
“During the EU accession, Croatia at least tried to show its polite face in aligning its legal framework with the EU requirements and standards, including the media sector,” said one of the MSI panelists. “Post-accession, there’s no more leverage from Brussels, and no need to pretend that we are better than we actually are.”



CROATIA

In its third year of EU membership, Croatia is still trying to comprehend the accession move beyond the mantra of “rejoining Europe, where we have always belonged.” The weak indicators of its economic recovery are by themselves more the result of higher demand in the export markets and low energy prices, rather than an impact of a consistent government policy or the obvious benefit of EU membership. More substantial direct foreign investments are not in sight yet, and living standards are back to the figures of the late 1990s. EU member states on the Croatian border have erected razor-wire fences in the wake of the migrant crisis. They are a sharp reminder of the fragility of the “Europe without borders” concept, seriously affecting the EU allure as a millennial or trans-generational project.

Media observers have all discussed these issues before, but have not yet conducted analyses of Croatia’s “first three years” in terms of media development or freedom of expression. “During the EU accession, Croatia at least tried to show its polite face in aligning its legal framework with the EU requirements and standards, including the media sector,” said one of the MSI panelists. “Post-accession, there’s no more leverage from Brussels, and no need to pretend that we are better than we actually are.”

By taking the path of threatening freedom of expression, Croatia is following Hungary, Slovenia, and—as in the last weeks of December 2015—Poland. The panelists clarified that the problems in those countries are the systematic measures to control their media sectors, while in Croatia the challenge is still more about the absence of any coherent media policy to prevent further erosion of the sector. But the result is about the same, panelists said. “The government will bitterly oppose any allegations on restricting freedom of speech. But it doesn’t take necessarily any proactive measures for that. It is enough to turn a blind eye [to] breaches of transparency of media ownership and tolerate draconian fines in libel cases to encourage the culture of self-censorship, with its devastating impact on media freedom,” said journalist Slavica Lukić.

In a market in which all major indicators have declined for the past eight years, the media sector has been brought to the very edge of bankruptcy, and its basic role in increasing the number of well-informed citizens has been seriously compromised. The need for proactive policy is an urgent one, panelists said, and has not been recognized by the outgoing social-democratic government. The panelists’ real concern is what the incoming conservative-right majority will do in that regard; their expectations are not positive.

The recent introduction of a quality weekly newspaper, *Telegram*, is one small piece of good news for the media market. If not too late, though, it is too little to be considered a sign of slowing down the negative vortex.

CROATIA at a glance

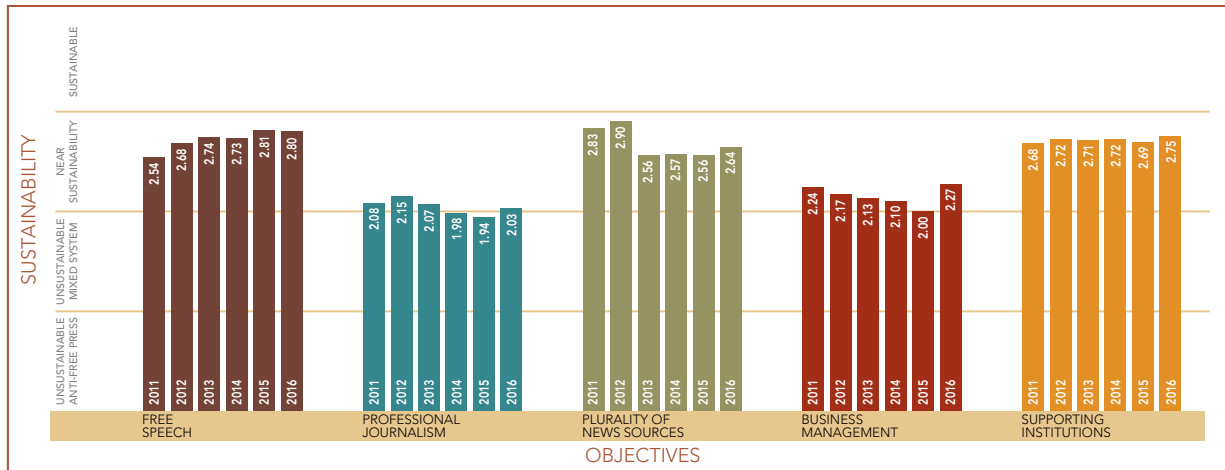
GENERAL

- > **Population:** 4,464,844 (2015 est., *CIA World Factbook*);
- > **Capital city:** Zagreb
- > **Ethnic groups (% of population):** Croat 90.4%, Serb 4.4%, other 4.4% (including Bosniak, Hungarian, Slovene, Czech, and Roma), unspecified 0.8% (2011 est. *CIA World Factbook*)
- > **Religion (% of population):** Roman Catholic 86.3%, Orthodox 4.4%, Muslim 1.5%, other 1.5%, unspecified 2.5%, not religious or atheist 3.8% (2011 est. *CIA World Factbook*)
- > **Languages:** Croatian (official) 95.6%, Serbian 1.2%, other 3% (including Hungarian, Czech, Slovak, and Albanian), unspecified 0.2% (2011 est. *CIA World Factbook*)
- > **GNI (2014-Atlas):** \$55.02 billion (World Bank Development Indicators, 2016)
- > **GNI per capita (2014-PPP):** \$20,500 (World Bank Development Indicators, 2016)
- > **Literacy rate:** 99.3% (male 99.7%, female 98.9%) (2015 est. *CIA World Factbook*)
- > **President or top authority:** President Kolinda Grabar-Kitarović (since February 19, 2015)

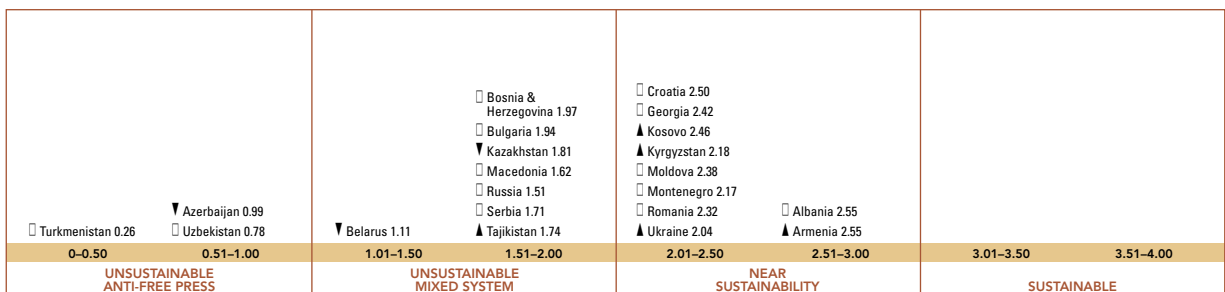
MEDIA-SPECIFIC

- > **Number of print outlets, radio stations, television stations:** Print: 10 major daily newspapers; 6 major political weeklies; Radio: 147 stations, 6 of which are national; Television Channels (free-to-air): 30, of which 11 channels are national; 204 web portals (as of December 2015)
- > **Newspaper circulation statistics (total circulation and largest paper):** The total circulation of daily papers is estimated at 310,000 copies a day, the top 3 being tabloid *24 sata* (circulation 55,000), *Večernji list* (circulation 45-50,000), and *Jutarnji list* (circulation 35-40,000); the highest circulated political weekly is *Telegram* (16,000 copies)
- > **Broadcast ratings:** Top 3 television stations: Nova TV (private/commercial), RTL Croatia (private/commercial), HRT 1 (public TV)
- > **Annual advertising revenue in media sector:** Approximately \$315,000,000
- > **News agencies:** HINA (public), Media Servis (private), IKA/Croatian Catholic News Service
- > **Internet usage:** 2.9 million; 65.1% of population (*CIA World Factbook*, 2014 est)

MEDIA SUSTAINABILITY INDEX: CROATIA



MEDIA SUSTAINABILITY INDEX 2016: OVERALL AVERAGE SCORES



CHANGE SINCE 2015

▲ (increase greater than .10) □ (little or no change) ▼ (decrease greater than .10)

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.

Scores for all years may be found online at http://www.irex.org/system/files/EE_msiscorers.xls

OBJECTIVE 1: FREEDOM OF SPEECH

Croatia Objective Score: 2.80

For at least the past 10 years, the Croatia MSI panelists have not been especially concerned with the constitutional provisions related to free speech. The Croatian legal framework's alignment with EU standards, and a thorough screening of media legislation during the EU negotiation process (2005 – 2013), further strengthened freedom of speech standards. "The Croatian legislation and legal practice are in line with the EU regulations and the European Court of Human Rights practice," said Vesna Alaburić, a lawyer and internationally recognized expert in media legislation. "Indeed, we are all sometimes surprised, even shocked, by the first-instance rulings in some media cases, but most of these rulings have been rejected in the appeal process."

According to the panelists, violations of free speech draw immediate attention. "The public is ready to protect the right to be informed, as guaranteed by the highest international standards," Alaburić said. Media analyst and professor of journalism Nada Zgrabljic-Rotar agreed, but said that this reaction "lacks a vigor it had before."

In the 1990s, the licensing of electronic media was used actively as leverage against the independent media. The panelists mentioned an iconic photo, depicting some 100,000 citizens on the main square in Zagreb protesting the

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 or registration of media protects a public interest and is fair, competitive, and apolitical.
- > Market entry and tax structure for media are fair and comparable to other industries.
- > Crimes against media professionals, citizen reporters, and media outlets are prosecuted vigorously, but occurrences of such crimes are rare.
- > The law protects the editorial independence of state of public media.
- > 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 available; right of access to information is equally enforced for all media, journalists, and citizens.
- > Media outlets' access to and use of local and international news and news sources is not restricted by law.
- > Entry into the journalism profession is free and government imposes no licensing, restrictions, or special rights for journalists.

license revocation of the cult-like Radio 101, saying that it encapsulates vivid memories of those days. That was in 1996, they noted, and then proceeded to discuss the situation as it is today.

"I can't say that there are no pressures from different individuals or lobbies on us," said Vesna Roller, a member of independent regulator Agency for Electronic Media (AEM). "But the best way to keep independence is to allow transparent and accountable procedures."

Panelists agreed that license allocation is in line with the public interest (allowing for community and non-profit radio stations, for example), rather than a purely commercial "best offer" approach. "Although I don't necessarily agree with their decisions, the regulator acts professionally and responsibly," said Željko Matanić, general secretary of the Croatian Association of Radio Stations and Newspapers (HURIN), representing predominantly local media.

While they acknowledged the efforts to make AEM politically independent, transparent, and efficient, the panelists said that more action is needed in cases of, say, hate speech in the electronic media. "For that, the agency would need a proper monitoring system, which does not exist now," said Zgrabljic-Rotar. Only the media using a finite public good, such as radio or television, are required to have a license. Electronic media outlets and print media companies are only asked to register formally.

The market entry and tax structure for the media are fair and actually favorable. While Croatia has no specific capital requirements or other restrictions that would distinguish the media from other industries, the print media enjoy a substantial tax break. Namely, the super-reduced VAT rate applies to daily papers (5 percent instead of the standard 25 percent), while weekly papers pay a reduced VAT rate of 13 percent. The different rates applied to daily and weekly papers might be questionable, but the fact is that this break substantially helps the embattled print sector. "The VAT break applies to all the print media, beyond arbitrary decisions. Therefore, editorial pressures on this basis are excluded," commented Ante Gavranović, media analyst and founder of the Association of Publishers.

With regard to personal threats against media members, Saša Leković, president of the Croatian Journalists' Association (known locally by the acronym HND), described recent cases. "In the past 12 months, we had two attacks, on journalists Domagoj Margetić and Željko Peratović, which have been classified as murder attempts," he said. "In one of them [the attack on Peratović], the European Federation of Journalists asked the Croatian Ministry of Foreign Affairs for some clarification and urged them to respond efficiently. They didn't receive a formal answer."

Perpetrators in the Peratović case have been identified and arrested, although the reason for the attack is still unclear. According to the panelists, the victim sees the events as a secret service plot to eliminate him, and claims that a local ownership dispute is behind it. The attack on Margetić has not been resolved yet.

Milan Živković, media adviser at the Ministry of Culture, spoke out against the violence, saying, “There should be no difference between ‘light’ and ‘serious’ threats. Any attack on any individual journalist is an attack on freedom of expression, and it should be treated like that.”

Professional associations and NGOs react efficiently to all violence against journalists. These incidents are predominantly personal vendettas, rather than organized attacks by the government, para-government forces, or organized crime. But according to the panelists, the general public feels a certain fatigue regarding to threats to journalists. “In times of a crisis, people are just too preoccupied with their own problems to be actively involved in protesting against ‘minor’ problems of some other professional or social group,” one panelist commented.

In general terms, Croatian law protects the editorial independence of the public media. But the panelists said that a whole spectrum of inconsistencies exists between legal norms and daily practice. “I wouldn’t say that politics influences public media directly. It does not. There is no one defined editorial policy there. It depends on the political affiliations of each section editor or journalist,” an insider commented.

The Croatian public service broadcaster (PSB) has enjoyed stable and steady income for more than a decade. Živković provided details on PSB’s subscription fees, which make up a portion of its funding. “Until recently, the subscription fee was defined by the law as ‘1.5 percent of the averagely paid salary in the previous year.’ But now, the law stipulates that the subscription fee will be ‘up to’ 1.5 percent of the average salary... This ‘up to’ is an open message—if not yet a threat—to the public service that the fee could be lowered by a political decision at any moment. This affects the independence of the public service.”

Lukić pointed to another subtle factor that calls into question the autonomy of the public service. “As long as the PSB’s general manager has to be approved by the parliament, political pressure will remain,” she said. Zgrabljić-Rotar objected to PSB’s management of public funds. “PSB was supposed to have separate bookkeeping for the revenue from the public sources, in order to allow for more transparency in

spending the public money. But they still haven’t introduced it, using unacceptable explanations,” she said.

Indicator 6, covering libel law, provoked some bitter observations from the panelists. Under Croatian law, there must be a higher burden to prove libel against a public figure. But as Alaburić explained, “The penal code protects privacy of individuals and legal entities, treating even factual reporting as liable [for] lawsuits, if publishing of the facts is not considered as being in the public interest.”

Panelists said that they find this so-called “vilification” (defined as a “smear and intentional campaign against individuals or legal persons”) unacceptable, as an act that deeply inflicts damage on free speech. “That means that it is on the judge to evaluate whether the revelation of a certain fact is in the public interest, or falls into the vilification category,” said Lukić. “This may have—or better to say, has already had—a strong detrimental impact, especially on investigative reporting,” she added. There are no prison sentences for vilification, but the fines can now go up to 500 daily earnings, in theory. “Let’s be frank about this,” Živković said. “Anyone who gets a fine of 500 daily earnings is basically efficiently banished from the profession. This is clear regression.”

Lukić also lamented the difficulties with basic logistics in legal cases. “The court procedure is a kind of a punishment by itself. It takes time, it takes money. To make it worse, most publishers do not offer any protection or support to journalists in such cases. It’s as if I was at the court for running over someone by my car, not for an article published,” she said.

The right of access to information is nominally guaranteed, but “it really depends on each individual journalist, and how skillful he or she is in getting the information needed,” said Gabrijele Galić, a journalist for one of Croatia’s leading local papers (*Novi List*, Rijeka). Panelists said that the former government had improved its communication with journalists in the past couple of years, but openness varies from ministry to ministry. Tamara Opačić, a journalist and executive editor of *Novosti* (weekly published by the umbrella organization of the Serbian minority) explained that “... it just happens that when we make a written request to an institution for a legally mandatory answer, we get two, three useless phrases.”

Access to and use of local and international news and news sources is open and unrestricted. However, the panelists expressed their concern over the insufficient protection of intellectual property. Outlets have already paid huge fines in

for unauthorized use of photos, for example, which serves as a deterrent, but copying and pasting of text content is still widespread.

Entry into the journalism field is free; no license is needed. The accreditation process is largely fair and non-discriminatory as well. The government does not control enrollment in journalism schools, aside from setting flexible enrollment quotas for public schools and journalism departments. There are no quotas for private universities. Membership in the journalist association is conditional only by proving journalistic work (articles published, for example) and nominal adherence to the HND code of ethics.

OBJECTIVE 2: PROFESSIONAL JOURNALISM

Croatia Objective Score: 2.03

Professional standards of quality in journalism have been one of the most discussed issues within the Croatian media community. In general terms, the major indicators are worse today than 10 years ago, but the objective as such is too complex to be reduced to a single conclusion. "It is almost like a perfect storm. The legacy of unresolved issues from the past has met the challenges of the severe financial and market crisis," one panelist observed. The quantum of professional journalism still exists, but is surrounded by low-quality, trivial reporting.

"Do journalists verify and check the information? That really depends on journalists themselves," said Galić. "Some of them are doing a fine job, trying to be as professional as possible, while others deliberately reduce their work to copy/paste or, even worse, to journalism where facts are selected to serve the purpose." Goran Gazdek, chief editor of Virovitica.net portal, described his experience: "When I worked in a local weekly, I had to produce two or even three stories per day. It is impossible to keep up the quality under these circumstances." Website editor Dalibor Dobrić shared that opinion. "Most journalists are under pressure to deliver the content in almost no time," he said. "This goes especially for web, where there are neither the resources nor the time to check the facts." The professionalism problem is industry-wide, sparing no media sectors from its consequences, panelists said. Expressing a slightly more positive view, Boris Rašeta, columnist with *24 sata* daily, said that the quality of journalism in Croatia is still higher than what one would expect considering the market situation.

The same criticisms could be said about Croatian ethical standards. Major media outlets have composed their own ethical standards, as well as HND as the representative organization. Most journalists accept and follow these

standards, but a vocal minority openly rejects the professional and ethical norms in journalism. The wider audience often judges the whole profession by the acts of this group of journalists, according to Leković. "Erosion is visible," said Živković, describing the public perspective on ethics. "Recently I had a meeting with legal representatives of the leading national commercial broadcasters, and one of them was complaining about the 'too restrictive' regulation of protecting the identity of children in the media. I was shocked," he said.

Advertorial placements have become standard, sometimes blurring the line to near-invisible between editorial and paid content. Lukić, a writer with *Jutarnji list*, said that "Journalists in my paper are under a constant pressure from editors to do advertorials. This is a clear breach of the media law and the internal code of conduct. But I don't have a body to report to about this practice. Whom should I complain to—to my employer, who is actually encouraging or even demanding advertorials? The laws are usually well elaborated, but there are no mechanisms for implementation." These incidents could be reported to HND, but it does not have any mechanism to hold media groups accountable.

As an opening remark on indicator 3, which covers self-censorship, one panelist said, "Censorship doesn't have to be brutal to be considered censorship." In fact, self-censorship, as the more subtle but efficient form, has been practiced in many media outlets. For journalists who oppose it, the issue is not so much about risking safety, although this risk cannot yet be excluded from the list

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 and retain qualified personnel within the media profession.
- > 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 exist (investigative, economics/business, local, political).

altogether. The fear is much more about losing a job in the unstable market. It is obvious that journalists need to conform to certain political circles and business lobbies, panelists said. They posed the rhetorical question of when the last time an article critical about the top 10 advertisers had been published. The panelists agreed that it would be an overstep to draw conclusions about the omnipresence of self-censorship, but it is a serious and growing problem.

In a logical sequence with the next indicator, which measures media coverage of key events, Leković said, "There are no issues, aside from the larger advertisers, and no events that editors would actively prevent their reporters from covering. But there are many relevant issues fading from focus because of the rapid trivialization of the media content." Indeed, trivial reporting that goes beyond the concept of "infotainment" has seriously affected the public discourse, according to the panelists. They clarified that the issue is not utter sensationalism, but rather about avoiding relevant topics because they are considered not "commercial" or "interesting" for media consumers.

Rašeta pointed out a problem that seems marginal at a glance, but could illustrate the continuous trend of declining quality and diversity of reporting. "Even now, with hundreds of thousands of migrants crossing our borders, a more demanding reader can hardly find any article on international affairs that is not a pure copy/paste of an article published in foreign media. I am not questioning the quality of these 'originals,' but they logically lack the local aspect of the crisis," he said. Once, foreign policy reporters were considered the elite of the profession; nowadays, it would be hard to name more than a handful, panelists said.

Statistics might show that an average salary in media is still higher than an average salary in general, but still not truly fair compensation given the type of the profession and its requirements. "But, if we deduct the top 10 percent of the best-paid journalists, the rest of the media professionals will be below the national average," Gavranović observed. Statistics indicate that the average paid salary in media in 2014 was 30 percent lower than in 2007.

The public service broadcaster and two or three national print outlets are the only media with relatively decent and regularly paid salaries. But serious delays in salary payment occur, especially in local media, and this has multiple impacts. "I know a good local journalist who left his job and is now a taxi driver in Zagreb. He couldn't make enough as a journalist," Živković said. Dobrić had another example: "I can think now of 10 of my colleagues who are not journalists anymore. Six of them lost their jobs in 2015, four found jobs in PR or the advertising industry." This situation leaves the whole profession more vulnerable to subtle forms of

corruption (paid trips or "consultancies," for example) and ultimately lowers expertise and journalism quality.

In contrast to the declining circumstances described above, entertainment programming still does not eclipse news and information programming. Public TV recently extended its prime time television news from 30 minutes to 60 minutes. One of the four public channels is a 24-hour news channel. Commercial television stations have seen the commercial potential of news programming, recognizing the trend and investing substantial efforts in news production. "Ten years ago, it seemed that the news production would be pushed to the margins. But, it didn't happen. The news production consumes considerable time in daily programming schedules of both the public and commercial television stations," said Živković.

These changes do not yet necessarily speak to the quality of the news production; they primarily indicate that news production is considered important. "It is not about the first minutes in the news. They are all good. But, I judge quality of news by analyzing what's in the 25th minute," Dobrić said. The same goes for print media: news sections are still of considerable size, but either the approaches lack an in-depth analysis or the news is intentionally superficial or even openly biased. The problem affects the web-based media even more than the traditional, panelists said. "Knowing that the attention span of my readers is measured in seconds, what else can I do to attract them to read a serious article [other] than to put a catchy headline?" Dobrić asked rhetorically.

The facilities and equipment for gathering, producing, and distributing news have never been a specific problem. "Nowadays, the software solutions are inexpensive—affordable even, for even small radio stations," Matanić said. Internet access is more expensive than in other European countries (and slower compared to the high-end speed), but this does not have a prohibitory impact on the media production.

The above-mentioned trivialization of news content has seriously affected niche reporting. "Only 10 years ago, daily papers had specialized supplements on a daily basis. Gone, not anymore," one panelist said. Croatia still has a pool of quality journalists that specialize in sectors (health, business, or education, for example), but most of them are senior professionals just a few years away from retirement. "These journalists have earned respect, and this is why they are still in the media—not because editors think their specific sectors are important. But there is no one to replace them," Dobrić said.

Investigative journalism is usually the first victim of a financial crisis; not because of the scarce resources available, but much more due to the media's higher dependence on

business and political lobbies for income. “Editors will not openly reject a good investigative story. But they are more often ‘burying’ them,” said Lukić, a prominent investigative reporter herself.

In one example of an in-depth report, an alternative web portal (www.lupiga.hr) recently published an investigative serial on financing of the Catholic Church in Croatia from public funds. No mainstream media have shown any interest in following up on the issue, however.

OBJECTIVE 3: PLURALITY OF NEWS

Croatia Objective Score: 2.64

In the view of the panelists, objective 3 is controversial: “multiple news sources” does not necessarily mean “providing citizens with reliable, objective news.” Although the panelists understand well the main intention of the objective, they question the very concept of “plurality.” For example, much of the information distributed to EU member states in 2014 was so-called “secondary news”—information taken from other media/communication platforms. Some media analysts nicknamed the trend as “false plurality,” with multiple sources just producing the same content.

Considering the size of the market, Croatia enjoys a variety of public and private media, print, radio, television, and online news sources. Alaburić expressed the predominant opinion of the panel: “The person who wants to be informed has at their disposal a variety of local, national, and international sources,” she said. Social media are indispensable, although some panelists said that they contribute to the superficiality of information rather than to the goal of informing. The media present multiple points of view, although often in terms of a basic liberal–conservative dichotomy, rather than as the result of in-depth research than could fill the wide gap. “Let’s take the migration crisis as an example,” commented Zgrabljic-Rotar. “There were two opposite approaches to the issue, but the complexity of the crisis has rarely been reflected.”

The tradition of free access to domestic and international news sources has existed since the late 1950s. International broadcasters (the BBC World Service and the Voice of America, for example) were not jammed even then. Millions of foreign tourists, mostly from Western Europe, have helped thwart attempts to keep society cut off informationally, going back to the mid-1960s.

Today, Internet traffic is absolutely unrestricted; the only issue is the affordability of online news sources. In Croatia, the Internet is more expensive than in other countries,

although a \$15 monthly fee allows access to reasonably good service. Rural areas are a bit underprivileged in access to information packages (a variety of IPTV-provided news channels, for example), primarily because of their traditional reliance on terrestrial free-to-air television.

With regard to the indicator on the balance of political viewpoints within public media, Živković said, “The public service media are trying to establish a kind of a mechanical reciprocity, reducing the political spectrum to the space between the ruling and the main opposition party. This balance between the ‘left’ and ‘right’ parties narrows the space for the non-governmental sector. Indeed, this is an indication that the public service wants to avoid a biased approach, but this is not what I’d call ‘reflecting the views of the political spectrum.’”

To the credit of the public broadcaster, of the four PSB national channels, one is a 24-hour news channel, and one is a culture and arts channel with active participation of NGOs and civil society—all of whom commercial television stations largely ignore.

Using relatively flexible criteria on the definition of a “news agency,” Croatia has three: the public news agency HINA, the radio network/web private news agency Media Servis, and the Catholic news agency IKA. Once heavily politicized, HINA now is offering a non-discriminatory, professional, and reliable wire service to its clients at prices affordable to most media. Local radio stations have mostly used the network-provided news services (such as the one offered by Media Servis), often as part of a barter deal of “news for

MULTIPLE NEWS SOURCES PROVIDE CITIZENS WITH RELIABLE, OBJECTIVE NEWS.

PLURALITY OF NEWS SOURCES INDICATORS:

- > Plurality of public and private news sources (e.g., print, broadcast, Internet, mobile) exist and offer multiple viewpoints.
- > Citizens’ access to domestic or international media is not restricted by law, economics, or other means.
- > State or public media reflect the views of the political spectrum, are nonpartisan, and serve the public interest.
- > Independent news agencies gather and distribute news for media outlets.
- > Private media produce their own news.
- > Transparency of media ownership allows consumers to judge the 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
- > The media provide news coverage and information about local, national, and international issues.

“Let’s take the migration crisis as an example,” commented Zgrabljic-Rotar. “There were two opposite approaches to the issue, but the complexity of the crisis has rarely been reflected.”

airtime.” The government places no restrictions on using international agencies (most often Reuters, AP, AFP), but they are too expensive for most media—with the exception of the biggest daily papers.

Private media produce their own news and information programming. As mentioned above, commercial national television stations have found that the news programming they are obliged to produce can actually attract an audience, or at least be used as a hook to bridge two slots of commercial content. Three national television channels (Public TV, Nova TV, and RTL Croatia) are actually in head-to-head competition for the audience with their central television news, which they all air in the same prime-time slot.

Almost all local radio stations are members of radio networks that provide them with national and international news, fulfilling the legal obligation of a daily quota of news programming. “We are aware that local radio stations are losing some of their identity by broadcasting network news, but most of them are barely surviving, and they have no means and resources for full-fledged news production,” Matanić said.

The issue of transparency of media ownership does not allow for a simple and straightforward answer. Recently, the European Commission’s specialized bodies have praised Croatia as an example of a country with highly transparent ownership in electronic media. Indeed, just a few clicks on the AEM website will reveal the ownership structure of all radio and TV stations in Croatia. But there are no guarantees that the displayed names are actually the “real” owners. “The anti-monopoly restrictions in the electronic media sector are encouraging the usage of ‘surrogate’ names,” Matanić commented. “Should the law allow the free market regulation of the sector, the real owners would not have any reasons to hide.”

Transparency of ownership in print is a different story. Croatia has an actual duopoly in the print sector: it is dominated by a local company (EPH) and a foreign-owned publisher (Styria). “This is not a problem by itself,” Lukić said. “I am much more concerned by the fact that the public can’t get names of the real owners of one of these two

publishers.” Once a proud flagship of Croatian journalism, EPH has been taken over by a law firm. “But we have a document that proves that this office only represents a business-banker’s group,” said Lukić, an EPH journalist. “It’s shocking to realize that no institution found itself responsible to react when we submitted this document to the government,” she said. Panelists agreed that with the exception of Styria, the ownership structure of all other relevant daily papers in Croatia does not allow media consumers to judge the objectivity of the content based on ownership information.

The variety of news sources (from two specialized channels of the public broadcaster to the not-for-profit media) guarantees representation of a broad spectrum of social interests. The only problem is the limited reach of these sources. When it comes to television, Lukić said, “What matters is what is on Channel One [public TV],” however important its third and fourth channels are. These media are consumed by a more demanding audience, most of them with an open attitude towards social issues. However, minority problems (homosexuality, for example) are not covered in media as much as they were only a few years ago. “The third sector [civil society] promotes these issues, but the mainstream media have become more conservative,” said Zgrabljic-Rotar. This is a reflection of the expected change in the country’s political matrix (a move from center-left to right-wing majority) and the result of a certain conservative revival in the past two or three years.

Minority-language sources of information have a long tradition in Croatia. For example, *La Voce del Popolo*, the daily paper of the Italian minority in Croatia, has been in publication for 72 years. These publications make news and other content available at the local and national levels. Thanks to different schemes of public financing (such as the government’s Fund for National Minorities, the Ministry of Culture, the National Foundation for Civil Society Development, and, especially the Fund for Pluralism of Media), the minority-language media have weathered the financial crisis. Although most cover the specific interests of their ethnic groups, some have managed to erase the line between ethnicity and the relevance of their content. The Serbian-language *Novosti*, for example, has become one of the leading political weeklies in the country.

The number and the diversity of the media, as well as new communication platforms, have intensified the exchange and availability of local and national news. Due primarily to the many local news portals, consumers can find information on local events most anywhere in the country. Media observers might say that the public service and national media do not devote enough time or space to issues of specific interest to local audiences. But they are

covered at certain times, according to the panelists. "Daily papers do not have their local correspondence offices any more, and report on local events mostly when it is about sensationalism," Gazdek said.

Coverage of international politics is slightly different. As mentioned above, foreign policy affairs have been pushed to the very margins of the media's interest, even though some of the most decisive events that are shaping the future of the region and EU are unfolding right at present. "We know less about our neighbors than they know about us," Živković said.

OBJECTIVE 4: BUSINESS MANAGEMENT

Croatia Objective Score: 2.27

As the panelists described, the recession that has hovered for seven years and the effects of the global financial crisis are not the only factors that have rampaged the Croatian media scene. A precise picture of the media today should use more shades of pale. "Our publishers had lived for more than a decade in the mass profit zone, and the crisis has taken them almost by surprise," said veteran media analyst Gavranović. "They were unprepared for the challenges of 'going digital,' reducing it simply to the web extension of newspapers, which is simply not enough," he said. Profits earned in "fat years" were not reinvested into the media, but rather used for risky investments in sectors that have suffered most during the crisis, such as real estate or construction. Some otherwise profitable newspapers have been pushed to the very brink of bankruptcy by using the media as collateral for the owner's decaying core business that have nothing to do with journalism.

Most of the media have managed to survive, although with severe cuts in the number of the staff and outputs in general. Only two local television stations have been closed, while the local radio media market, reduced by some 20 stations, still seems to be more than the market can support. All daily papers are still up and running; some of them at the mercy of their debtors, most of them just a small step from the deep red ink. Statistics show that the media sector has lost more than 30 percent of its jobs since 2008. But there is some good news: a new weekly paper, *Telegram*, has emerged from the ruins of the once-mighty publisher, Europapress Holding.

"When it comes to the local media, it is more about survival instincts than about elaborate business plans," Matanić explained, commenting on the relatively low "mortality" of local media outlets. "In order to get or renew a license, broadcasters have to submit the business plan for the

whole duration of the license contract; meaning, from 9 to 12 years. This is absurd. We don't even know what the communication platforms are going to be five years from now, let alone to make business plans for 10 or more years in advance," he said. Some major national publishers, such as Styria, prepare mid- and long-term business plans and define strategic goals, but this is more the exception than the rule.

Most other publishers are caught in the vicious cycle of constant cost reductions, which usually means reducing content quality. Over a one-year period, reduced quality typically results in lowered income, which therefore must be met with a new round of cutting costs—and this time there is less to cut. "Journalists are usually considered an expense," one panelist complained bitterly, regarding the cost-reducing policy of his employer.

The media in Croatia receive revenue from multiple sources, although their balance is not the same as in more developed markets. Severe contractions of advertising spending, along with a heavy drop in circulation sales and other sources of income, have made commercial media more vulnerable to different forms of undue editorial pressures. Unlike other countries in the region, Croatia's government itself does not control a significant portion of the advertising "pie." But the market is dominated by a small number of business conglomerates, which seem to be immune to criticism. "One may write whatever he or she wants against the government, ministries, whatever... but don't touch the biggest advertisers and the business lobbies behind them. They are exculpated from any wrongdoings or mistakes," Lukić commented.

MEDIA ARE WELL-MANAGED ENTERPRISES, ALLOWING EDITORIAL INDEPENDENCE.

BUSINESS MANAGEMENT INDICATORS:

- > Media outlets operate as efficient and self-sustaining enterprises.
- > 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.
- > Government subsidies and advertising are distributed fairly, governed by law, and neither subvert editorial independence nor distort the market.
- > Market research is used to formulate strategic plans, enhance advertising revenue, and tailor the product to the needs and interests of the audience.
- > Broadcast ratings, circulation figures, and Internet statistics are reliably and independently produced.

“Our publishers had lived for more than a decade in the mass profit zone, and the crisis has taken them almost by surprise,” said veteran media analyst Gavranović. “They were unprepared for the challenges of ‘going digital,’ reducing it simply to the web extension of newspapers, which is simply not enough,” he said.

Aside from copy sales and advertising revenue (and subscription fees to the public radio/television), public sources of finance are important in keeping certain media afloat. The government’s fund for the pluralization of media provides significant assistance. The fund is alimeted from 3 percent of the subscription fee to the public service, which makes some \$5.5 million per year. It supports “productions in the public interest on local commercial radio and television stations,” and as of recently, not-for-profit web portals. “Given the economic situation, a large part of local radio and television stations survive mostly thanks to the financial support from the fund,” Matanić said. The transparency of the fund’s allocation limits influence on the recipient outlet’s editorial independence to a large degree.

Other sources of public money, as mentioned, include a dedicated fund for minority language media, the Ministry of Culture, and the National Foundation for Civil Society Development. The government’s decision to introduce the super-reduced VAT on daily papers could be also considered a form of public assistance. Experts would call it “indirect support”—indiscriminate and having no specific influence on the editorial policy.

Opening the discussion on Indicator 3, the advertising market, one panelist said that “advertising agencies are probably more developed than what media would need or want.” There is a two-fold message in this observation. One, this confirms that advertising agencies and the advertising industry have a long history in Croatia. In the 1950s, some of the best-known local avant-garde artists were hired to create ads for domestic products. In the mid-1980s, recognizing the market and the creative potential, McCann Erickson bought a local advertising company and opened its branch office in Croatia. Such a long tradition has been successfully transformed into a highly evolved advertising market. “The crisis by itself contributes to the consolidation of the sector, leaving no space for small wanna-be agencies,” said Krešimir Dominić, planning and development director at

AbraKadabra public relations agency. “The other side of the coin [is] that the consolidated and sophisticated agencies are dictating terms to the impoverished media, who would do whatever it takes to get some advertising money.”

Product placement pieces and advertorials are standard practice. Newly introduced elements in advertising contracts ever more often oblige the media to report positively on the advertiser, or at least to refrain from negative publicity. The consequences of such demands of the advertising agencies to the editorial policy are easy to visualize.

At one time (2007/2008), advertising revenue in print was almost equal to the circulation sales, but shrinkage of the market has changed the balance. “On the global market, television channels consume 40-45 percent of the advertising market. In Croatia, they take even a bit more than 70 percent,” said Gavranović. Strict regulations are in place regarding the allowed minutes of advertising per hour of broadcasting on commercial and public television. A drop in advertising revenue has made print media more reliant on circulation sales and subscriptions.

As mentioned, the government is not a major player in the advertising market. In order to further regulate this market segment, in the early 2000s, a law was introduced that stipulates that the government spend “at least 15 percent of its advertising budget on local media.” The intention was good, but implementation has not been in line with these higher expectations. “There is no monitoring on how this budget is spent, nor sanctions for any potential wrongdoings,” said Matanić. That does not mean that the money is subject to political preferences or that any editorial “services” are expected in return, he added. “No, it’s not about that. The government simply does not want to mess with local media. They give the budget to a number of advertising agencies, and then these agencies distribute it to the media, which are their clients.”

Market research is conducted regularly, using sophisticated tools and methods. The results are used by advertising agencies to define the most suitable media carrier of their clients’ messages to the desired target groups. Most media outlets themselves do not use research in shaping their content. “Styria is probably the only publisher that uses strategic plans to manage the crisis, rather than leave it to inertia,” Živković said. Professionally conducted surveys are too expensive, especially for local media. The national mainstream media usually read surveys only in terms of the declining audiences, trying to retrieve lost interest by introducing more trivia and becoming more conforming.

AGB Nielsen, as the leading global company in the field of ratings and surveys, has been active in Croatia for

years. Although broadcast ratings for the leading national broadcasters are generally reliable, the “methodology used for these audience ratings have not been standardized; therefore, their findings are not comparable,” said Viktorija Car, professor of journalism.

The ratings situation is different with local radio and television stations. “We have offered our members professional audience ratings, which they can’t afford by themselves. But they declined it,” commented Matanić. “Most of them still prefer to pretend to be ‘the most listened to’ on their local markets, which is an assumption based on several phone calls, than to accept the reliable data.”

Since the establishment of the Audit Bureau of Circulation in Croatia, print circulation figures are reliable and accurate. “The publishers would not dare to present inflated statistics anymore,” said Gavranović.

OBJECTIVE 5: SUPPORTING INSTITUTIONS

Croatia Objective Score: 2.75

Ever since the turbulent 1990s, professional associations and other supporting institutions in Croatia’s media sector have been recognized by their regional and international partners as efficient in advocating for media independence, promoting freedom of speech, and lobbying for the interests of the media professionals, however these interests may differ across the media spectrum.

Along with HND and the trade union, the best-known organizations of their kind, Croatia has a variety of professional and trade associations actively promoting the agenda of different media sectors. Local media (some print but mostly radio and television stations) are organized in HURIN (Croatian Association of Radio Stations and Newspapers). Local television stations are organized in NUT (National Association of Local TV Stations). Together with the national television stations (Croatian RTL, Nova TV), local television stations have formed a joint national association of commercial television stations.

The publishers have organized their own association, which proved its strength in 2014 by lowering the VAT for daily papers to the super-reduced rate of 5 percent. The publishers of not-for-profit and web-based media are organized, too. No sector has been left without a voice, panelists said. All associations are independent of the government, although not necessarily immune to political interests. The associations are covering operating expenses by themselves, on an ad-hoc basis or by establishing a membership fee.

As mentioned, HND, founded in 1910, has long been viewed as an example of a well-structured and efficient representative organization. It has managed to preserve its integrity throughout its century-plus-long lifespan. The trade union has often been used by umbrella international organizations as a point of reference to their partners in transitional democracies, but it is not clear that is still the case.

“The membership of HND is in decline,” said Leković, who was elected the association’s president in May 2015. The shift is partly the result of a certain misconception on what HND should do, he said. “This is an expected reflection of the overall situation in the media sector. We can’t change the financial environment for the media, nor can we prevent further contractions of the media and the advertising market. But we should be more active in defending the freedom of speech in every aspect.”

As a practical measure, HND has organized a team of 25 experienced *pro bono* lawyers, university professors, and other volunteers to be available around the clock to journalists who have been threatened or whose legal rights were obstructed or denied. HND had a similar project in the late 1990s, marked by open political pressures on the media and insufficient standards of democracy. Is this a signal of a return to the authoritarian 1990s? “Not at all,” according to Leković. “Freedom of expression is now under pressure in a different, but not less threatening, way than in the 1990s. Given the situation, this is probably the best service we can offer to our members,” he said.

SUPPORTING INSTITUTIONS FUNCTION IN THE PROFESSIONAL INTERESTS OF INDEPENDENT MEDIA.

SUPPORTING INSTITUTIONS INDICATORS:

- > Trade associations represent the interests of media owners and managers and provide member services.
- > Professional associations work to protect journalists’ rights and promote quality journalism.
- > NGOs support free speech and independent media.
- > Quality journalism degree programs exist providing substantial practical experience.
- > Short-term training and in-service training institutions and programs allow journalists to upgrade skills or acquire new skills.
- > Sources of media equipment, newsprint, and printing facilities are apolitical, not monopolized, and not restricted.
- > Channels of media distribution (kiosks, transmitters, cable, Internet, mobile) are apolitical, not monopolized, and not restricted.
- > Information and communication technology infrastructure sufficiently meets the needs of media and citizens.

Zgrabljčić-Rotar also commented on NGOs' shortcomings. "There is a certain fatigue when it comes to the NGO sector and its involvement in the free speech issues. Nowadays, they are more reactive than proactive."

The government imposes no limits on registration or functioning of these representative and trade organizations. On the contrary, most of them are eligible for applying for financial support from public sources. A high level of transparency and detachment from political interests in tendering procedures allows for using these funds without any undue influence.

There are more than 50,000 registered NGOs in Croatia. Most of them are only formally registered, but a sufficient number of them have proven their relevance. As of the early 1990s, the NGO sector has been actively involved in promoting human rights issues, with a strong emphasis on the media. They support media professional associations and, in many cases, build a platform between the media representative organizations (such as HND) and the NGO sector. They address many substantial issues in relation to freedom of expression and are seen almost as natural allies, panelists said. New developments—and in many ways, a more demanding environment—have brought a different approach. According to the panelists, the challenges are not the same as in the 1990s. The goal is not to promote human rights and freedom of speech in a deficient democracy any more, but to preserve higher professional standards in a free market devastated by the structural crisis.

"Taking an active part in the developments in the 1990s and witnessing the situation nowadays, what I'm missing now is not a level of activities or reaction to any breaches of freedom of speech, which are still out there," said the MSI moderator. "I'm missing the synergy between the media representative organizations and the NGO sector, which would make their individual actions meaningful in the big picture." Zgrabljčić-Rotar also commented on NGOs' shortcomings. "There is a certain fatigue when it comes to the NGO sector and its involvement in the free speech issues. Nowadays, they are more reactive than proactive. They are still vocal when it comes to some obvious violations of media freedom, but I don't see them much involved in, say, creating a climate against the hate speech," she said.

As for journalism education programs, Croatia has many, said Gavranović, but they do not offer enough practical knowledge or hands-on experiences. "It is expensive to organize a practical training for a student within the curriculum," Zgrabljčić-Rotar explained. "Only one training program has its own radio and television studio, for example. Private media owners have problems of their own, and are not that interested in cooperating with us in terms of practical training."

The saturation of the system is an even more tangible problem. Indeed, with seven departments of journalism in the country, the number of graduates surpasses the market demand by far, especially considering the permanent contraction of the media market. New media platforms do not have enough capacity to compensate for the loss of jobs in "traditional" media, and especially not to absorb the number of graduates in journalism.

In such a precarious market, interest in short-term and mid-career training programs could be expected to be high; but the panelists said it is not. Leković gave an example. "A colleague of mine, working with Reuters, visited me recently. He is in his early 60s, and was just about to take a training on the social media. It would be hard to imagine such a situation in Croatia. Short-term training opportunities exist, but there's not much interest in them."

The printing facilities, newsprint acquisition, software solutions, and equipment/hardware availabilities have been market-driven businesses for years. Since the late 1990s, these sectors have been de-politicized, with no discrimination of preferred clients based on politics or any other non-market criteria. The saturated market of printing resources, including the possibility to use the printing facilities in neighboring countries, has created a favorable position for clients, which excludes any monopoly or other market obstruction.

The channels of media distribution function as privately owned, professional, and efficient businesses. Access to their services is offered to all clients, with no discrimination or any undue restrictions. Since the late 1990s, distribution has not been interrupted by suspicious equipment failures, network outages, selectively low Internet bandwidth, or incidents of using the distribution or transmitting facilities for political or business gain against the service's clients.

Still, the panelists expressed their dissatisfaction that print distribution is dominated by one company (Tisak), which is owned by the biggest private business conglomerate and the largest advertiser in Croatia. Tisak covers all the national

territory, including rural areas and remote islands, serving the media industry and consumers in an efficient way. But still, any monopoly in the distribution chain is by definition a reason for concern, panelists agreed. "So far, there haven't been any serious wrongdoings in that regard. But we should be ready to react should they appear," said Leković.

"Internet penetration has been in stagnation," Živković commented regarding the final MSI indicator. "Five years ago, we expected to have some 90 percent of households using the Internet in 2015, but we're only at 70 percent," he said.

The problem is more evident in rural areas, although the satellite-provided IPTV service offers infrastructure for covering non-urban areas as well. "There are still some 'digital islands'— areas with no signal," Car said. "A small percentage of the national territory is in question, indeed, but this is enough to compromise the rating for this indicator,"

Although the panelists said that they consider Internet service "fair," problems exist. "Two major telecom providers control 92 percent of the fixed-line Internet and 96 percent of the mobile Internet," Živković said. "Probably as the consequence of this duopoly, there are only two countries in Europe, Albania and Montenegro, with a slower Internet than in Croatia," he added. That fact was a surprise for the MSI panelists. Although they surely fall into the category of well-informed citizens, most of the panelists were not aware of this reality. In an ironic summary of the MSI discussion, it could be said: no wonder the panelists did not know. With telecom providers among the biggest advertisers, the media do not offer coverage of their shortcomings.

List of Panel Participants

Vesna Alaburić, lawyer, media legislation specialist, Zagreb

Viktorija Car, media analyst; professor, Study of Journalism, University of Zagreb, Zagreb

Dalibor Dobrić, journalist and executive editor, www.net.hr, Zagreb

Krešimir Dominić, planning and development director, Abrakadabra public relations agency, Zagreb

Gabrijela Galić, journalist and trade union activist, *Novi list*, Rijeka

Ante Gavranović, founder and former president, Croatian Associations of Publishers, Zagreb

Goran Gazdek, chief editor Virovitica.net, Virovitica

Saša Leković, president, Croatian Journalists' Association, Zagreb

Slavica Lukić, journalist, *Jutarnji list*; vice president, Croatian Journalists' Association, Zagreb

Željko Matanić, general secretary, Croatian Association of Radio Stations and Newspapers, Karlovac

Tamara Opačić, executive editor, *Novosti*, Zagreb

Tena Perišin, editor, Croatian Television; professor of journalism, University of Zagreb, Zagreb

Boris Rašeta, columnist, *24 sata*, Zagreb

Vesna Roller, member, Agency for Electronic Media, Zagreb

Nada Zgrabljic-Rotar, media analyst; professor of journalism and communications, Centre for Croatian Studies, University of Zagreb, Zagreb

Milan Živković, media advisor, Ministry of Culture, Zagreb

Moderator & Author

Davor Glavaš, independent media consultant, Zagreb

The panel discussion was convened on December 17, 2015.