

Croatia

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Capital: Zagreb
Population: 4.4 million
GNI/capita: US\$17,050

Source: The data above was provided by The World Bank, *World Bank Indicators 2010*.

Nations in Transit Ratings and Averaged Scores

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Electoral Process	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25
Civil Society	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75
Independent Media	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00
Governance*	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25
Corruption	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50
Democracy Score	3.54	3.54	3.79	3.83	3.75	3.71	3.75	3.64	3.71	3.71

* Starting with the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

Croatia continues to build a democratic system of governance while facing the challenges and growing pains of a newly transitioning, post-conflict state. Throughout the 1990s, political power was centralized in the hands of former president Franjo Tuđman and his party, the Croatian Democratic Union (HDZ). Numerous accusations of human rights and liberties abuses during Tuđman's rule saw Croatia isolated and left outside the scope of the European integration processes. Following Tuđman's death in 1999, the center-left Social Democratic Party (SDP) came to power and launched a series of reforms, including reducing the president's powers and introducing a parliamentary system of governance. In 2003, under the leadership of Prime Minister Ivo Sanader, HDZ regained power with a new, pro-European profile. Croatia began cooperation with the Hague-based International Criminal Tribunal for the Former Yugoslavia (ICTY), and, in 2005, began European Union (EU) membership negotiations. In 2007, Croatia was elected a non-permanent UN Security Council member, and the Organization for Security and Cooperation in Europe mission came to an end, marking a high point in terms of both foreign policy and domestic democratization.

In 2009, Croatia became a member of NATO, and Slovenia lifted its objection to Croatia's EU membership following the resolution of a sea border dispute between the two countries. With Croatia formally continuing its EU negotiation process in the autumn, it was again faced with long-standing problems of prosecuting and reducing corruption, a still less-than-reformed judicial system, and a somewhat continued standoff with The Hague over unclear war crimes cooperation. However, the government was distracted from addressing its various challenges by political intrigues over the surprising resignation of Prime Minister Sanader midyear, and the demands of a deepening global and domestic financial crisis.

National Democratic Governance. The center-right (HDZ) continued to oversee a pro-European transitional policy despite the surprise departure of Prime Minister Ivo Sanader, the central figure in the HDZ for the last five years, who resigned without explanation midyear. His deputy, current Prime Minister Jadranka Kosor, stabilized the government and continued its slow reform process. *The government showed resilience in retaining its power in the wake of Prime Minister Sanader's surprise resignation but consequently paid less attention than needed to pushing the reform agenda. Accordingly, Croatia's national democratic governance rating remains at 3.50.*

Electoral Process. In May 2009, Croatia held its first direct vote in countrywide local elections without mishap. These polls brought a new trend of independent candidates, which was harkened as an opening up of the political system, but also

raised concerns that this would introduce private entrepreneurs to the political space who could more easily finance campaigns as well as gain voter sympathies through populist statements. Later, in the December presidential elections, a higher number of candidates were seen in the first round, with several key figures in mainstream parties running as independents. Furthermore, the political party financing regulations adopted a few years earlier did not visibly improve the transparency of electoral campaign finances. Problems with voter registers were also not resolved, and the practice of registering more voters than citizens continued with what appeared to be less interest from the opposition in tackling the issue. *While the increased number of candidates from various party backgrounds denoted increased democratic pluralism, this was offset by an ongoing lack of transparency in campaign financing and voter registries, leaving Croatia's electoral process rating at 3.25.*

Civil Society. Croatia's relatively large civil society continues to evolve in two directions—both toward encouraging democratic values and, problematically, toward promoting nationalism and extremism. The Catholic Church remains a strong influence in the country, along with Homeland War veterans' groups, which became more moderate regarding state institutional policies in 2009. Union activity and Internet-based organizing increased over the year, but with only minimal impact on overall policy making. *Croatia's civil society rating remains at 2.75.*

Independent Media. In 2009, Croatia's mass media delivered less investigative journalism, less diversity of opinion, and less overall quality journalism than should be expected of a consolidating democracy. The state broadcaster, Hrvatski Radio Televizija (HRT), brought a suit against member of Parliament Damir Rajin for suggesting that the network accepts payment to invite certain guests to its talk shows. The suit highlighted public concerns over HRT's influence on the government (and vice versa), high state funding for HRT, and the allegedly autocratic editorial policy of the HRT news program. Court cases concerning the murders of media owner Ivo Pukanić and his associate Niko Franjić, and the public beating of journalist Dušan Miljuš were ongoing at the end of 2009. *Croatia's independent media rating remains at 4.00.*

Local Democratic Governance. Croatia's local democratic governance got a boost in 2009 with the first ever direct mayoral and county prefect elections in May. The overall logic of the country's local government administration system—with its 20 *zupanijas* (counties), 120 cities, and 420 municipalities—was increasingly questioned given the financial crisis; however, neither a clear set of solutions nor the political will were present for substantial change to the current system. *Croatia's local democratic governance rating remains at 3.75.*

Judicial Framework and Independence. Croatia's judicial reform persisted in 2009 but without significant success. The judicial system remains one of the biggest challenges for Croatia's acceptance to the EU, and these unaddressed areas were

highlighted by growing domestic concerns over corruption and the poor economy. Politics and ethnicity still played a role in the courts, and the justice system only marginally improved its mechanisms to fight and prosecute corruption. *Croatia's judicial framework and independence rating remains at 4.25.*

Corruption. Despite widely publicized governmental and institutional attempts to stop corruption, there were few clear results in 2009 to demonstrate a strong political resolve. Corruption scandals in the public sector mushroomed, while the police, prosecution, and courts still exhibited a hands-off approach with top-ranking officials. All investigations and court cases undertaken to date have delivered little. The opening of several high-level cases suggests a heightened government awareness of the need to fight corruption, but it is far from certain that such cases will be followed through. *Owing to the still limited effort and impact of anticorruption steps, Croatia's corruption rating remains at 4.50.*

Outlook 2010. Croatia began to re-examine institutional budgets and reduce expenditures when faced with the global financial crisis in 2009. Criticism of government expenditures, lines in the sand from unions and pensioners, and calls for a more streamlined and transparent government are perhaps due to the economic situation but are likely to also affect the governance system. This has provided a new avenue of reckoning with the public that the government must now manage if it wishes to continue to claim political legitimacy. The EU accession process appears to again have a green light after the agreement with Slovenia over the sea border dispute. This will allow both external and internal actors who wish to see a democratic reform process to ramp up their efforts, but political will and the vulnerability of those at the top will ultimately determine their success in the coming year and beyond.

MAIN REPORT

National Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50	3.50

Croatia's emergence as an independent state in 1991 took place in the context of a country and region embroiled in violent conflict. The early years of the government, accordingly, were dominated by war concerns that did little to build a democratic governance system or to establish a strong base for future growth. In 2000, the change of regime that followed the death of President Franjo Tuđman allowed some level of stocktaking and reform to take hold. The country embarked upon a clear strategy of Euro-Atlantic engagement, allowing Croatia to become both a NATO member and a serious European Union (EU) accession candidate country in 2009.

Yet the practices of the war years and their legacies have been only partially resolved. Some of the most egregious war crimes have been addressed, but the official ideology of the ruling party and government institutions in general has only partially shifted from strong nationalist tendencies to one that expresses and practices European democratic values and collective responsibility. For example, the parliamentary declaration of the "Homeland War" that proclaimed Croatia's role as defender rather than aggressor has, years later, still not been seriously challenged by the Croatian public. The recent and ongoing court cases of Croatian Generals Gotovina, Markač, and Cermak at the International Criminal Tribunal for the former Yugoslavia (ICTY) could change this statement since The Hague's prosecution has insisted on using the term "joint criminal act," which puts blame on the former Croatian leadership for ethnic cleansing of the Serb population.

Similarly, the political and economic systems established during the 1990s are far from fully examined or systematically reformed. Crony privatizations were a feature of this period in Croatia, yet few, if any, serious investigations have been made despite hopes that 2009 would be a time of increased judicial and government interest in these long-standing problems. Another factor worth noting is that many government institutions in the country were originally designed with a political, rather than a democratic, sense of strategy. Significant redresses to the balance of power were made immediately after 2000, including perhaps the most significant act of curbing presidential power in favor of a prime minister. Unfortunately, other institutions have been much slower in their reform process. This has contributed to a bloated government as well as the ever-present public perception that officials are an exclusive class unto themselves.

Croatia was hit hard by the 2009 global financial crisis, yet public support for the second term of Prime Minister Ivo Sanader's center-right, ruling coalition remained stable, if not overwhelming. Then, without clear reasons, Sanader resigned in July, casting a long shadow over both his government and the actual progress

the institutions had managed to achieve. With small personnel changes among the ministries, the new prime minister, Jadranka Kosor, survived the opposition's weak call for extraordinary parliamentary elections. While many critics suggested that she was not up to the task, six months later her government was found to be relatively stable and even able to resist a surprising attempt by former prime minister Sanader to return to power within his party. He stated that the poor showing of the Croatian Democratic Union (HDZ) in the first round of the presidential elections on December 27 suggested that HDZ needed him back. Others speculated that he was planning to reopen his parliamentary representative status in order to be under legal protection in case of corruption charges. Yet, the year-end drama surrounding the former prime minister's announced return to political life fell flat, and both government and opposition leaders showed their public support for Prime Minister Kosor's government and for proper institutional procedures. The Croatian political and governance system weathered the shake-up caused by Sanader's resignation and showed a certain resiliency in its commitment to democratic procedures.

The economic and political crises of 2009 left little time to tackle the long list of reforms still remaining on the agenda. While the October 2009 EU Progress Report stated evident progress in many sectors, it contained the same criticisms from the previous year: insufficient results in the fight against corruption and lower than expected progress in the reform of the judicial system.¹ Prime Minister Kosor's decision in late October to force the resignation of Vice President and Minister of Economy, Damir Polančec, due to his role in a number of corruption scandals was seen as a move to partly address this point. Similarly, the opening of a number of other high-level corruption investigations at year's end was seen as an attempt by the government to get serious about corruption within its ranks, yet the extent to which the government will purge its own remains to be seen.

These shakeups also highlighted the weakening role of the two dominant political parties, the center-right HDZ and its main opposition, the center-left Social Democratic Party (SDP). Specifically, the HDZ, previously led by former Prime Minister Sanader, has experienced particular turbulence. Most analysts would describe Sanader's cabinet as one that was structured on loyalty to the prime minister. Accordingly, political party cohesiveness appeared to have been partially affected by the resignation. Within the HDZ, Sanader's flight from the top spot both confused and inspired in-party opposition. On the one hand, there were signs during the autumn of 2009 that he was still calling many of the shots despite having resigned his official posts. On the other hand, the official loss of the party's leader coupled with the upcoming presidential elections made the HDZ more similar to its main opposition, the SDP—a party of competing interests.

These competing interests came out clearly in the run-up to the December 27 presidential elections, with relatively important public personalities leaving both the HDZ and SDP to run as independent candidates. The resulting slate of multiple candidates from major parties along with independents was partly a reflection of the wide interest in this post as well as evidence of the lessening power the two dominant parties had over their members and the general public.

Before his resignation, Prime Minister Sanader was the most powerful politician in Croatia and was expected to campaign for (and win) the presidential position. The HDZ candidate, Andrija Hebrang, did not make it into the second round; rather, Milan Bandić (previously SDP), running as an independent, made the second round along with the SDP candidate, Ivo Josipovic. Accordingly, the power of the main parties to bring together and dominate policy issues appeared to be in transition and seems likely to remain so for some time if no extraordinary parliamentary elections are called to hasten the process.

It is generally perceived that harassment against Serb returnees in the Northern Dalmatia (City of Zadar) and the Lika regions has decreased somewhat. In previous years, these incidents were frequent, including physical and verbal attacks, as well as destruction of property. The mid-November visit of President Mesić to the homes of two Serb returnee families in the Lika region suggested some cause for optimism that the government might proactively address minority issues.

Though compliance has increased, Croatia is still having problems cooperating with the ICTY. Documents relating to the ongoing cases of Croatian Generals Ante Gotovina, Milan Markač, and Ivan Cermak are believed to be in the country, but government authorities claim otherwise. The missing documents are so-called artillery reports that describe the number of shells used during Operation Storm. The ICTY prosecution claims that the Croatian army was not selective in its targets and used indiscriminate shelling to push civilians of Serb ethnicity out of Croatian territory. The defense denies this and claims that only military facilities were targeted with minimal use of artillery. The Croatian authorities have stated that all necessary documents were given to the tribunal and others either do not exist or could not be found.

Electoral Process

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25	3.25

Croatia's electoral system has developed toward European and international standards. All recent elections have been judged free and fair by international and domestic monitors, including the May 2009 local elections and the first round of presidential elections in December 2009. However, both civil society and the international community noted a number of electoral practices that still needed work as part of electoral reform, including voter list verification and party financing reform.

According to an official survey, there were 4.4 million citizens living in Croatia during 2008, and 3.5 million of them were adults with voting rights.² However, voting lists showed that in the same year there were 4.08 million voters registered. Croatia's election code grants voting rights to around half a million Croatian citizens who live mostly in Bosnia and Herzegovina (BiH) but have legal addresses in Croatia. In fact, some small Croatian towns near the Bosnian border have more

voters than citizens. Phantom voters are an especially big problem in the coastal region of Dalmatia whose northern border touches Croatian majority communities from BiH.

According to many public statements (since official data are hidden from public access), in the last 12 months alone there have been nearly 50,000 “new voters” registered although no comparably large settlement wave was reported.³ The voter registration problem has been noted by a number of domestic critics, but it appears that only an EU-related requirement will push the political parties to address citizenship and voting standards. For example, it is unclear whether Croatia could hold a referendum on joining the EU involving the participation of voters from outside the country. In October, the ruling parties and the opposition both agreed that this problem should be resolved in a package with several other suggested constitutional changes. The changes had not occurred by year’s end, but it marked the first time that the government and major opposition had agreed in principle to change the voting rights and procedures, primarily due to their joint interest in EU membership.

The issue of Croatian citizens voting in Croatia but living in BiH has been a point of contention for years. This group of voters was seen to be supportive of the center-right, and, unsurprisingly, the HDZ governments have been reluctant to give up this constituency. During the 2007 parliamentary elections, the SDP particularly made it an issue of public debate, refusing to campaign on BiH territory. Yet in 2009, even the main SDP presidential candidate Ivo Josipović went to Mostar to solicit votes from the other side of the border.

In 2009, Croatia held the first elections at the local level with direct voting for city mayors and *zupans* (county prefects), who were previously appointed through majority vote of local parliaments (city and county level representatives). In general, the local elections did not change the political ratio between the two major parties, HDZ and SDP, nor did they significantly change the situation among other, smaller parties or previously-formed coalitions.

However, the local elections did see the beginning of a trend toward independent candidates, which accelerated in the presidential elections. In the city of Zagreb, Josip Kregar, a law professor and civil society figure, went up against the incumbent SDP mayor, as well as the HDZ candidate, and came in second. In the second largest city, Split, both the HDZ and SDP lost to Željko Kerum, a businessman who ran as an independent candidate. While the ability of individuals to go up against established political parties was harkened as opening up the political system, others cautioned that private entrepreneurs were occupying the space for political representations, could more easily finance campaigns (in the case of Kerum), lacked transparency, and could gain voter sympathy through populist statements. By year’s end, Kerum, the new mayor of Split, had already found himself in situations that civil society organizations described as clear conflicts of political and business interests.

The ineffectual party finance regulations adopted during the past two years had no significant impact on the local elections in 2009, even though all parties

and candidates had submitted their financial reports. According to election experts at the Croatian nongovernmental organization, *Građani organizirano nadgledajo glasovanje* (GONG), Croatia needs either a single law covering all electoral campaign financing or control mechanisms within the present laws.

At the end of 2009, Croatia held presidential elections. The first round took place on December 27, and the second round was scheduled for January 10, 2010. Twelve candidates ran in the first round with the following results: Ivo Josipović (SDP) 32.42 percent, Milan Bandić (independent) 14.83 percent, Andrija Hebrang (HDZ) 12.02 percent, Nadan Vidosević (independent) 11.33 percent, Vesna Pusić (HNS) 7.25 percent, Dragan Primorac (independent) 5.93 percent, Miroslav Tuđman (independent) 4.09 percent, Damir Kajin (IDS) 3.87 percent, Josip Jurčević (independent) 2.74 percent, Boris Mikšić (independent) 2.10 percent, Vesna Škare Ožbolt (independent) 1.89 percent, and Slavko Vukšić (SR) 0.42 percent.⁴ Both the HDZ and SDP had more than one candidate requesting party support for their campaign. Milan Bandić was, up until the day before the campaign, a member of SDP and still current mayor of Zagreb; Nadan Vidosević and Dragan Primorac were recent members of the HDZ and prominent political figures.⁵

With no candidate receiving 50 percent of the votes, the results of the first round pitted Ivo Josipović and Milan Bandić against each other in the second round, and each sought the support of the other candidates. HDZ as the ruling party did not support either, while the majority of center-left and left parties, and related social groups sided with Ivo Josipović, the majority of center-right and right parties, and related social groups supported Milan Bandić.

The process and results of the presidential elections suggest that the two main parties—HDZ and SDP—are less and less able to manipulate their members. This in itself is not a bad thing, as a more diverse offering of personalities and ideas might invigorate the political scene. However, in terms of party institutionalization it represents a weakening of a still-maturing system. It also highlighted the manner in which the presidential position is selected. The number of candidates and the cost of the campaigns caused some to question whether direct election of the president—which has become a more ceremonial role—might need to be reconsidered.

Civil Society

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75	2.75

Croatia's civil society is diverse and strong. However, many of the most influential organizations promote a civic sector vision that, at least until recently, has been somewhat at odds with the Western understanding of an open and democratic society. During 2009, the Roman Catholic Church did not alter significantly from its entrenched role in society, while moderation was detected in the positions of veterans' groups. Unions took on a bit more importance in relation to the financial

crisis and internal policy decisions. In addition, the National Foundation for Civil Society Development has been in place now for a number of years and continues to increase its manner of support for civil society organizations. However, overall, only a handful of national-level organizations have had enough clout to galvanize the public and encourage the government toward particular policy changes.

As a legacy from the Soviet era, Croatia gained two strong groups of civil society organizations: workers' unions and Catholic organizations, both of which remain quite strong today. More recently, two other types of groups have developed—those related to Homeland War veterans and human rights protectors. Besides these, there are hundreds of other nongovernmental organizations (NGOs), including gender, animal rights, and environmental groups, that continue to grow in terms of programs and support. A number were successful in raising single-issue concerns among the general population. Campaigns focused on government support for reproductive rights (after the government considered denying funding for fertility treatments), ecology initiatives, and humanitarian campaigns for serious medical conditions. These all seemed to suggest a Croatian society that was more engaged with the civic sector and in possession of the tools to do so.

Civil society has a strong influence on Croatian official policy, as well as on the country's democratic development, but in a manner that does not fit the standard perception of civic group values. By far, the most influential civic entity is the Roman Catholic Church, representing both itself and numerous church-oriented groups. This is followed in terms of influence by the Homeland War organizations such as the Croatian Military Veterans (HVIDRA), and by workers' unions.

With few exceptions, the Roman Catholic Church in Croatia supports a broad and widely dispersed program of conservative values, from gender-oriented to political issues; in many ways, this could be viewed in contrast with the Western concept of a civil and open society. The influence of the Roman Catholic Church on Croatian political and civil society is vast, not only for cultural and historical reasons, but because of certain bilateral agreements with the Vatican (over church administration, relative role of the church in society, and so on) that were signed during the past two decades. Many critics and opposition leaders have called on the government to rewrite its contracts with the Vatican, but no public statements about moves in that direction have been noted.

Numerous veterans' organizations and networks, such as the HVIDRA, tend to promote and defend the social rights of former soldiers, but also represent far-right political positions. Many of these groups are government-organized NGOs and were formed as reserve positions for specific political issues, such as opposing state cooperation with Serbia, Montenegro, or Muslim and Serbian officials in BiH. Using inflammatory language, some of these organizations have publicly opposed officials regarding cooperation with the ICTY. These groups are also quite vocal in criticizing Serbian entertainers performing in Croatia. In the last decade, however, there has been some diversification even amongst the more extremist organizations. Some have developed into state supported service providers for communities,

managing heating, parking, towing services, and more. In general, veterans' groups in Croatia appear to be growing more moderate regarding state institutional politics, and this trend is expected to continue.

There are three large workers' unions in Croatia: Union of Autonomous Trade Unions of Croatia, Independent Trade Union (secondary education), Croatian Trade Union Association, and many smaller unions. In general, these groups are mostly involved in negotiating worker and pension rights. As 2009 quickly became a year of economic recession with numerous job cuts, unions were busier than in previous years. However, no single union or coalition had enough force to significantly sway business interests or government decisions on the budget. In fact, Croatian unions are competitive, and it is not unusual for groups of workers to switch from one union umbrella to another.

NGO groups involved in human rights are not as strong as they were in the previous decade, mostly because after 2000, the country's internal politics changed significantly so that cases of human rights violations decreased. A number of human rights organizations evolved to focus on specific cases as they made their way through the court system. Among the most active and influential NGOs are Transparency International and GONG, which are active in promoting anticorruption programs and educating voters on the election process. In many cases, these groups are doing work that should arguably be done by state institutions but for which comprehensive intra-governmental monitoring abilities are still lacking. Some regional NGOs focus their activities on specific problems, such as the Dalmatian Committee for Human Rights in Split (working on war crimes cases related to the Lora prison). This group collects evidence from witnesses and pressures the domestic judicial system to try the cases in a timelier manner. Other human rights groups have become more clearly political, such as the Croatian Helsinki Committee (HHO), which has come under criticism for taking up overtly partisan and even sensationalistic issues involving celebrities rather than focusing on minority groups, religious freedoms, and other rights issues traditionally linked to the Helsinki Charter.

In the United States State Department's Report on religious freedom, Croatia's domestic entertainment industry is charged with some nationalist and religious provocations, particularly noting incidents involving Croatian singer Marko Perković Thompson. The same report states that although general religious freedoms exist in Croatia, Orthodox and Jewish communities express some concerns. The report underlined the empathy of state institutions in investigating and prosecuting religious-based incidents.⁶

A relatively new trend in Croatia is Internet-based NGO activities, mostly conducted through social-networking Web sites like Facebook and Twitter. These groups mushroom overnight and disappear just as fast, but some have attracted the attention of the general public. For example, the massive university student protests that spread across Europe in April and May 2009 took place in Croatia as well. Most Croatian students coordinated their activities and protests online to demand better, or continued free, university opportunities.

Independent Media

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00	4.00

For much of the past decade, Croatian media, both electronic and print, have taken a turn toward so-called yellow journalism, with entertainment-oriented coverage predominating over informative, cultural, and especially educational subjects. The reasons for this trend are complex: corporatization, media monopolies, as well as the growing interconnectedness among politicians, big business, and media interests have created a mainstream media that delivers less investigative journalism, less diversity of opinion, and less overall quality. For example, a content analysis of the major dailies *Vecernji List* and *Jutarnji List* or regional papers like *Slobodna Dalmacija* reveal very little difference in either the quality of reporting or diversity of opinions. Only a few dailies, such as *Novi List* from the Istrian region, are considered high quality and independent, and to have a country-wide readership. Weeklies like *Globus* and *Nacional* continue to move towards sensationalism rather than the more investigative pieces of their past; *Feral Tribune*, which had won many journalistic awards, closed in 2008.

For many, this current state of the media comes as a surprise, keeping in mind that during President Tuđman's rule, the media environment was restrictive but nevertheless featured several open-minded, opposition weeklies and some daily newspapers and journals that kept relatively high professional standards and an independent status. Paradoxically, the post-2000 period of democratization has coincided with a media environment where independent and complex criticism has been exchanged for almost pure commercialism. Even the most prominent names, such as internationally awarded political commentators Viktor Ivančić and Marinko Čulić, are for the most part no longer writing in print media, though their sharp commentaries are published online through various Web portals. By the end of 2009, Ivančić had secured a contract with Serb-minority based, weekly paper *Novosti* from Zagreb, but his reappearance in print will be a small exception to the current general trend. By contrast, the Internet has opened a space for a growing number of high quality news and commentary portals. Yet, the influence of Web journalism is still weak in comparison to print and television in Croatia, partly because digital content is dispersed across a wide array of small Web sites.

Croatia's national television network, Hrvatska Radio Televizija (HRT), remains the most influential media outlet, and it is estimated that more than half of the population uses the main evening news program as their primary source of information. The existence of two other nationally broadcast television stations, the privately owned Nova and RTL, has not significantly challenged HRT to improve its content; rather, these new stations have competed with HRT in terms of commercialization. HRT is funded by obligatory fees for all households with television sets as well as through the broadcast of commercial advertisements.

HRT's internal standards and practices still raise questions, as does the influence of the station on the government and vice versa. For example, opposition

MP Damir Kajin was sued by the national television in November 2009 for suggesting that individuals from the network take money in order to invite specific guests to various talk shows. It is unlikely that the parliament would remove Kajin's immunity, but the fact that HRT brought the suit at all demonstrates its relative power. During the year, there were several quiet and not so quiet journalist standoffs against the allegedly autocratic editorial policies at HRT of the news program's chief editor, Hloverka Novak-Srzić.

There were few reported attacks on journalists and other media figures in Croatia in 2009. This was a marked contrast with the previous year, which witnessed the assassinations of *Nacional* weekly owner Ivo Pukanić and his associate Niko Franjić, and the public beating of journalist Dušan Miljuš—cases that were still ongoing at year's end. However, if 2008 was a “bad” year, the media environment in 2009 was still not particularly conducive to quality journalism and independent reporting. For example, one prominent journalist, Hrvoje Applet, raised public attention regarding his 2009 dismissal from *Jutarnji List*, claiming that he lost his job for investigating issues of the illegal economy and the political ties of former Prime Minister Sanader. Applet worked for the Europa Press Holding (EPH), which holds nearly 50 percent of the print media market in Croatia, including the second bestselling daily *Jutarnji List*, bestselling weekly *Globus*, and bestselling magazine *Gloria*. During the last several years, EPH had suffered under the global trend of weak profits in print journalism; in response, it reduced its investigative journalism and steadily lowered its standards to capitalize on more trivial print materials.

Local Democratic Governance

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75	3.75

Local democratic governance in Croatia got a boost from the implementation of direct local elections in 2009. For the first time, a system of direct voting was used in the May local elections, which were generally hailed as an improvement in local governance. However, this voting process also brought a new trend of private entrepreneurs entering political competition, most notably businessman Željko Kerum as the newly elected mayor of Split. Soon after his victory, Mayor Kerum staffed the local administration with individuals connected to his family and previous business partners, including his sister Nevenka Bečić who was installed as Split city council head despite public questioning of her suitability for the position.

Croatia, a country of 4.4 million people, utilizes a regional-administrative system comprised of 20 *zupanijas* (counties), 120 cities, and 420 municipalities. This system was established in the early 1990s and has been criticized domestically and internationally since its induction, as it is complicated and expensive. The system of *zupanijas* has no historical basis but rather was a political calculation by former President Tuđman to secure electoral success during Croatia's “Homeland War.”⁷

As time has passed since the war, more and more domestic criticism of the territorial division has come out. In 2009, the financial crisis brought its costs into stark view, yet even significant budget constraints and threats of cutting pensions had little effect on changing the system. During the year, neither the state-level nor local budgets could afford the administrative system, and many of the 420 municipalities were not able to finance their own work, even when all revenues collected in their areas were kept in local budgets. Some in Croatia have proposed the establishment of only three regions—Northern, Southern, and Eastern—since this kind of territorial division is already used in submitting projects for EU Structural Funds.

The current system's drawbacks could be seen in the funding for state and local level building projects. For example, the central government's decision to host a world handball championship in 2008 required the state to spend significant amounts on constructing several large sports arenas that, one year later, stood mostly unused, as was the case in the second largest city of Split. Meanwhile, Croatia lacks small sports facilities for elementary and high schools; the large arenas cannot be used for everyday educational activities even though they were constructed using funds from the local level.

Others point to the fact that, regardless of their cost, the *zupanijas* have been slowly sapped of power and represent merely a kind of political patronage rather than decentralization. Ever since their formation, the political and administrative power of *zupanijas* has been slowly shifting toward cities (municipal level), and has been further reduced by establishing a network of local *Drzavni ureds* (state offices) that are usually based within *zupanija* buildings, but are directly connected with state-level authorities. This is a kind of partial solution that has improved the speed of administrative work but still keeps the country centralized and continues the duplication of administrative functions.

Judicial Framework and Independence

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25	4.25

Croatia's attempt to reform its judicial system closed another year with only mediocre results. Improvements were noted in basic functions, but the quality of legal investigations and processes had not improved enough to suggest a significant difference in the overall quality and independence of the judicial system.

Croatia has had significant judicial problems since the former president Tuđman made a countrywide change of judges and prosecutor office personnel, firing professionals that served during the Soviet era and bringing in replacements based mostly on political recommendations. Since the country did not have a history of democratic standards, the judicial personnel changes, combined with the war context and wave of privatizations, served through the 1990s to build a judicial framework with one basic purpose—to keep the Tuđman regime in power.

Democratic changes in Croatia from 2000 hardly touched the courts. Many laws were amended and some control mechanisms were established, but the most significant reform began roughly three years ago with the start of the EU accession process. Even given this relatively short period of time for such reforms to play out, the results have been disappointing to both domestic and international observers.

The October 2009 European Commission Progress Report noted a general dissatisfaction with Croatia's record on judicial reform, criticized the high number of open cases (despite the fact that Croatia now has one of the highest numbers of judges per capita in Europe) as well as the strong tendency for judges to be politically influenced. The report also notes a trend of domestic war crimes cases with almost exclusively ethnic Croatian victims and ethnic Serb perpetrators. Additionally, the report highlights the fact that overall reform of the system has not progressed to the point where it can positively influence the fight against corruption that permeates the governance system.

Domestic dissatisfaction with judicial reform has also become increasingly critical. The 2009 official report of the State Prosecutor's Office (*Državno odvjetništvo*), submitted by Chief Prosecutor Mladen Bajić to the Parliament in October, did not receive opposition approval and was only barely approved by the ruling coalition MPs.

Although the ministers of justice and internal affairs, as well as the chief of police, were replaced in 2008 following the high-profile murders of Ivana Hodak and Ivo Pukanić, only questionable results in these investigations and court cases were seen by the end of 2009. In the case of Hodak, it appears that only the prosecution believe that the real killer has been arrested; others suggest that given the political pressure to "do something" the police and State prosecution (*Državno odvjetništvo*) found a homeless person from Zagreb who admitted to the killing but is widely suspected of having nothing to do with the crime.

The heavily publicized case of war crimes in the Croatian region of Slavonia—in which former high-ranking official, Mayor, *Zupan*, and Parliamentarian Branimir Glavas was accused—has temporarily concluded. Despite a guilty verdict (with subsequent appeals), Glavas managed to leave Croatia and settle in BiH as a result of his dual citizenship and the lack of a legal framework between the two countries that would allow for his extradition. Some suggest that Glavas' run from Croatian jurisdiction was predictable and that state institutions did not do enough to prevent it.

Political control over the prosecution of many corruption cases, as well as cases of war crimes committed by domestic soldiers, is documented in many foreign monitoring reports and noted by several domestic NGOs, such as Dalmatian Committee for Human Rights and Documentation. At the same time, local courts respond that NGOs and the media are pressuring them and thus, actually preventing their normal work.⁸

Corruption

2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50	4.50

Among the Croatian population, there is the widespread belief that corruption is an obstacle to the country's democratic transition and EU accession. Yet, despite this general understanding and a significant number of official statements that fighting corruption is a government priority, Croatia has little to show as a result of its anticorruption efforts. For instance, in the education system several university professors, students, and "fixers" were arrested and even charged under the so-called Action Index, taken in order to stop corruption at state universities. The impact of these moves is still hardly visible.

The 2009 European Commission Progress Report highlights Croatia's slow fight against corruption. It notes the beginning of some higher-level prosecutions by the Office for Combating Corruption and Organized Crime, however the many laws now passed have either yet to be fully implemented or it is still too early to see their full impact.

To some extent, legal changes in the anticorruption fight made in 2009, such as the confiscation of property of the convicted, open a better judicial framework for implementing the proclaimed anticorruption policy. Transparency International Croatia, among others, has suggested that improved mechanisms for civil society consultation on such legislation and monitoring of the processes have contributed to a system that is more transparent than in years past.

Yet others argue that even with better legislation and consultation, the political will for serious anticorruption practices and investigations is still not as strong as it needs to be in Croatia. For example, in October 2009 the state prosecutor's office submitted its yearly report to the Parliament, which was barely accepted by the ruling coalition and strongly rejected by the opposition. The SDP and other opposition parties stated that the report used statistical data in a manner that was designed to hide the paths of crime and corruption; they also argued that almost all investigations were stopped at the gates of state institutions.

These opposition MPs reflected the wider public opinion that only the smallest actors are prosecuted, while "big fish" remain free and often even retain high-level positions. The report suggests that the overall number of crimes decreased during the year. According to public surveys, most citizens believe that the worst corruption occurs in public companies, government administration, and courts at all levels.⁹

This belief is based partly on fact and partly on perception. In Croatia, the print and electronic media publish many articles about corruption scandals, but few scandals (even those with clear evidence) result in state investigations or convictions. For example, the current "*Kamioni*" (trucks) scandal and investigation involves the Ministry of Defense, which is accused of buying trucks from one foreign company rather than another because the first offer included a bribe to cover higher prices for lower-end military technology. There was public outcry over the transaction, and

even President Mesić criticized the legality of the purchase. However, it took five years to officially open this investigation, and many believe the main reason for the delay was to allow the previous minister of defense, Berislav Rončević, a quiet exit.

In 2009, the opening of an investigation against Rončević, and another against Vice President Damir Polančec in the Podravka “Spice” embezzlement case, and the investigation and arrest of many officials involved in corrupt highway construction projects, have all sent a positive message to the public. Croatia, however, has a poor record of opening investigations that lead to tangible results, and therefore, it would be premature to claim these as anticorruption victories for the state.

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- ¹ European Union Delegation to the Republic of Croatia, “European Commission Presents Progress Report on Croatia,” October 15, 2009, <http://www.delhrv.ec.europa.eu/?lang=hr&content=2070>. “EU: U hrvatskoj političari koče istrage korupcije,” [EU: In Croatia Politicians Are Stopping Investigations of Corruption], *Jutarnji list*, October 11, 2009, <http://www.jutarnji.hr/vijesti/clanak/art-2009,10,11,,179241.jl>.
 - ² Hrvatska ima više birača nego stanovnika,” [Croatia Has More Voters than Citizens], *Nacional*, April 17, 2009, <http://www.nacional.hr/clanak/56775/kako-nam-lazu-hrvatska-ima-vise-biraca-nego-stanovnika>.
 - ³ “Hrvatska jedina u svijetu ima više birača nego stanovnika,” [Croatia Is the Only Country in the World with More Voters than Citizens], *Index*, April 16, 2009, <http://www.index.hr/vijesti/clanak/napokon-dokazano-hrvatska-jedina-u-svijetu-ima-vise-biraca-nego-stanovnika/429966.aspx>.
 - ⁴ Drzavno izborno povjerenstv, [State Election Commission], December 27, 2009.
 - ⁵ “Predsjednički izbori 2009—zašto Hebrang i Josipović nisu favoriti,” [Presidential Elections 2009—Why Hebrang and Josipovic Are Not Among Favorites], *Manjgura.hr*, September 8, 2009, <http://manjgura.hr/politika/predsjednicki-izbori-2009-zasto-hebrang-i-josipovic-nisu-favoriti/>.
 - ⁶ “State Department:Nacionalistički pjevač Thompson održao koncert s prizvukom antisemitizma,” [State Department: Nationalist Singer Thompson Held a Concert with Antisemitic Back-Sounds], *Index*, October 27, 2009, <http://www.index.hr/vijesti/clanak/state-department-nacionalisticki-pjevac-thompson-odrzao-koncert-s-prizvukom-antisemitizma/457110.aspx>.
 - ⁷ The term “Homeland War” has specific political connotations for those in the Southeast Europe region or of a minority status in Croatia; calling it a “civil war,” for instance, would be considered politically incorrect in Croatia.

- ⁸ “Zbog Lore 2 radi se pritisak na sud,” [Court Under Pressure Because of Lora Case], *Slobodna Dalmacija*, July 29, 2009, <http://www.slobodnadalmacija.hr/Hrvatska/tabid/66/articleType/ArticleView/articleId/63854/Default.aspx>.
- ⁹ “U idućoj godini biti će više podmicivanja,” [There Will Be More Bribes Next Year], *Index*, April 15, 2009, <http://www.index.hr/vijesti/clanak/63-posto-hrvata-prorice-u-iducjoj-godini-bit-će-vise-podmicivanja/429734.aspx>.