of the judges, but at the same time public officials are awarded greater damages than average citizens. The plaintiff must prove libel and malice, which is in line with European standards. With changes to the criminal code, it will be more difficult to prove that journalists are guilty. Furthermore, charges against journalists will be dropped if it can be shown that journalists were simply doing their job.

There continues to be a problem in obtaining information, especially from the privatization office, the military, and the police. In general, information is difficult to come by from all ministries and government sources, except through press conferences. In fact, most information is available only through private sources. As one panelist explained, “I could never get any information. Transparency of public information is zero. I always get everything through the back door.” Spokespersons were considered smokescreens for organizations and the government. Any information deemed important would probably not be given out. Police dossiers on citizens, particularly journalists, were not made public. Nonetheless, this practice also protected the private details of these individuals. In January 2002, the dossiers of journalists were finally opened, and journalists could choose to read the contents before the files were destroyed.

There are few restrictions regarding access to international news and news sources. Cable News Network (CNN), British Broadcasting Corporation (BBC), Deutsche Welle (DW), and Italian news have been available via satellite for many years. Reuters and Associated Press (AP) provide news service at a cost.

Anyone can be a journalist in Croatia, and there are no government-imposed restrictions in regard to professional criteria and the lack of standards. The Croatian Journalism Association issues press credentials to journalists, independent of the government.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Croatia Objective Score: 2.56/4.0—Regarding the issue of fair, objective, and well-sourced reporting, the MSI panel agreed that without good access to information, many stories are not completely true. Instead, stories are fabrications or part truths. Journalists do not always have time to verify their stories, so they go with what information they have. The basic rule of journalism, the quotation of sources, is not respected.

The crucial problem for journalists is the lack of professional ethics. It was proposed that the European Journalist Federation establish an ethics court in Croatia that would effectively replace the complaint committee formed by the Croatian Journalists Association (CJA). The CJA committee is not respected by the media community. After the committee makes its ruling on complaints, the decisions are then published in a CJA magazine and in daily newspapers. Journalists have come up with their own code of ethics in response to pressure from the government, lobbyists, and financial groups. In turn, journalists are obliged to work under these ethics, which were designed to conform to European standards. Unfortunately, not all journalists follow these codes of ethics and norms.

Some journalists still practice self-censorship. Because of ownership of the media, journalists are afraid to report all the facts for fear of political and legal repercussions by the offended parties. However, this situation is improving.

The panel agreed that journalists do cover most of the key events and issues, but there was concern about the quality of the actual coverage. A panelist stated, “We cover the events, but know that the most important issues or problems are not covered.”

Members of the MSI panel found it difficult to reach consensus on the issue of low salary levels for

journalists. Since there is no real market for journalists’ skills, the opportunity to market one’s skills in another area is relatively nonexistent. Corruption could result from low salaries as well as the potential for promotion to a more rewarding and prestigious position, such as chief editor. Journalists working on honorarium can make more money than medical specialists with extensive training. Nonetheless, high salaries for journalists do not necessarily guarantee that corruption will not occur.

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Regarding entertainment programming eclipsing news and information programming, independent media generally place greater emphasis on entertainment. The exception is the Croatian Commercial Network (CCN), which also provides news programming. In Croatia, only evening papers exist, while morning editions do not. There are a variety of newspapers and news programs. According to law, radio and television stations must provide news programs. As for television, the mostly widely watched programs include political, news, and talk shows. However, research does not back this opinion.

Generally, technical facilities and equipment are modern and efficient. For local television networks, the lack of money and equipment was an obstacle to carrying news programs. However, new television stations with proper equipment do not face this obstacle. Some panelists mentioned the lack of technical knowledge in operating some of the new equipment. As for print media, there were no problems for larger newspapers. For small, local papers, however, it can still be a struggle to obtain the proper computers.

Quality niche reporting and programming depends on the media. In print journalism, niche reporting exists, but in broadcast journalism, it does not. One participant commented that “the media is undeveloped and much worse than 15 or 20 years ago. At that time, there was no freedom to publish anything, but the journalists knew everything. Now, it is the opposite situation. Previously, there were experts on sub-Saharan Africa, but now many foreign news staff do not know anything about foreign politics.”

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).

OBJECTIVE 3: PLURALITY OF NEWS SOURCES

Croatia Objective Score: 2.35/4.0—Basically, a plurality of public and private news sources exists, but the MSI panel was more concerned with the quality of these sources. Most media are relatively independent. As to affordability, people are selective due to the lack of purchasing power. Therefore, people put their trust in television programming. Many people, sometimes a number of families, will share one or two newspapers.

Domestic and international media are readily and freely available to all citizens.

Political interests still influence the public media. Media figures think they should report on politicians and provide them ample airtime.

A new media law exists that will provide for the independence of news agencies. However, a market for additional news agencies does not exist due to the efficiency of HINA. HINA is the large, government-owned news agency that provides news stories to radio and television stations and to newspapers. Although HINA is not independent in theory, it provides a good, solid service that is relatively affordable. Other news sources such as STINA, a private news agency based in Split, are available alternatives.

Independent broadcast media are obliged to produce and broadcast their own news programs. NOVA TV, a private television station, will begin news

programs as the discussion to privatize the public third channel, HTV 3, continues. NOVA TV had received a license as a national network, but it does not provide news programs due to a shortcoming in current law and the inefficiency of the Radio and TV Council. The MSI panel had no concerns regarding independent radio outlets producing their own news programs.

One panelist stated, “I think that it is not possible to have a monopoly in the electronic media in the next 10 to 20 years unless Croatian state TV owns this monopoly. There will be no monopoly in the print media, because we have a large number of outlets reflecting different ownerships.”

Public television and radio constitute a monopoly in Croatia, but this does not apply to print media. Many papers are owned by private and state owners, but in some cases, it is almost impossible to determine the owners of these papers. One panelist stated, “I think that it is not possible to have a monopoly in the electronic media in next 10 to 20 years unless Croatian state TV owns this monopoly. There will be no monopoly in the print media, because we have a large number of outlets reflecting different ownerships.”

Social interests reflected in the media continue to increase in volume even though public media would prefer to avoid dealing with such issues. A weekly program on state television features various ethnic minorities in Croatia and events in their respective communities. The Croatian Helsinki Committee plans to monitor the policies of HTV regarding how it presents refugees, returnees, and minorities on public television.

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.

OBJECTIVE 4: BUSINESS MANAGEMENT

Croatia Objective Score: 2.92/4.0—Tisak, the major national media distributor, is efficient despite the fact that it is the only large operator in the country. Tvornica Duhana Rovinj (The Rovinj Tobacco Company), *Vecernji List* (The Evening News), and Europa

Press Holding (owners of *Jutarnji List* and *Globus*) each hold a 25 percent share in Tisak. The remaining 25 percent is held by government funds and smaller shareholders. Despite the fact that it is an oligopoly, it is very efficient. Other distribution channels such as *Slobodna Dalmacija*, *Novi List*, and *Glas Istre* are also active. A newcomer, Distri-Press, will operate out of grocery stores, restaurants, and delis.

Generally, the MSI panel agreed that media receive revenue from a multitude of sources. However, local radio and television stations in the regions sometimes receive funding from the town to cover local events. While this is a fairly established policy, it is worrisome because town councils pay the stations that reflect the views of the councils. In print media, it was generally agreed that revenue is received from a multitude of sources, which results in more objective news.

Advertising agencies and related industries that support an advertising market are making more progress in Croatia than in other countries. With an overall slump in Europe, Croatia was reporting 30 percent higher figures over last year.

The ratio of advertising to circulation revenue that exists in Western countries—advertising 75 percent/circulation 25 percent—has not yet been reached in Croatia. However, the proportion of advertising revenue is increasing. *Vecernji List* is now obtaining 70 percent of its total revenue from advertising, while ad revenue at Europa Press Holding (*Jutarnji List*) is estimated at 55 to 60 percent. Smaller local papers, which depend on up to 80 percent of revenue from circulation, are experiencing problems.

No subsidies are available for the bigger national dailies. Small, local broadcast media can get limited funding from local governments.

The MSI panel agreed that not enough market research is being used, but noted that the concept is starting to be taken more seriously. Europa Press Holding uses a variety of research tools, including Puls and Media Meter. Two companies will begin with People Meter technology in 2003 to measure television viewers' viewing habits. This will be the most objective tool for carrying out market research.

To date, broadcast ratings and circulation figures have not been very reliable. Nor are the ratings independently produced. In the media, figures are sometimes inflated by up to 50 percent. Ratings for programs are determined by two or three individuals randomly calling up households and asking questions on viewing habits. This methodology is ineffective. As for print

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.

media, the difference between printed and sold copies ranges from 20 to 25 percent. This difference does not provide reliable data for market researchers.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Croatia Objective Score: 2.55/4.0—Trade associations exist and support various interests in the media community. Even though the trade associations are effective when they act, they are not active enough. The panel agreed that the main problem for associations was government factions working against them.

The Croatian Journalists Association (CJA) and the Journalists Trade Union both work to protect journalists' rights. The CJA focuses on information law, while the Journalists Trade Union concerns itself with employment law. Both are relatively good in comparison with organizations in other transitional countries. They maintain good relations with counterpart organizations in the EU and in the transitional countries in the Central European region. The CJA has a national education center in Opatija, where meetings and workshops are organized. The main problems facing the association are the issue of ethics and how to revamp the Law on Radio and Public Television. One of the panel members stated that Croatia has the best legal infrastructure in terms of media law in Eastern Europe.

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.

Currently, the labor agreement applies only to big media houses. However, organizations are now working with trade unions on a national collective agreement that applies to independent media.

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The MSI panel expressed concern regarding the quality of journalism degree programs. The Association of Journalists at the Faculty of Journalism no longer has funding. Possible funding is being considered from publishers and international organizations. A variety of training exists for journalism students, recent graduates, and journalists. In 2002, 50 workshops were held in Opatija. The French Institute of Journalism conducted six workshops in 2002. A 15-day practicum for 20 journalists was held in France in collaboration with a

German institute. Despite progress made by the Faculty of Journalism in the past two years, journalism students do not get enough practical training opportunities. As one panelist described, "Students have a lot of theory and little practice. You can study for four years in the journalism faculty and never have to write one article. You learn theory, but nothing to do with practical journalism."

There are no restrictions or controls on what can be printed. For the most part, printing facilities are privately owned and have no limitations or restrictions on their operations.

Tisak, described above, controls the channels of media distribution. The two biggest newspaper publishers control 50 percent of Tisak. Although there are three or four players in every distribution market, it is restricted to a small number of people who know and do business with each other. The panel mentioned that a broader distribution channel with some international investment would be better.

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