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CROATIA: THE PRICE OF CORRUPTION

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1. INTRODUCTION

“Power tends to corrupt, and absolute power corrupts absolutely.”
Lord Acton

First, there was a war. Then there was an authoritarian regime that brought the country to the verge of international isolation. Finally, there was a period of social reforms at the end of which an entry card was obtained for Euro-Atlantic integration. But throughout all that time there was, and still is, corruption.

Although Croatia, a country that in 2012 celebrated Independence day for the 21st time, has “officially” entered the age of majority, it is doubtful if some of country’s important institutions entered that age as well. According to the EBRD¹, in the first decade of the 21st century the Croatian economy would annually lose up to 500 million Euros due to corruption. For a country of 4.1 million people and with a GDP of EUR 63.78 billion (2011 est.)², it’s a huge impact for a domestic economy.

A high level of corruption - especially political corruption - is nothing unusual in transitional economies³. Central and Eastern European countries are “places where voters are alienated, political parties compete only for spoils, the media are used as tools of corruption”⁴, and Croatia in general is no different - or at least it didn’t use to be. In the wake of the country’s EU accession, international institutions (like the European Commission, EBRD, and the World Bank) have acknowledged efforts in fighting corruption. But judging from the examples of Romania and Bulgaria, tackling corruption on all levels usually stops once a country is inside the EU. In order for Croatia to avoid the same fate, I strongly believe that it is essential to analyse thoroughly existing cases of corruption, and see where and how democratic institutions have failed.

When Croatia celebrated joining the EU, among the many domestic politicians and foreign guests one name - a very important name in the history of the Croatian EU accession process - was nowhere to be seen. It was the name of Ivo Sanader. Mr Sanader is a former prime minister (2004-2009) and a former president of the Croatian Democratic Union, the biggest party in Croatia which has governed the country for most of the past 20 years. He is currently being tried in a Croatian court on three charges of political corruption, and more charges are expected to arise. Mr Sanader is pleading innocent to charges that he and his party siphoned off nearly 10 million Euros from privatisation proceeds first into party funds, and later into private accounts.

But while he was in office, Mr Sanader was rarely criticised by the majority of mainstream media, despite the fact that there have been many clues, if not entire affairs, pointing towards Mr Sanader’s wrongdoings.

The aim of this paper is to try and answer the following question: acknowledging that Mr Sanader was involved in at least one Croatian corruption affair⁵, how did the Croatian mainstream print

¹ European Bank for Reconstruction and Development, *Transition report 2010*

² Croatian Bureau of Statistics, *Official Gazette* No. 60/2012

³ M. A. Vachudova, *Corruption and Compliance in the EU’s Post-Communist Members and Candidates*, JCMS 2009 Volume 47 Annual Review pp. 43–62

⁴ A. Mungiu-Pippidi, *The Other Transition*, *Journal of Democracy*, Volume 21, Number 1, 2010, pp. 120-127

⁵ In November 2012 Mr Sanader was convicted to 10 years in prison for abuse and political corruption; at the moment (October 2013), he is still in trial for three additional corruption affairs.

media cover Mr Sanader's time in office, and why have they failed to warn about potential damages to the Croatian economy. The focus of my research will be the case of Pliva, a successful pharmaceutical company that was formerly owned by the state. Analysing existing data available from international stock exchange markets and international business newspapers (such as The Financial Times, and The Wall Street Journal) I will reconstruct the development of offers made by different international investors and compare them with the final price for which the company was sold; I will also try to establish whether Pliva was undervalued at the moment it was sold and whether there was any damage done to the Croatian economy as a result.

At the same time, using content analysis I will look at how major Croatian daily newspaper reported on this transaction: analysing a period of one year in which "Pliva affair" came into the Croatian public domain, I will look at how three different daily newspapers (Jutarnji list, Večernji list and Novi list) were covering this story; how often was it reported, how intensively and, what I believe will be most important, at what exact moment this story stopped being a story, and for which media outlets.

However, my interest in relationship between politics and mainstream media will not stop there. Since media outlets in transitional democracies "are not ordinary business ventures" and investors rather "use these channels for blackmail or for trading influence"⁶, I will also research whether there is any pattern in the way how different media outlets have reported on Mr Sanader at one of most decisive moments of his political career: his arrest in 2010 that followed his abrupt resignation from office in 2009. Again, using content analysis I intend to establish a clear connection between major media outlets and political power; or in case of Mr Sanader's arrest, lack of power.

Finally, I will try to draw conclusions on this relationship, and propose some ideas on how to, if not avoid, then try to decrease and control it.

⁶ A. Mungiu-Pippidi, *The Other Transition*, Journal of Democracy, Volume 21, Number 1, 2010, pp. 120-127

2. A COUNTRY IN TRANSITION

The Republic of Croatia is a unitary democratic parliamentary republic at the crossroads of Central Europe, the Balkans, and the Mediterranean. It covers 56,594 square km (21,851 square miles) and has diverse, mostly continental and Mediterranean climates. The country's population is 4.29 million, most of whom are Croats, with the most common religious denomination being Roman Catholicism (87.8%).

After the World War II, Croatia became a single-party Socialist federal unit of the SFR Yugoslavia, ruled by the Communists, but enjoying a degree of autonomy within the federation. The 1974 Yugoslav Constitution gave increased autonomy to federal units, basically providing a legal basis for independence of the federative constituents. In January 1990, the Communist Party fragmented along national lines, with the Croatian faction demanding a looser federation. In the same year, the first multi-party elections were held in Croatia, with Franjo Tuđman's win raising nationalist tensions further. Representatives of the biggest national minority in Croatia (Serbs in Croatia) left Sabor and declared the autonomy of areas that would soon become the unrecognized Republic of Serbian Krajina, intent on achieving independence from Croatia. As tensions rose, Croatia declared independence in June 1991, but the declaration came into effect on 8 October 1991.

The tensions that followed escalated into the Croatian War of Independence - its outbreak would hardly have been possible were it not for the help of many journalists and entire media outlets both in Croatia and Serbia, that sided with new political elites and supported nationalism and chauvinism in exchange for personal benefits⁷. The war effectively ended in 1995 with remaining occupied areas finally being restored to Croatia in January 1998.

Economic development was burdened by a large amount of war damage, estimated in 1999 to amount to US\$37.1 billion, which also made transformation and privatisation more difficult. In addition, the transformation process by which the former public (social) ownership became state owned and then privately owned, was undertaken in agreement between the political and business elite, frequently without the actual purchase of enterprises or investment in them. Here too, the media were a key factor - in 1990s, while still predominantly owned by state, they were under direct political influence or censorship; in 2000s when many privately owned publishers established their influence, the conditions of certain privatisation processes were held off front pages through political trade-offs. The transition in general therefore had many negative social and economic effects: the impoverishment of the population, a rise in corruption and economic crime, and the devastation of industry.

Still, Croatia today has a very high Human Development Index. The International Monetary Fund classified Croatia as an emerging and developing economy, and the World Bank identified it as a high income economy. Service industries comprise about two-thirds of Gross Domestic Product (GDP) while agriculture, on the other hand, accounts for less than 5%. The most important branch of the economy is tourism, with 10 million foreign guests per year, contributing 15% to GDP. The main economic branches in the country are determined by natural resources, but also by technology and industry (shipbuilding, construction, petrochemicals, the food industry). The state controls a part of the economy, with substantial government expenditure.

The highest growth rate of 5.2% was recorded in 2002, and in 2003 GDP reached its level before the war (US\$24.8 billion, 1990). The rising trend of GDP continued until 2008, when a fall and then stagnation occurred; it may have been caused by the worldwide recession, but due to lack of

⁷ Thompson, M. (1994) "Forging War: The Media in Serbia, Croatia and Bosnia-Herzegovina", Article XIX

structural reforms, high corruption, low competitiveness and poor decisions made by political elites, the Croatian economy has been stuck in recession to this day - in 2013, it entered its fifth consecutive year. Since 2008, real GDP has contracted by a cumulative 12%, mainly on the 12% decline in real consumption and 35% decline in real investment⁸. The level of unemployment is high, at almost 20%.

⁸ Standard & Poor's: Outlook On Croatia Revised To Negative On Structural Challenges Constraining Growth; (2/8/2013)

3. MEDIA IN TRANSITION

The collapse of communism created opportunities for corruption throughout the post-communist region⁹. In the case of Croatia (and most other former Yugoslav republics) the situation was even worse as the end of the communist system created a vacuum that necessitated rewriting the rules of the economy and the state, all of this happening in the middle of a war. In the early years, those in power were able to write those rules to benefit themselves.

In such a context, the effects of corruption are significant: it impoverishes society by reducing economic growth, undermining entrepreneurship and stealing from the state; it also undermines liberal democracy (which, in Croatia's case was yet to be built) as political elites violate the legal limits of their power, citizens lose trust in state institutions and civil society is oppressed or co-opted by powerful networks¹⁰. Corruption has been highest in states where a narrow group of elites initially governed with little political competition from other political forces, and with little effective scrutiny from the media and civic groups¹¹.

So, if the Croatian socioeconomic reality owed so much to a socialist past and a “transitional” present, the same could be said for the country's media.

Yugoslavia

Croatian media shared the destiny of all other media in Yugoslavia, which was not necessarily always a tragic and censored one: on the contrary, “the media in Socialist Federative Republic of Yugoslavia (SFRY) were more abundant, varied and unconstrained than in any other Communist state.”¹² In 1989, just a year before SFRY started falling apart, the media landscape was rich and vibrant: there were 9 TV stations (one for each federal state plus three for minorities) and 202 radio stations (where 28% of total radio broadcasting output was news programming); 27 daily newspapers with national reach were published together with 17 major news magazines. Tanjug, a state news agency, had well over a dozen offices worldwide, and Yugoslavia was 14th in the World according to a ranking of the number of books published.

However, to become a senior figure in any media outlet one had to be “politically suitable”, which meant being either a member of the Communist party in federal states, or outspokenly close to its values. On top of these values were, however, loyalty and obedience. The “long tradition of cooperation between politics and media in manipulation”¹³ that undoubtedly existed in Yugoslavia continued to flourish in the war times that were to follow. Since many members of the Communist party soon realised that communism/socialism was not an appreciated currency anymore, they switched to nationalism and, subsequently, pulled many a journalist and editor in that direction as well.

Croatia: War and Post-war Years

With nationalistic tensions budding in former Yugoslavia, Croatian media (just like their counterparts in Bosnia and Serbia) soon proved themselves as a capable ally of political elites: they

⁹ Moroff and Schmidt-Pfister, (2010). “Anti-corruption movements, mechanisms, and machines – an introduction”, *Global Crime*; vol. II; issue 2; p. 89

¹⁰ Corruption and Compliance in the EU's Post-Communist Members and Candidates, M. A. Vachudova, *JCMS 2009 Volume 47 Annual Review* pp. 43–62

¹¹ see Ganev, 2007; Grzymała-Busse, 2007; Hanley, 2008; O'Dwyer, 2006; Vachudova, 2005.

¹² Thompson, M. (1994) “Forging War: The Media in Serbia, Croatia and Bosnia-Herzegovina”, *Article XIX*; p.

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¹³ *Ibid.*

agreed to spread nationalistic hysteria and dedicate themselves first to fear-mongering which later led to war-mongering. Those who were not willing to subject themselves to such needs, were soon removed from managing positions¹⁴. Notable exceptions were mostly among regional media which “stood right in the path of the party’s centralizing drive and, consequently, were a prime target for the government’s repressive tactics”¹⁵.

The same kind of media support was needed and delivered throughout the period of “privatization”, during which public property became private¹⁶. The model was a simple one: the government would establish a framework to define ownership and oversee privatization which allowed the government to steer publicly-owned companies either into state ownership (“nationalisation”) or into the hands of chosen entrepreneurs. In order to achieve this, the Law on the Transformation of Socially-Owned Enterprises was brought into power in April 1991, and the Agency for Restructuring and Development (ARD), consisting of government appointees, was established several weeks later. Its sole purpose was overseeing transition/privatization and imposing management boards who would decide (usually regardless of the will of workers and previous managers) what to do with the company. The de facto result was a country with a predominant “media ownership by the state or HDZ (Hrvatska Demokratska Zajednica - Croatian Democratic Union) party officials”.¹⁷ Such authoritarian rule gave ruling elites tremendous power from 1990 to 2000 even as war and sanctions intensified the grip of organized crime on the economy.¹⁸

All this¹⁹ laid the foundations for long-time corruption in Croatia, whose consequences still haunt the country.

Since this paper analyses the Croatian media through three examples - Novi list, Večernji list and Jutarnji list - their short history is needed in order to understand media processes.

Novi list

Novi list (“New Paper”) is the oldest existing Croatian daily newspaper, first published in 1900. Throughout most of its history, it was a regional newspaper; since Croatian independence however, it started being distributed throughout the country, but remained predominantly regionally focused.

During the Croatian War for Independence, the paper took a pro-Croatian, but professional stance towards political affairs. It kept the HDZ at bay and reported on possible war crimes committed by Croatian forces in 1992, and came under fierce criticism from the government. The same year the

¹⁴ “One of first things to do for newly elected Croatian government led by HDZ (Hrvatska demokratska zajednica - Croatian Democratic Union) in early 1990s was to replace media personnel in all major outlets by HDZ faithful.” Thompson, M. (1994) “Forging War: The Media in Serbia, Croatia and Bosnia-Hercegovina”, Article XIX; p. 129

¹⁵ Ibid. pp 131-132

¹⁶ Despite their common origins, the economy of socialist Yugoslavia was much different from the economies of the Soviet Union and other Eastern European communist countries. Though ultimately controlled by the state, Yugoslav companies were collectively owned and managed by the employees themselves, much like in the Israeli kibbutz; therefore, before privatisation process, usually there had to be a - nationalisation.

¹⁷ Thompson, M. (1994) “Forging War: The Media in Serbia, Croatia and Bosnia-Hercegovina”, Article XIX.; p. 139

¹⁸ Gould, J. (2004) 'Out of the Blue? Democracy and Privatization in Post- Communist. Europe'. Comparative European Politics, Vol. 1, No. 3, pp. 277–311

¹⁹ “Such process of transformation is highly complex and would be open to abuse even in stable circumstances; in the chaotic conditions of Yugoslavia’s demise, it has been extremely corrupt. Contingencies such as state (that is, government) control of banks, the lack of money and stock markets, the government’s extensive control over health, insurance and pension funds, the context of military emergency, and the frailty of the trade unions have laid the mechanism wide open to corruption.” - Ibid.; p. 135

management and staff applied to buy out the business (basically from themselves, i.e. to privatise the company) but the government intervened and imposed a new management board through the ARD led by –the Deputy Minister of Police. Workers rebelled, and not just once: by mid-1993 Novi list underwent five examinations by the ARD, finally allowing workers to buy 97.6 % of shares.²⁰ Such a structure remained until 2008 when Robert Ježić, a Croatian tycoon close to HDZ, bought 80% of the shares for a net worth of 22.4 million euros.²¹

Večernji list

Večernji list (“Evening Paper”) was started in Zagreb in 1957. It claimed to be Yugoslavia’s highest-selling paper for the first half of 1990 with approximately 350,000 copies sold a day.

By mid 1990s sales roughly halved, to about 170,000. But it still was the best-selling newspaper at the time in Croatia, possibly because the paper’s position shifted towards conservatism, if not Croatian nationalism²². Even so, Franjo Tuđman and his ruling Croatian Democratic Union expressed great interest in taking direct control over the newspaper through privatisation. In 1993 Večernji list was valued at 28 million Deutschmarks,²³ but it was never made publicly clear for how much money it was sold to a private owner, nor who exactly the new owner was. The only public information available, confirmed by the government, was that it was sold to a “Virgin Islands financial group”. However, although the process was completely non-transparent, no actual criminal wrongdoings were discovered in subsequent inquiries.

In early 2000s the newspaper was sold to “Styria Media Group AG”, an Austria-based media group close to (and allegedly partially owned by) the Catholic Church in Austria. With roughly 2,900 employees altogether, the group generated a market turnover of 437 million Euros in 2012. However, the exact structure of capital inside the group is not publicly known. The only known fact is that it is “a strategic holding for more than 100 companies in three countries, independent from all political parties, interest communities and churches.”²⁴ “Styria” is currently the sole shareholder of Večernji list.

Jutarnji list

Jutarnji list (“Morning Paper”) was launched in April 1998. Due to this fact, it couldn’t have been involved in affairs between media and politics during early 1990s. Still, its publisher (Europa Press Holding - EPH) played an interesting role in the period.

EPH was built around Globus, a Croatian weekly news magazine published in Zagreb. The magazine was started in 1990, having some of its first issues published during the Croatian War of Independence. Originally devised as a tabloid, Globus was considered to be a complex phenomenon. On the one hand, it had a running feud with certain leaders in the HDZ, especially those who control media, but on the other it also participated in fear-mongering²⁵ and outbursts of nationalism²⁶.

²⁰ CIFE, “Balkan War Report”, September 1993

²¹ Rajković, D. (2011) “Kako je Ivo Sanader ukrao Hrvatsku”, Jesenski i Turk; p. 361

²² “By 1995, Večernji list has become a byword for unconditional loyalty to the HDZ government.” - Thompson, M. (1994) “Forging War: The Media in Serbia, Croatia and Bosnia-Herzegovina”, Article XIX.; p. 178

²³ “Report of the mission of the Council of Europe team of experts to consider the legislative, regulatory and administrative framework for the Media in Croatia”, Council of Europe, 9-12 May 1993 (Strasbourg: June 1993)

²⁴ <http://www.styria.com/en/styria/eigentuemmer.php>

²⁵ “In Globus, Tanja Torbarina often uses her column to attack other, insufficiently ‘patriotic’ journalists. On May 1992 she named Milan Jakšić, a Croatian Serb by nationality who had been suspended by Vjesnik and

Before Jutarnji list was launched, the German WAZ Media Group (now known as Funke Media Group) invested in EPH. However, to this day it is not known to what extent: EPH has no public website containing basic information on the capital structure or business it operates; WAZ/Funke Media Group only briefly states on its website that “the WAZ Media Group is active in Croatia, Hungary and Russia today.”²⁷ Because of this, but for other reasons as well²⁸, WAZ Group was highly criticised by professional associations both in Germany and Eastern European countries.

Of all the Croatian media publishers, EPH and its founder, Ninoslav Pavić, are considered to be among the most controversial²⁹. In early 2000, Mr Pavić was briefly arrested under suspicion that, together with several other citizens, he tried to establish a media monopoly, i.e. to cheaply buy or illegally gain control of several important media outlets, with help from politicians inside Franjo Tuđman’s cabinet. He was released, however, several days later and no charges were ever pressed against him or anybody else³⁰. On 1 March 2003, a bomb exploded under Mr Pavić’s car. Mr Pavić was not in the car when the bomb exploded, and no one was hurt. The attack received worldwide condemnation from other publishers and human rights organizations, but the police investigation failed to trace the attacker(s) and to this day it is not clear whether it was attacked due to the journalism his newspapers were practicing or due to unresolved relations with alleged business partners.

Owning Croatian media

At the time of the car-bomb attack, Mr Pavić was not alone, at least not in a symbolic sense: less than a decade ago, media owners in Croatia lived a dangerous life. Ivan Čaleta, founder of Nova TV, a private national TV station, was shot at in December 2003. His knees were severely wounded, and the police concluded that the assassin could have finished the job: the shooting was to be understood as a warning. Miroslav Kutle, former media tycoon and convicted criminal, had his jeep shot at while he was sitting in a café. None of these attacks were ever formally resolved, but every investigation acknowledged that the possible motive for each attack could be a dispute over media ownership.

Indeed, many private media owners in transitional democracies (and Croatia is by no means an exception) reportedly hold interests in non-media businesses, creating pressure from political and commercial interests that can lead to overt restriction on critical coverage of the government (who are still very much present inside different markets and/or still own the largest percentage of real estate property and companies due to be further privatised) and of influential companies due to the fear of the loss of advertising revenue. This lack of transparency in ownership can also lead to self-

found employment as a correspondent for Serbian daily, Politika. Torbarina insinuated, without providing any evidence, that Jakšić sympathized with Serb rebels in occupied Croatia. On 10 June, a bomb detonated in Jakšić’s car outside his home.” - Thompson, M. (1994) pp 192.

²⁶ *“Globus published an attack on five female writers and journalists who had criticized Croatian nationalism and the HDZ. ‘Croatia’s feminists rape Croatia!’ was the title of anonymous piece, in the issue of 10 December 1992.” - Thompson, M. (1994) pp 193*

²⁷

<http://www.funkemedien.de/International.16.0.html?&L=1?ziel=%5Fself&L=1&link=International%2E16%2E0%2Ehtml%3F%26L%3D1>

²⁸ *“Ever since WAZ entered foreign markets in Central and Eastern Europe, it kept insisting on applying business practices and journalism standards completely unimaginable in Germany.” - Hendrik Zörner from German Federation of Journalists; Deutsche Welle (<http://www.dw.de/neizvjesna-buducnost-stampe-unjemačkoj/a-16986717>)*

²⁹ *“Novinar” (“Journalist”), official gazette of Croatian Journalists’ Association, no 1-3; 2013.*

³⁰ Chief public prosecutor, Mr Radovan Ortinsky, resigned soon thereafter, just like Mr Stjepan Ivanišević, Croatian Minister of Justice of that time; Mr Ivanišević stated that he is leaving government “due to bad health”.

editorial censorship by journalists who fear that critical reporting about issues of potential interest for a potential owner could lead to repercussions against their employment status³¹.

Croatia has, after the year 2000, introduced a new set of media legislation, which includes measures to control mono-media and cross-media ownership concentration and ensure transparency of data on ownership and functioning of the media. The Media Law (2004) limits concentration in the printed media and establishes transparency rules for all media (printed and electronic), while the Law on electronic media (2003) limits cross-media ownership. Publishers are obliged by the Media Law to forward by the end of each year to the Croatian Chamber of Commerce, as the designated organization which runs the Newspaper register, a statement on all legal and natural persons who directly or indirectly possess stocks or a share in their enterprise. The media also have to publish the same data in the Official Gazette. Data on the percentage of ownership must be made public too.

However, although these laws in principle ensure transparency of ownership and other media data, an in-depth analysis of the legal provisions finds a number of contradictions. Most notably: despite all of the publishers' obligations, it is not defined what will happen if the publisher fails to comply with such requirements³². Or, as some senior editorial figures in Croatia would put it:

*"The problem is that foreigners read Croatia's media legislation, and when you read it, it is fine, even idyllic. By law, we do have freedom of the press and expression, we do have transparency of ownership, we know relevant details of media businesses. But in practice - we don't."*³³

Another issue is that many reports and analyses since the late 1990s have reported an increasing concentration of media markets dominated either by foreign investors, or by combined domestic-foreign enterprise. This process has sometimes resulted in an effective duopoly, as in Poland or Hungary³⁴. A similar situation occurred in Croatia, where EPH and Styria hold together around 80% of the market, despite the fact that the Law on Media defines prohibited forms of concentration in the press. A publisher is barred from acquiring shares or ownership of political daily or weekly newspapers if this acquisition means that the publisher's share in all the sold copies of daily/weekly newspapers in the country would exceed 40 percent, so both publishers - when developing new projects or acquiring existing media enterprises - tend to "bend" the Law.^{35 36} With such vast influence exercised over a small market (in the Croatian case, smaller than 3.5 million consumers), it is difficult to expect any new market players big and keen enough to break the dominance of established ones.

The crucial question surrounding this type of concentrated media ownership in an industry which is, due to its own structural problems, in deep problems, is why would any business elite be prepared to invest in such media in the first place? This question seems to be most relevant in case of print media, which are very often money-losing, especially in times of economic recession and the decline of advertising market. Or, as Stetka (2008) puts it:

³¹ see Stetka, V. (2012) "From Multinationals to Business Tycoons: Media Ownership and Journalistic Autonomy in Central and Eastern Europe", *The International Journal of Press/Politics* 17 (4) pp. 433–456

³² Peruško, Z.; Jurlin, K.: *Croatian Media Markets: Regulation and Concentration trends*; IMO, Zagreb, 2006

³³ Tomislav Jakić, editor-in-chief of news programme at HTV (1985 - 1990), later advisor to the President of Republic, Stjepan Mesić.

³⁴ Dobek-Ostrowska, Bogusława/Głowacki, M. (2008. ed.): *Comparing Media Systems in Central Europe. Between Commercialization and Politicization*. Wrocław: Wydawnictwo Uniwersytetu Wrocławskiego, pp 6-26.

³⁵ Peruško, Z. (2010): *Assessment on Media development in Croatia based on UNESCO's media development indicators*; Centre for Media and Communication Research (CIM) Faculty of Political Science, University of Zagreb; p 17

³⁶ Judgment on the concentration of EPH and Slobodna Dalmacija (Ocjena o koncentraciji Europapress holdinga d.d. i Slobodne Dalmacije od 27.07.2004. UP/I 030-02/2004-01/ 33) can be found here <http://www.aztn.hr/slike/EPH-Slobodna.pdf>.) All judgments of the Agency for the protection of market competition are available on the web page http://www.aztn.hr/arhiva_n.asp?krit=1&id=162&page=10.

(...) because of their core business interests lying elsewhere, the tycoons don't necessarily need to follow the classical business model and keep their media profitable as they are able to subsidize them from sources generated by other-than-media companies in their portfolio. Therefore, rather than seeking profit, they are often seen as using their media in order to exercise public influence and to advance their business and political goals.³⁷

Bearing in mind all of the above, the only thing Croatian media tycoons needed - in case they didn't have it already - was a confidential, responsible and, above all, an ambitious business partner.

³⁷ Stetka, V. (2012) "From Multinationals to Business Tycoons: Media Ownership and Journalistic Autonomy in Central and Eastern Europe", *The International Journal of Press/Politics* 17(4) 433–456

4. THE STRANGE CASE OF DR IVO AND MR SANADER

Ivo Sanader served as the Prime Minister of Croatia from 2003 to 2009. Born in Split into a religious, poor working family with four siblings, Mr Sanader wasn't a typical promising politician in his youth: he wasn't actively involved in politics at all, neither as a member of the Communist Party nor as a dissident in exile. He studied briefly in Rome, later in Innsbruck, Austria where he obtained a BA in Romance languages and a MA in Comparative Literature³⁸; while in Austria, he pursued several different careers - he was a sports journalist, a publisher and an entrepreneur. Most of his Austrian companies were liquidated by the mid-1990s.

Early years

At the end of the 1980s, as a multi-party system was returning to Yugoslavia, Ivo Sanader founded the first branch of the HDZ in Austria. There he met Franjo Tudjman, who persuaded him to return to Split. His first public office was as intendant of the Croatian National Theatre in Split. In 1992 he was elected as an HDZ deputy to the lower house of the Croatian parliament, and became Minister of Science and Technology (1992–1993). From 1993 to early 1995 and from late 1996 to 2000, he was a Deputy Minister for Foreign Affairs.

In 2000, following Tudjman's death and a defeat in parliamentary election, an inner-party election within the HDZ ensued in April that year and Ivo Sanader emerged victorious as a compromise candidate. Two years later he won another inner-party election, which would later turn out to be a fraud.³⁹ As a head of the opposition Mr Sanader vigorously criticized the ICTY indictments against Croatian Army generals; in 2001, he helped organise a massive rally⁴⁰ against a war crimes indictment against a Croatian general accused of war crimes. In 2003 HDZ, led by Sanader, won the parliamentary elections and governed Croatia as the senior partner in a center-right coalition.

First term as Prime Minister (2003–2007)

The Sanader government's main foreign goal was Croatia's entry into the EU and NATO. In order to achieve this, Sanader dramatically changed his rhetoric and political agenda as well: he “signed, sealed and delivered” remaining military leaders of Croatian Army accused of war crimes to the ICTY. Sanader's HDZ also sought to establish better relations with minority parties and to promote minority rights. As Prime Minister, Mr Sanader had close relations with other moderate conservative politicians in Europe, including former Austrian Chancellor W. Schüssel and German Chancellor Angela Merkel. Fluent in English, German, French and Italian, Mr Sanader was “a pleasant surprise” for many leaders of EU member states who, due to his strong “eu(ro)phoria”, looked upon his actions in Croatia with benevolence.

³⁸ Upon returning to Croatia in early 1990s, Mr Sanader will insist that his Austrian MA title should be officially recognised as a PhD title in Croatia, due to differences between two systems of higher education. Without any serious bureaucratic scrutiny, he was soon recognised as a PhD scholar.

³⁹ Marković, Stjepan (23 November 2006). "Drmić: Krao sam glasove za Sanadera" [Drmić: I stole votes on behalf of Sanader]. *Nacional*, Croatian weekly

⁴⁰ More than 100,000 protesters gathered in Split where Sanader held one of his most memorable speeches, demanding imminent resignation of “treasonous government”. See: <http://www.monitor.hr/clanci/miting-u-splitu-od-potpore-norcu-do-zahjteva-za-raspisivanjem-izbora/11537/>

Second term as Prime Minister (2007–2009)

Ivo Sanader and HDZ won the 2007 Croatian parliamentary election as well, but owing in part to the global recession that set in during Sanader's 2nd term, Croatia's economic growth stalled and foreign direct investment slowed down. Judicial (and various other) reforms stopped and corruption affairs linked with Mr Sanader's government started appearing on a regular basis, much more often than in the previous term. Croatia was expected to complete negotiations with the EU in 2009, but the negotiations were stalled for 10 months due to a border dispute with Slovenia.

During Sanader's other term in office it became public that the prime minister was in a close relationship with several Croatian media owners, but despite the fact that these relationships were well documented⁴¹, they were not heavily scrutinised by most mainstream media outlets.

Resignation (2009)

In such circumstances, on July 1st, 2009, Ivo Sanader abruptly announced his resignation as the Prime Minister of Croatia and President of HDZ, as well as his complete withdrawal from all active politics and gave a promise never to take part in political life in Croatia again. At his press conference in Zagreb, Sanader remarked:

*"There is always a time in life for a new beginning. Such a moment has come and now it's time for others to take over."*⁴²

According to both domestic and international news outlets, Mr Sanader's announcement "came as a surprise", as Croatian media had quite recently named Sanader as a potential candidate for the upcoming presidential elections in 2010.

However, contrary to his earlier statements made in July 2009, Sanader announced on 3 January 2010 he would be returning to a more active role in politics, stating that his decision to withdraw was a mistake, and that the HDZ is a "winning party and not a party that wins 12% of the vote."⁴³ On 4 January 2010, following an entire day of meetings of the HDZ leadership, Ivo Sanader was expelled from the HDZ. In October 2010, Sanader reactivated his parliamentary seat and regained parliamentary immunity.

Ivo Sanader never gave a plausible explanation of his resignation and, ever since then, the Croatian media have been filled with reports of his alleged involvement in several of the high-profile corruption cases currently shredding the political elite. Two ministers from his government (B. Rončević and D. Polančec) were in the meantime either charged or sentenced for embezzlement and money laundering. Mladen Barišić, the country's former customs chief and treasurer of HDZ, was also arrested as part of an investigation into illegal party donations from public companies. Mr Barišić told investigators he carried paper bags stuffed with cash personally to Sanader, the funds allegedly coming from several large state-owned firms.

Arrest (2010)

⁴¹ Ninoslav Pavić was photographed while having vacation on Sanader's private yacht, see: <http://www.index.hr/vijesti/clanak/kako-se-nino-pavic-igra-s-politicarima/601362.aspx>

⁴² Reuters: Croatia's PM Sanader resigns, quits politics (<http://in.reuters.com/article/2009/07/01/idINIndia-40733720090701>)

⁴³ This remark was made in connection with the first round of the presidential election held one week before, where HDZ experienced worst result ever at such election.

Eventually all this led to charges against Ivo Sanader. Before his parliamentary immunity was stripped, Sanader was spotted on 9 December 2010 crossing the border into Slovenia. The next day Croatian police issued an arrest warrant and applied to Interpol requesting his arrest to face charges of corruption. He was arrested near Salzburg, Austria on 10 December 2010. At that moment, Sanader was alleged to have received nearly US\$695,000 (£432,000) for arranging a loan from the Austrian Hypo Bank to Croatia in 1995 under dubious conditions; for that, he was accused of war profiteering. Soon after, Sanader would also be accused of receiving 10 million euros in bribes from the CEO of the Hungarian oil company MOL, Zsolt Hernádi, to secure MOL a dominant position in the Croatian oil company INA despite the fact it wasn't a major shareholder.

Sanader was extradited by Austria on 18 July 2011. He was transferred to prison in Zagreb. Several months later, the first of his many trials began.

Aftermath

On 20 November 2012 Ivo Sanader was sentenced to 10 years in prison in a first-degree verdict. He was found guilty in both the Hypo and INA/MOL case. He was the highest official in Croatia ever to be convicted of corruption. Sanader denied wrongdoing and stated that his trial was politically motivated. The judge, Ivan Turudić, said that Sanader had disgraced Croatia, adding that he had used his office for his own personal enrichment and not for the common good.

During his first trial several other legal cases against him emerged, and he is currently being tried in three court cases. In all of them Mr Sanader is being tried for political corruption. The net worth of all these cases (i.e. the sum believed to be siphoned from the legal part of Croatian economy) is well above 30 million euros.

Relationship with the media

Most of Mr Sanader's affairs wouldn't have happened without help from the Croatian media. Some of it came through self-censorship, but a substantial amount of help came in the form of deliberate censorship. Furthermore, the entire editorial policies of several Croatian media had only one ethos - never to criticise Mr Ivo Sanader, as long as he was in power. In return, "Mr Sanader's government aimed to please owners of private media outlets by giving them lucrative deals with public companies, or selling them entire businesses for almost nothing".⁴⁴

⁴⁴ Rajković, D. (2011), "How Ivo Sanader stole Croatia"; Jesenski & Turk; Zagreb; p. 360

5. COVERING CORRUPTION: THE PLIVA AFFAIR

Overview

In 2006 speculation arose concerning the privatisation of Pliva⁴⁵, a Croatian national pharmaceutical company. Pliva was already privatised to a certain degree in 1990s, and in 2006 the Croatian state still owned 18% of the shares. In February 2006, Pliva publicly announced that the company lost US\$75 million in 2005. At that moment the share price was around 450 kuna (60 EUR) and, despite the declared losses, it was rising. This led to rumors that someone was planning to take over the company, and the company management reacted with a press release, denying such stories⁴⁶. However, a company from Iceland - Actavis - publicly announced its plans with Pliva less than a week after: they offered 570 kuna (75 EUR) per share, stating that they aimed to buy more than 90% of the shares. Since that would be impossible without buying some of the 18% of shares owned by the state, Ivo Sanader soon made a statement as well, saying that there would be no sale⁴⁷.

Actavis didn't give up however, and offered an even bigger price, but the position of the government remained the same until late May 2006, when the Financial Times announced⁴⁸ that the US based Barr Pharmaceuticals was also interested in buying Pliva. The FT also published that "Pliva's management, led by Željko Čović, chief executive, is understood to favour the approach from the US group because it would leave the management team largely in place"⁴⁹. After Barr entered the race for Pliva the entire bidding process speeded up: on Friday, June 23rd 2006 both companies gave their final offers to the Supervisory board of Pliva; the board itself met on Monday, June 26th in Vienna and decided to sell Pliva to Barr, despite the fact that Actavis offered a better price. Less than a week later the Croatian PM said that "the share price is an extremely important part of the process, but not the most important one,"⁵⁰ which was a clear indicator that government was now willing to sell its part of the Pliva portfolio. Fierce competition and price bidding between Barr and Actavis followed, including an attempt of a hostile takeover (made by Actavis at the very end of June 2006), but Pliva was finally sold to Barr in August for a share price of 820 kuna (107 EUR); for its share, the Croatian government received 2.55 billion kuna (330 million EUR) which was immediately spent on paying its debt to pension funds.

On September 3rd 2006 the Croatian leading web portal Index.hr broke the story⁵¹ of a secret meeting that happened in Verona on the weekend of June 24th and 25th, just a day before the Supervisory board met to decide to whom Pliva should be sold. Croatian PM, Ivo Sanader, visited

⁴⁵ With its 2500 patented products (132 of it being original new drugs) at the beginning of 1980s, Pliva was - in terms of technology - considered to be among top pharmaceutical companies in Europe. It was by far the largest pharmaceutical company in Croatia/former Yugoslavia as well as one of the largest, in terms of sales, in Central and Eastern Europe. Company's global breakthrough came when a team of Pliva's researchers discovered an antibiotic in 1980, called *azithromycin*. It was marketed in Eastern Europe under the name Sumamed and was licensed to Pfizer, who market it in Western Europe and the USA under the name Zithromax, where it is one of the top-selling antibiotics. Royalties from Pfizer provided important income stream until the expiry of the azithromycin patent in 2005: for 20 years of royalty rights, Pliva received approximately USD 3 billion.

⁴⁶ "Menadžment: Pliva nije na prodaju!" (Directors: Pliva is not on sale!), Lider (Croatian business weekly), 16/3/2006 (www.liderpress.hr)

⁴⁷ "Sastanak premijera Sanadera i Željka Čovića: Vlada neće prodavati svoj udjel u Plivi" (PM Sanader and Pliva CEO meet: Government will not sell its shares), Lider, 20/3/2006 (www.liderpress.hr)

⁴⁸ "Barr offers \$2.1bn for Croatian pharma"; The Financial Times, 28/5/2006

⁴⁹ *ibid.*

⁵⁰ <http://www.poslovni.hr/vijesti/sanader-o-ponudama-za-plivu-16572>

⁵¹ Neven Barković: "Tajni sastanak u Veroni: Žužul uvjerio Sanadera da Barr treba kupiti Plivu?", Index.hr, 3/9/2006 (www.index.hr)

the opera festival in Verona where he watched Pietro Mascagni's "Cavalleria Rusticana" in the company of Željko Čović, CEO of Pliva and Miomir Žužul, a lobbyist for undisclosed US clients⁵². The three men were photographed in Verona, but the government denied that any meeting, let alone a secret one, took place there.

Soon after the story broke, the government found itself under fire from opposition parties (mostly the SDP - Social Democrats, Croatia's biggest opposition party at the time). Criticism was mostly directed at the questionable nature of the PM's visit to Verona; SDP's leaders demanded an explanation and a full disclosure of the PM's schedule for the weekend. The PM's office replied that the trip to Verona had nothing to do with professional obligations, but was made in the PM's "private time". In addition to that, opposition claimed that Mr Sanader's expenses were covered by Pliva. PM spokesperson Ratko Maček made several public announcements that the PM was willing to publicly show hotel bills from Verona that were paid with the PM's private credit card, but neither Mr Sanader nor Mr Maček ever actually did that. Soon it was also discovered that Mr Sanader used the official business jet of the Croatian government to fly to Verona and back; Mr Sanader was accompanied by his wife in Verona as well.

These events had an impact on public opinion in Croatia. While the HDZ, the party of Mr Sanader, was experiencing a steady growth of public support ever since he took the office, in September public support started to decline. On the other hand, as support for Mr Sanader grew during the months before the Verona affair, support for the SDP was going down. But it stopped declining in September 2006, and even took a slight u-turn upwards.

In April 2007 Pliva published its annual business report for the previous year. It was clear from the report that, unusually, it was Pliva who covered the takeover costs and consulting services that were needed for the process⁵³. The company paid US\$112 million for these services to undisclosed consultants and companies. Independent financial analysts claimed that the entire due diligence analysis could cost up to US\$2 million, and legal advisors, together with investment agent, no more than US\$50 million for transactions of such a nature⁵⁴.

In December 2011 the Croatian Bureau for Combating Corruption and Organized Crime (USKOK) announced that the Pliva privatisation was under investigation. Still, at the time of writing (August 2013), there have been no charges made against anyone.

⁵² Miomir Žužul is a former Croatian ambassador to the US (1996-2000) and the UN (1993-1996). He was named foreign affairs minister in the Ivo Sanader government in December 2003. In 2004 Croatian media began to publish details of alleged corruption scandals involving Žužul. For a while Sanader resisted this pressure and had Žužul keep his post, but in January 2005 Žužul announced his resignation because he "did not want to pose a burden for the government", and formally left his post in February 2005. He continued his career as a lobbyist and consultant.

⁵³ <http://www.poslovnih.hr/hrvatska/pliva-za-nagrade-226-milijuna-kuna-38828>

⁵⁴ *ibid.*

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Jutarnji list

For Jutarnji list, whatever happened in Verona, together with the reaction that followed in the political arena, was almost of no editorial or public importance. During September 2006, Jutarnji list barely reported on it. In the entire month of September 2006 – the period of greatest intensity for the Verona affair - Jutarnji published five articles on this issue. The first article and the first mention of the affair came on 9th September, almost a week after Index.hr broke the story and published photos from Verona. Ivo Sanader was mentioned 35 times in the context of the entire affair, only once in a negative or disputable way. The Verona affair never made it to the paper's front page; Sanader was also subsequently neither mentioned nor pictured on the front page. In an op-ed article, published on September 16th, Davor Butković (senior editorial figure in Jutarnji list) openly took a pro-Sanader stance⁵⁵.

Jutarnji list returned to the affair five years later, when the paper published pretty much everything on the Verona affair that had for several years or even longer already been publicly known - thanks to other media outlets⁵⁶. Five months later, Jutarnji broke the story of USKOK investigating the Pliva privatisation⁵⁷.

Večernji list

Večernji list showed slightly more interest in the affair. In September 2006 the paper published 13 articles on it. Still, the first one also came out days after Index.hr broke the story, on September the 8th. Within these 13 articles Sanader's name was mentioned 42 times. On nine occasions Sanader's name was put in a negative context.

Also different from Jutarnji to a certain extent, the Verona affair did make the front page of the Večernji list, but not as a news article. It was an announcement of an interview with Ms Vesna Škare Ožbolt, Sanader's one time minister of justice who, after leaving government, started publicly accusing Sanader of corruption.

Of the nine times Sanader was mentioned in the context of corruption, Ms Škare Ožbolt mentioned him four times like this during the interview. The other five times when Sanader was mentioned in such a context was thanks to reports from press conferences made by Sanader's political opponents (mostly the SDP).

As with Jutarnji list, during September 2006 Sanader was never mentioned in a bad or questionable context in an opinion piece.

Novi list

⁵⁵ "Spin doctors of both SDP and Actavis alike have successfully launched an old piece of information that probably can't be significantly influential in the entire process of Pliva bidding (in the end, should Actavis come with a better offer than one made by Barr, Actavis will buy Pliva), with different goals to achieve: SDP's goal was to compromise prime minister Sanader heavily; their success in that came with help of Mr Sanader himself, who reacted to SDP's provocations emotionally, not rationally." - "Strategije rata" (War strategies); Davor Butković, Jutarnji list 16/9/2006

⁵⁶ "Ekskluzivno - Prava istina o aferi Verona" (Exclusively - The real Truth behind Verona Affair), Viktor Vresnik, Jutarnji list, 29/6/2011

⁵⁷ <http://www.jutarnji.hr/pliva--sumnjiva-najveca-hrvatska-privatizacija--teska-2-milijarde-usd--ostetili-drzavu-i-za-prodaju-barru-uzeli-70-milijuna-eura-provizije--/989285/>

Novi list took a completely different stance towards the Verona affair than Jutarnji and Večernji list. The paper published 50 articles on the issue during September 2006, mentioning Sanader in it 290 times, 115 of them being in a negative or questionable context.

Novi list started following the affair as soon as the story broke⁵⁸. Unlike Jutarnji and Večernji, Novi list immediately put Verona on the front page, together with Sanader's name and photograph, with the title "Sanader disgraced by Pliva affair"⁵⁹. The amount of space dedicated to the affair was more than 60% of the front page. Novi list gave space on its front page to the Verona affair two more times in September: on Thursday the 7th Sanader was again mentioned by name and his photograph was on the front page again, only this time it was all together given one third of the front page. The third and last time when Sanader's name appeared in the context of this affair on Novi list's front page was on Sunday the 10th, again with his name and photograph. This time it was given the smallest amount of space, approximately 1/10th of the front page.

The majority of the 50 articles were news and feature stories about the Verona affair itself and news reports from press conferences organised by opposition parties and NGOs (in total, 32 articles). There were six interviews conducted with members of the opposition parties or political analysts; in these interviews the Verona affair was either the only issue discussed, or a dominating issue in the interview. 12 articles were opinion pieces, with a critical attitude towards the affair.

Throughout the entire month Sanader spoke of the Verona affair twice in public. He is therefore rarely quoted within all 50 articles; when talking about the events (including reconstructing what happened) sources were mostly Ratko Maček, then-spokesperson for the PM's office, the PR office of Pliva and the PR office of the hotel where Sanader was staying. What contributed most to the total amount of sources quoted were opposition politicians and political analysts.

⁵⁸ To be more precise, Index.hr broke the story on Sunday, September the 3rd at 9:15 PM. Novi list published first article on Tuesday the 5th since, as explained by the paper's then chief editor Goran Kukić, "the news broke on late Sunday evening when we were pretty much already finished with printing the Monday edition of the paper".

⁵⁹ Novi list, 6/9/2006

6. COVERING DOWNFALL: SANADER'S ARREST

Overview

In late November 2010 the media started speculating whether Ivo Sanader could soon be arrested or not. Mladen Barišić, a former treasurer of Mr Sanader's party and director general of Croatian Customs, was arrested in September; during the investigation, he told investigators how he used to bring Mr Sanader "large bags of cash" channeled from public companies that the pair indirectly controlled via a public-relations company to which they had directed a lot of government business. Mr Barišić described in detail the process of money laundering,⁶⁰ but Mr Sanader firmly denied it.⁶¹

Soon after, WikiLeaks released cables from the US Zagreb embassy, revealing that earlier the same year Croatia's chief prosecutor told US diplomats in Zagreb he had evidence that "Mr Sanader had arranged a bank loan for a business crony in return for a kickback."⁶²

On 9 December 2010 the Parliament had scheduled a vote on stripping Ivo Sanader of his parliamentary immunity. The reason for that was the prosecution by the Croatian Bureau for Combating Corruption and Organized Crime. But before a special parliament committee promptly lifted Sanader's parliamentary immunity from prosecution, Sanader had left the country: earlier that day he was driven across the border into Slovenia by his daughter Bruna. Croatian police said they could not detain Sanader at the border because no warrant had been issued, fuelling suspicion that the ex-PM had been tipped off about his impending arrest. The Croatian news agency HINA contacted Mr Sanader to ask if he was "on the run", and whether he would respond to a summons issued by anti-corruption investigators. "I am on a trip, planned beforehand and of course I will respond," he was quoted as replying in a text message.

Croatian police indeed issued an arrest warrant the next day and applied to Interpol immediately requesting his arrest to face charges of corruption. Ivo Sanader was arrested on that same day in the late afternoon; Austrian police intercepted his car on a highway near Salzburg. Croatian authorities immediately froze his assets and bank accounts, and formally applied for extradition on 13 December 2010. At that moment, it was not clear whether Sanader, who lived in Austria for a long period, had Austrian citizenship. If so, it became a question whether he would ever be extradited to Croatia. Even if not, it was questionable when Sanader would appear in front of a Croatian court: in a somewhat similar case that happened several years before, when Vladimir Zagorec - a former high ranking Croatian defence ministry official charged with embezzlement and theft, it took 19 months for Austria to extradite him to Croatia.

Immediately after the former PM's arrest, Croatian reporters set up a camp in front of the Salzburg prison.

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⁶⁰ These details from the investigation would regularly find their way onto front pages; there was literally not a single letter from Mr Barišić's official testimony that Croatian public was not made familiar with. Most of these testimonies were leaked in Jutarnji list.

⁶¹ At that time, Ivo Sanader even wrote to José Manuel Barroso, president of the European Commission, to complain about political persecution.

⁶² Ian Traynor: "WikiLeaks cables: Former Croatia PM flees over corruption claims"; The Guardian, 9 Dec 2010 (<http://www.theguardian.com/world/2010/dec/09/wikileaks-cables-croatia-pm-corruption>)

Since the arrest of a former Prime Minister is certainly an event of immense importance in any country, the incredible amount of coverage it received was not a big surprise. However, compared to the coverage of the Pliva affair, some trends have significantly changed.

Jutarnji list

Completely in contrast to the time when Ivo Sanader was PM, Jutarnji dedicated a large amount of coverage to his arrest in Austria⁶³. During only one month, Jutarnji published 116 articles on Ivo Sanader. On 11th December, the day after Sanader was arrested, there was nothing else on the paper's front page apart from Sanader's photo and a headline. Jutarnji was the only Croatian newspaper to do so. The front page showed Sanader entering Austrian jail, followed by a headline: "He had a car for Munich Airport waiting!"

In 116 published articles Sanader was mentioned 1,145 times, 555 of which in the context of corruption or other criminal affairs. Throughout the whole month, there was never a front page about Sanader without a photo of Sanader; it would usually be a photo of him entering prison or photos depicting him with a cynical grin, wearing sunglasses.

Apart from stories dealing with new details concerning ongoing investigations and legal proceedings about his extradition, stories published were usually dedicated to uncovering Ivo Sanader's lavish lifestyle, his love for expensive suits, etc. A significant amount of space was also given to analyses of his "mindset": questions like "What happened to him?" or "Where did it all go wrong?" were raised on more than several occasions. All opinion pieces now strongly condemned Ivo Sanader and his decisions, unequivocally.

In all the pieces analysing Mr Sanader's lifestyle and personal political and moral decisions, the sources of quotes were mostly anonymous. Most of them were party members or former associates who "wished to remain unknown to the public".

Večernji list

Večernji list followed Sanader's arrest with the same kind of outrage as Jutarnji, but to a lesser extent. Although they published a slightly smaller amount of articles on Ivo Sanader (114), he was mentioned in them 815 times. The amount of mentions in the context of corruption was 361, also fewer than in Jutarnji.

When it comes to content, Večernji was focused on the same things as Jutarnji: new details from investigations, details of extradition and analysis of Sanader's character, how he led his government, etc.

Also, in all the opinion pieces Sanader was heavily criticised, also unequivocally.

⁶³ Jutarnji started shifting its stance toward Sanader almost an entire year before Sanader's arrest. Many stories connecting Sanader with new political corruption affairs were broken in Jutarnji since then. Most of the sources quoted would be anonymous and "close to the investigation".

Novi list

While it was by far the most dedicated newspaper in covering Pliva affair when Ivo Sanader was in height of power, Novi list fell to 3rd place, judging by the number of texts published, when covering Sanader's arrest. They published 95 pieces, mentioning Sanader in them by name 748 times, 305 of which were in the context of corruption.

Another significant difference is that there were fewer pieces trying to "enter" Sanader's head - more of them tried to anticipate what will happen next and what repercussions case it could have for the Croatian process of accession to the EU.

Opinion pieces were negative towards Sanader, but were at the same time harsh towards the PM of the time, Jadranka Kosor, and her entire cabinet - the fact that it was made up of people working closely with Sanader put their integrity into question.

Most of the paper's sources had a name, which were willing to speak openly, despite the fact that they were mostly party officials and Sanader's friends.

7. CONCLUSION

Ivo Sanader may have been vital to the Croatian EU accession, but he was also vital in blurring the line between media, business and politics in Croatia more than ever before. In this he was not alone - had it not been for the cooperation from media magnates in Croatia, the damage wouldn't have been done. In fact, Ivo Sanader in the end turned out to be tool of these magnates, only to finally end up in prison.

What the content analysis of Croatian print media from Sanader's era shows is that those media outlets whose owners had their business interests elsewhere than simply in the media, and whose ownership structure and business operations were not transparent, were the most sympathetic to Sanader for as long as he had power in his hands. As soon as he stepped down and became prey to the next generation of Croatian political elites, this sympathy faded away.

In this analysis, the biggest shift in attitude towards Sanader happened in the newspaper with the most unclear ownership - Jutarnji list. To this day, the publisher of Jutarnji list - EPH - has no website with details about its ownership structure, or its editions and business information.

Večernji list, which also showed a significant shift in reporting, is smaller than the Jutarnji list, and is much more transparent about its ownership structure. It should also be stated that, being a newspaper with center-right/conservative editorial policy (and the same goes for the ideology of its owners, the Catholic church-owned "Styria"), Večernji list may have been mild towards Sanader during his reign for this reason: Sanader was for a long time head of Croatia's biggest center-right/conservative party. Styria's business interests, on the other hand, are solely focused on media in Croatia, and they - in opposition to EPH - do not have any other business ventures apart from those in the media.

Finally, Novi list showed greatest consistency in reporting about Sanader. The paper didn't ignore Sanader's corruption affairs while he was at the peak of his power, and nor did it "mutilate" the political corpse of former prime minister once it became clear that his future looked very bleak. As is the case with Večernji, Novi list may have owed that to its left-liberal editorial policy. As such, the paper was always critical of Sanader, his party and his government. However, it is also clear that Novi list had the most transparent ownership structure - online data showing who was a shareholder before Robert Ježić took over the company is still publicly available.

What of the future? Croatia has finished its negotiations with the EU and is now a member state. During the negotiations, there was room to improve the media landscape, but little was done. EU institutions were mostly focused on media plurality and "old school" political censorship, or how to avoid it.

Although it is too late for Croatia, for other Western Balkan countries some new standards and benchmarks could be implemented. Laws of transparency of media ownership are not enough. Just as the EU keeps insisting on judiciary reforms in EU member states-to-be and keeps monitoring courts and their efficiency, the same or similar should be done with media markets. Lawmakers should be pushed to implement a legal framework which would enforce regular publishing of ownership structure business results and the number of copies sold. All those who fail to meet these criteria ought to be punished, and possibly banned from the market.

Only such measures could enable a healthier and successful media environment in transitional democracies.

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