

# Croatia

by Petar Dorić

*Capital:* Zagreb  
*Population:* 4.4 million  
*GNI/capita:* US\$15,540

The data above was provided by The World Bank, *World Bank Indicators 2009*.

## Nations in Transit Ratings and Averaged Scores

	1999-2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Electoral Process	4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25
Civil Society	3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75
Independent Media	5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00
Governance*	4.00	3.50	3.50	3.75	3.75	n/a	n/a	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75
Judicial Framework and Independence	4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25
Corruption	5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50
<b>Democracy Score</b>	<b>4.46</b>	<b>3.54</b>	<b>3.54</b>	<b>3.79</b>	<b>3.83</b>	<b>3.75</b>	<b>3.71</b>	<b>3.75</b>	<b>3.64</b>	<b>3.71</b>

\* 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

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The first year of the second mandate for the Croatian Democratic Union (HDZ) did not go as smoothly as Prime Minister Ivo Sanader might have hoped. Throughout 2008, the government continued the country's pro-European agenda with the same slow results and excuses that have surrounded the Croatian reform process during the past decade. Strategic reform in the areas of the judiciary and corruption was overshadowed by several high-profile murders in the autumn, which illustrated the government's limitations in taming the complicated web of organized crime, government actors, and business interests. Countervailing influences—either by civil society or by the media—did not manage to substantially influence the overall reform process.

European Union (EU) integration negotiations continued during 2008 but lacked major results. The country remains poised as a former Yugoslav regional leader in its integration prospects (as well as in its level of skepticism toward EU integration) but maintains this position owing more to the lack of marked improvement by others than to its own efforts.

The one bright spot of 2008 in terms of Euro-Atlantic integration was a much-worked-for and -anticipated NATO invitation to the Bucharest Summit in April 2008. The invitation validated the efforts of security sector reform and, despite continued concern over intelligence sector oversights, represents a step forward in Croatia's democratization efforts.

**National Democratic Governance.** Croatia has continued to build a functioning democracy with a foreign policy centered on gaining EU and NATO membership. After half a decade of relatively progressive ruling, the moderate HDZ appears finally to have met its own limitations in fighting corruption and reforming the judicial system. The Croatian EU integration process has been slowed owing to EU concerns in these areas, despite the hyperproduction of accession-related parliamentary laws. Domestic concern over public safety in the wake of two high-profile murders further exposed the level of widespread corruption in the system and the weakness of state institutions to take appropriate measures. *Accordingly, the rating for national democratic governance worsens from 3.25 to 3.50.*

**Electoral Process.** Preparations of regulations and campaigning continued in a nontransparent manner in the lead-up to the first direct election of city mayors and county prefects, slated for April 2009. Political party financing regulations adopted during 2007 have been only partially implemented, and voter registries remain problematic in some areas of the country. *Thus the electoral process rating remains at 3.25, with some concerns.*

**Civil Society.** Civil society continues to evolve in its abilities to encourage both democratic values and values of a more nationalistic and extremist bent. Engagement in the policy process and influence in monitoring and advocating government performance continued to increase even as the power and involvement of the Catholic Church and veterans' groups remained strong. Mounting concern over youth violence was partially tempered by news of increased university enrollment. *The rating for civil society remains at 2.75.*

**Independent Media.** The public beating of one journalist and assassination of another sent a clear signal that investigative reporting on organized crime-related issues in Croatia is becoming increasingly dangerous. The closure of *Feral Tribune* illustrated the continued concentration of media interests on sensationalism and advertising revenues rather than on journalistic standards. While the Internet provided new outlets for media diversity, mainstream television stations, both state and commercial, did little to suggest a more diversified and quality offering of news and programming. *The independent media rating worsens from 3.75 to 4.00.*

**Local Democratic Governance.** Decentralization has made little progress in 2008. The redistribution of county-level powers to Zagreb and municipalities is ineffective in empowering local government. The first direct mayoral elections in 2009 will provide a good opportunity for stronger local government, but candidate selection and campaigns appear concentrated in centrally located decision-making bodies. *The rating for local democratic governance stagnates at 3.75.*

**Judicial Framework and Independence.** Some progress has been made in judicial reform in 2008, but many of these more administrative steps were overshadowed by larger structural problems. War crimes trials continued, with some cases (such as the Ademi-Norac case) receiving international scrutiny and following international standards of professional conduct. Other cases struggled against procedural difficulties, delays, and retrials. The judicial system continues to present one of the biggest challenges for Croatia's acceptance to the EU. *Croatia's judicial framework and independence rating remains at 4.25.*

**Corruption.** Widespread corruption has hindered Croatia's transition. In 2008, violent attacks and the murders of several public figures brought to the forefront of public discussions the government's inability to successfully resolve problems related to corruption and its murky links to organized crime. Institutional efforts to push forward anticorruption strategies have made small strides, but the lack of considerable progress demonstrates the larger challenges of a deficient political will and capacity. *The rating for corruption remains unchanged at 4.50.*

**Outlook for 2009.** The first direct mayoral elections will take place in 2009. While EU negotiations are expected to be complete by 2010, Croatia's slow progress in the fight against corruption and organized crime, and in developing its judicial system, coupled with EU anxieties over Croatia's progress and its own general enlargement could mean integration timelines remain a moving target.

# MAIN REPORT

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## National Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.50	3.50	3.50	3.25	3.50

The system of governance in Croatia is generally understood as democratic and functional in a manner that represents the will of the people. The system in place in 2008 represents a progression toward democracy that can roughly be broken down into two periods: the Tudjman era from 1990 to 1999 and the post-Tudjman Croatia of 2000 until the present. While the Social Democratic Party (SDP) formed a coalition government from 2000 to 2004, the Croatian Democratic Union (HDZ) has dominated the political sphere in both the Tudjman era and the post-Tudjman era. Yet since 2000, HDZ has come to resemble more closely the SDP. This has resulted in a country where the main political parties are generally considered mainstream, following a European agenda,<sup>1</sup> providing stable governments, but making slow progress in reforms to date.

In November 2007, Prime Minister Ivo Sanader and the HDZ began its second mandate by forming a new government with a set of policies similar to those of the previous administration. This included a particular emphasis on European Union (EU) accession as an official candidate country (from June 2004) and the extensive list of reforms that this requires.

A year into Sanader's second mandate, however, few of the reforms promised and planned have been implemented. Slow results in the judicial reform process and in the institutional fight against corruption bogged down other reform processes and presented an image of government stagnation rather than government innovation.

According to the most recent EU progress report covering events through the beginning of October 2008, a number of action plans or revised strategies for key reform areas were put forward or adopted in 2008. These included a revised anticorruption strategy and revised action plan for tracking judicial reform progress in June, as well as a new action plan for public administration reform strategy. Yet the EU assessed Croatia's progress in 2008 as minimal; despite the hyperproduction of legislation in line with EU requirements, little or any of it has managed to be implemented or put into place in an effective manner.

The progress report reflects similar domestic assessments as well as a sense of weariness in the ability of government to continue to move things forward. According to the local newspaper *Slobodna Dalmacija*, the trend of express development of new laws has provided a sense of a vibrant reform process, but one held up by "glass legs." Combined with a sense that the reforms are happening more because of international pressure than domestic initiative, this creates a climate of reform statements with only partial follow-up. For example, GONG, a citizens'

organization encouraging participation in political processes, attempted to test the much-acclaimed but only partially implemented Law on Access to Information and reported that less than 50 percent of requests made between May and September 2008 received appropriate responses.<sup>2</sup>

As might be expected, the reform process is not as straightforward as many would have hoped, especially taking into consideration the composition of the new government—led by HDZ as the minority leader, accompanied by a set of smaller coalition partners: the Croatian Peasants Party (HSS) and Croatian Social Liberal Party (HSLs), including a Serbian minority party, the Independent Democratic Serbian Party. Small party coalition partners “extorting” more positions and influence than their numbers would justify has meant that the government has often lacked a coherent and disciplined governing team.

The government has a narrow majority of parliamentary seats—83 of 153. This should not affect pro-European reforms, but the slightly bitter SDP loss in the last elections has meant that political grandstanding on both sides has often absorbed more energy than cross-party cooperation in the reform process. SDP head Zoran Milanović has made it a personal task to use any minor crisis as an opportunity to call for confidence in the current government. This has limited the SDP to preoccupation with its own set of internal power gains and stances vis-à-vis HDZ rather than advancing a constructive, forward-looking, vibrant oppositional set of policies and positions.

Prime Minister Sanader remains clearly in control of the party following the defection/departure of a number of well-known personalities of the Right (Ivić Pašalić, Branimir Glavaš, and so on). But, paradoxically, this has left him without internal and external party enemies (or even international/regional enemies) who could take some responsibility for the current institutional mess. Instead, accepting that blame lies within his own party could cost him internal support and thereby threatens to reveal the murky relationships with business, organized crime, and the like that have exemplified the ruling party’s network of influence.

Public confidence in the government’s efforts to fight corruption and reform the judiciary remains guarded. The high-profile murder of Ivana Hodak, daughter of a lawyer defending an indicted general (for allegedly misusing Croatian state money), and the follow-on assassination of a well-known journalist and weekly owner, Ivo Pukanić, in October 2008, triggered strong public distrust in the government’s intent and abilities.

To curb growing public discontent and concern for public safety, Prime Minister Sanader replaced Minister of Justice Ana Lovrin with Ivan Simonovic, while Tomislav Karamanko replaced Berislav Rončević as Minister of Internal Affairs. Public demand for change and a mass rally against violence (full of police units) in the capital, Zagreb, was followed by SDP calls for extraordinary elections and a government of national unity. Whether any of these efforts will result in real changes remains questionable as long as government officials and institutions continue their tangled set of interests with some of the very people they target as responsible for the current state of affairs.

Events were a bit more positive on the security front. An invitation to the April 2008 NATO Bucharest Summit was both anticipated and welcomed by Croatia's leaders. The public, however, was less thrilled, as was demonstrated by a civil society petition campaign calling for a public referendum on accepting membership to NATO. The campaign ultimately failed to gather the 50,000 necessary signatures but should be noted as one of the first mass actions to influence national policy (not in relation to supporting indicted war criminals). Regardless, the NATO invitation does mark progress in security sector reform and oversight and as such should be seen as a step forward despite lingering concerns about access to information and the use of citizen information.

On issues of war-related reforms, progress has also been slow, but without any major setbacks (with the possible exception of the Branimir Glavaš trial). Cooperation with The Hague on war crimes remains quite good, and domestic trials proceed according to general European standards. Lack of real progress on the Lora prison camp cases<sup>3</sup> in Split is the notable exception.

A smaller Organization for Security and Cooperation in Europe (OSCE) mission to Croatia reopened in January 2008, after the long-term mission ended in 2007. Tasked with observing war crimes cases as well as observing the progress on return and integration of the Serbian minority, the mission's mandate represents the continued problems of minority integration and human rights in Croatia today.

Serbian minority political representatives still support the HDZ government and have their own representatives within it, yet throughout the year this coalition appeared on the verge of collapse. The number of violent incidents against Serbian returnees decreased, while the general situation remained the same; life for the Serbian minority already in or returning to most rural regions of Croatia remains difficult owing to a lack of socioeconomic opportunities. In war-affected areas such as the Lika or Zadar regions, it is difficult to find ethnic Serbs on the police force or in any other state institutions. But despite ongoing property disputes, the government continues to build houses for Serb returnees.

#### Electoral Process

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.25	3.25	3.25	3.25	3.25	3.00	3.25	3.25	3.25	3.25

The electoral system in Croatia is multiparty based, with elections conducted by secret ballot. International election-monitoring organizations have judged recent elections free and fair.

Owing to close election results and the inability of parties to form a government, parliamentary elections held at the end of November 2007 were not completely resolved until mid-January 2008. By mid-January, HDZ's president Ivo Sanader managed to form a coalition with HSS and HSLS and members of ethnic minorities to take 83 out of 153 parliamentary seats. This marked the end of an almost month-

long process of negotiation during which the Croatian government functioned in a so-called technical capacity.

During this time, there was considerable pressure on President Stipe Mesić to give the governmental mandate to HDZ. To grant the mandate, President Mesić needed to wait for either HDZ or SDP to collect a parliamentary majority. Several extremist voices, coming mainly from associations for war veterans, called publicly on Mesić to immediately grant Sanader the mandate without waiting for the procedural conclusion of coalition negotiations. Some went so far as to suggest that Mesić was betraying Croatian national interests.

The process opened discussion on the need for constitutional amendments regulating this kind of situation. The eventual coalition deal, however, turned attention away from engaging in a more serious discussion on constitutional change. This short-term national crisis demonstrated the limitations of the Croatian electoral system but also its ability to resist populist demands. Perhaps this can be contributed more to the strong personality of Mesić than to the institutionalized responsibilities of the office, but the process did manage to take precedence over public pressures.

Election season continued into 2009 in the eastern city of Osijek following coalition breakdowns between the ruling parties and the added complication of having one of the coalition partner leaders, Branimir Glavaš, on trial for war crimes. A total of 44,200 voters out of 102,000 elected an equally unwieldy local government comprising nine city representatives from the Croatian Democratic Assembly of Slavonia and Baranja and HSS, five from the HDZ, three from the SDP, and two from the coalition of the Croatian Party of Pensioners, Green Croatia, and Croatian National-Liberal Democratic Party.

Osijek is an extreme case, reflecting a general trend of national political party interest dominating and contrasting regional standards of party politics and platforms. The particular vein of nationalism present in the region where Glavaš, as a far-right party leader, has a considerable following has been further distorted by Zagreb-based power plays for a stake in local city government. As a result, far-right and center-left coalitions have emerged in a manner reflective of political expediency, but with little regard for local city needs.

Direct local voting for city mayors and county prefects (*zupans*) will occur for the first time in April 2009, representing a step forward in democratization. Yet new regulations stipulating that mayors and *zupans* will have two assistants were not welcomed by the opposition, which expressed fears that the inclusion of two additional assistants or deputies could provide HDZ with another tool to attract coalition partners hoping to be awarded with positions of power. At the very least, the additional positions raise concerns regarding the tendencies to promote political horse-trading.

Voter registries remain a problem in Croatia. In some cities, such as the Bosnian border town of Imotski, the number of voters is greater than the number of citizens owing to the dual citizenship of many ethnic Croats from Bosnia and Herzegovina (BiH) who are accordingly registered as voters in Croatia. The issue

of BiH and other diaspora citizens voting in Croatian elections has been ongoing for many years. The SDP particularly made it an issue of public discourse during the 2007 parliamentary elections but has since focused on other things. Upcoming local elections will reinvigorate interest in this issue of “dual citizenship” and its ability to affect the results of local and national elections.

Party finance regulations adopted in 2007 did not have a significant impact on 2008. Few parties complied fully with the new regulations, and legal repercussions were rarely instigated against any political party that did not submit clear reports on its financing. A coalition of several nongovernmental organizations (NGOs) led by GONG made a public appeal to the Parliament requesting legislative provisions to monitor compliance of the law, but no official response was noted. Yet members of the parliamentary Committee on the Constitution agreed that the country needs legislation on financing electoral campaigns, since the present regulations are not sufficient to control the finances used for campaigning.

While it is unclear when Croatia will join the EU, the Croatian government presented the EU Parliament with a draft of the Law on Elections. Critics pointed out a number of unclear details in the law, including the right to allow foreigners to vote, which contradicts the Constitution. The new law, like many passed quickly during 2008, requires further modifications and clarifications for practical use.

#### Civil Society

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
3.50	2.75	2.75	3.00	3.00	3.00	2.75	2.75	2.75	2.75

Civil society continued to expand its role in Croatian society during 2008. While most of these efforts focused on developing a democratic society, a number of influential and state-supported NGOs invoked nationalist or antidemocratic values.

Civil society influence on policy process is growing, albeit slowly. A small group of organizations, mostly Zagreb based, are involved regularly in consultations and high-profile monitoring of government actions and policy implementation. This garnered media attention, and a number of civil society leaders have been asked to serve as experts in panel discussions. This marks a positive change from the 1990s, when civil society actors were often regarded as “enemies of the state.”

At the same time, the reputation of one of the most well-known human rights and citizen action organizations, the Croatian Helsinki Committee (HHO), took a bit of a beating during 2008. An internal spat within the well-regarded HHO was made public and did little for its public image. Transparency International and GONG continue to maintain the moral high ground. Yet if they take on more and more politically hot and direct targets—as did the Partnership for Democratic Development in its political integrity campaign against Mayor Milan Bandić of Zagreb—it is likely they will also face increased public scrutiny, not to mention a more aloof government response.

As in previous years, two of the largest and most influential types of Croatian NGOs are connected to the Catholic Church and war veterans' volunteer groups. Overall, there were fewer incidents of veterans' groups expressing radical nationalist remarks (except for a few cases in the Dubrovnik area and public speeches related to Marko Perković Thompson). However, both sets of organizations continue to play a dominant role in setting the values of society. A recent report that a Catholic priest in Šibenik directed elementary-school children to write Christmas cards to indicted General Ante Gotovina partly captures this state/church/civil society set of influences.<sup>4</sup>

Youth violence entered the public consciousness in 2008 with the beating death of Zagreb teenager Luka Ritz, particularly as initial police investigations failed to find a suspect. Several NGOs helped local youth find the suspects. Their activism became a symbol of self-empowerment, but their decision to organize was also related to the growing number of similar cases that have spread around Croatia. It has become a trend for youth in Croatia to divide into populist/traditional and modernist groups that collectively attack each other.

The use of technology to engage youth and the number of computer-literate citizens grew in 2008, but with mixed government reactions. Use of the Internet to criticize public officials and to organize and plan demonstrations shows both the virtual power and interest of such groups and the government's lack of understanding in dealing with them. For example, in what became known as the "Facebook affair," in December 2009 police arrested the 22-year-old who created a group entitled "I Bet I Can Find 5,000 People Who Hate Sanader," showing Prime Minister Sanader in a Nazi uniform, which could be interpreted as an act against Croatia's antifacism laws. The police handling of the arrest caused a public outcry and eventually resulted in government apologies and embarrassment. The mishandling of the case demonstrates that the potential and challenges of a virtual civil society are still poorly understood by government officials.

The World Economic Forum lowered Croatia's ranking on gender equality, as men outnumber women in political representation and leading business positions in Croatia, despite having equal access to basic and higher levels of education. Shelters for abused women are rare in Croatia, and the few that do exist have not received increased support and provisions. In the region of Dalmatia, for example, the closure of a women's shelter in Split in the summer of 2008 left a gap in safe havens from Zadar to Dubrovnik.

Significant efforts by the Ministry of Education have been made to counter the drop in high school and university attendees. In 2008, Croatian universities accepted new students, built new student housing, and expanded university facilities.

## Independent Media

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.00	3.50	3.50	3.75	3.75	3.75	3.75	4.00	3.75	4.00

Since the Tadjman years, media freedom in Croatia has progressed significantly. The diversification of the sector has become well-known, and most overt government intervention has become a thing of the past.

However, the *Makarska Kronika* case brought into the spotlight the role of new media and the issue of government access to and use of confidential data. In the summer of 2008, police requested confidential data regarding the individuals who had posted comments on the *Makarska Kronika* Web site. The police searched the media house building and threatened legal charges against the daily paper, but the local media house refused to allow the police to search through their server.

The Croatian media environment was greatly shaken by acts of violence against several notable journalists throughout the year. The motivation for these attacks remains unclear, but the involvement of organized crime is strongly alleged.

In spring 2008, Dušan Miljuš, a journalist with the daily *Jutarnji List* reporting on organized crime–related stories, was attacked. This action became a symbol of both the deteriorating working environment for journalists attempting to engage in investigative reporting related to organized crime in Croatia and the lack of will on the part of state institutions to protect journalists in their work. The Croatian Journalists Union cited police incompetence in investigating the Miljuš case and called upon the government to make changes within the Ministries of Justice and the Interior. These changes were made only following the death of Ivo Pukanić.

The assassination of Ivo Pukanić in October overshadows the case of Dušan Miljuš in both its severity and its brazenness. Pukanić and Niko Franjic, his marketing colleague, were murdered in Pukanić's car, in front of his office, with the use of remote-controlled explosives. While this act speaks of a strong and relatively well-organized (and fearless) set of actors bent on silencing key media figures, it should be noted that this is not necessarily a clean case of media violence; Pukanić himself was known to have widespread links with media, politics, and organized crime. His funeral in October was attended by both President Mešić and known organized crime figures. These connections also allude to the tough set of evidence and links that police will have to wade through to come to a clear understanding of those responsible for the killing. To date, no substantial progress has been made on the case.

The state-owned national television network, Hrvatska Radio Televizija (HRT), remains the most influential media outlet without a serious competitor. HTV earns 40–50 percent of its revenues through a mandatory subscription fee<sup>5</sup> and additional finances through advertisements. The fact that HTV is allowed to collect large amounts of advertising revenue while also bringing in mandatory fees from Croatian citizens exemplifies the power of this outlet and the lack of regulatory control over its activities.

HTV focuses mostly on sports and entertainment programming, while educational or cultural programs play a secondary role and informative news programming lags severely behind. It should be noted, however, that the quality of political programs such as *Latinica* and *Nedjeljom u 2* has improved and that they serve as the most public service–related offerings of the network.

Development of private television stations such as NOVA and RTL have not jeopardized HTV's role, despite taking away some advertising revenues. In terms of professionalism, HTV remains far ahead of the competition, which tends to tolerate nationalist extremism and sensationalism on a larger scale. On rare occasions, competitors of HTV score higher audience ratings, mostly for sports-related programming.

The connection between media and profit margins is taken quite literally in Croatia, resulting in compromised quality of both printed and electronic media and overall dependence on advertising companies. Croatia's media outlets have done little to improve their standards (arguably following a global trend of lowered journalistic standards). Furthermore, the country's newsstands are filled with newspapers and magazines, but most contain less news than sensationalist articles.

*Feral Tribune*, once the most internationally awarded Croatian paper, collecting more prizes for investigative reporting and standards than all other papers together, closed in 2008 owing to financial problems. The editorial board issued a public statement claiming that advertising companies had been organized by the highest political circles against the paper. Whether this or managerial problems led to *Feral's* closure, the result is one less weekly publication with the ability to provide diverse views to the Croatian (and regional) public. The most prominent journalists from the *Feral Tribune* transferred to the Belgrade-based Web outlet *E-novine*, while others continue to work for daily papers in Croatia.

Partially as a result of the increasingly constrained market, Web-based journalism has been on the rise. News portals such as *Index*, as well as several Web pages like *Javno.com* or *Politika.com*, publish information largely ignored by print and mainstream media and are gaining more viewers each month.

#### Local Democratic Governance

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
n/a	n/a	n/a	n/a	n/a	3.75	3.75	3.75	3.75	3.75

For more than two decades, Croatia's internal territory has been divided into 20 *zupanijas* (counties), 120 cities, and 420 municipalities based only partially on territorial and demographic logic. The system of regional counties did not exist prior to 1990 and was created primarily to neutralize oppositional parties that were not close to the late President Tudjman's HDZ.

For years, the lack of geographic logic in the *zupanija* system has meant a duplication of administrative functions between central and local jurisdictions. Politically loyal second-grade officers have been rewarded with state jobs as local administrators employed in *zupanija* offices, while the needs of citizens are often a secondary priority. The historical political struggles between the ruling HDZ and oppositional coalition further complicated the *zupanija* system, as HDZ-run *zupanijas* received (at least more de facto) power while oppositional regions were marginalized.

Efforts to streamline this system in accordance with the decentralization reforms demanded by the EU accordingly have reflected this continual political power play and have often proven to be disempowering in their results. Professional capacities (at both central and regional/local levels) to take on and carry out the often conflicting legal issues that decentralization requires still appear to be lacking.

As part of the decentralization process, the powers once vested in the *zupanija* level of state institutions have been partially taken on by the administration of the central government offices and city-level institutions. However, this primarily fiscal decentralization process has not demonstrated significant improvements in local governance. Notably, a number of local authorities claim that they now have less rather than more control over their local budgets, which are insufficient to cover basic responsibilities.

The transfer of resources from the *zupanija* to the central government level has in effect “recentralized” a portion of the fiscal system, requiring the central government to allot payments back to the municipalities rather than allow direct municipality oversight. The Association of Cities requested the government return a certain amount of tax revenues collected by city officials instead of distributing it directly to local communities through central government programs, which it charges has the danger of political rewarding or punishing.

Changes in the electoral law allowing for the direct election of city mayors and county prefects reflect enhanced local democratic governance and will be tested in the spring 2009 elections. Indications of a diversifying local political scene are not as yet encouraging; party decision-making powers are becoming more centralized as the country prepares for the direct election of mayors.

The ongoing trend of centralization within political parties brings into question the ability of mayoral races to accurately represent local political party interests. For example, mayoral candidates in cities such as Split, Trogir, Osijek, and Zagreb appear to reflect the decisions of main political party headquarters in Zagreb rather than local decision making. This is true for both the SDP and the HDZ. Thus despite the fact that voters will now have the right to directly elect leaders at the local level, their rights are only partially enhanced as the candidates are “pre-selected” for the direct local vote.

## Judicial Framework and Independence

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
4.75	3.75	3.75	4.25	4.50	4.50	4.25	4.25	4.25	4.25

In 2008, the minister of justice, minister of internal affairs, and chief of police were replaced following the murders of Ivana Hodak and Ivo Pukanić. Despite these developments, only small steps were actually made toward judicial reform over the course of the year.

Following the public and political outcry over the murder of Ivana Hodak, the daughter of Zvonimir Hodak, Croatia's first lawyer at the International Criminal Tribunal for the Former Yugoslavia, and Ljerka Mintas-Hodak, vice president of Tudjman's government, Prime Minister Sanader replaced Minister of Justice Ana Lovrin with Ivan Simonovic and Minister of Internal Affairs Berislav Rončević with Tomislav Karamanko. The chief of police, Marijan Benko, was also replaced by Vladimir Faber. The drama of these changes belies the more languid progress and set of hurdles of judicial reform that have taken place during 2008.

In its yearly progress report, the European Commission in Croatia noted several positive (as well as some negative) points related to judicial reform. On a positive note, the commission acknowledged the continuation of reforms, despite the weak administrative capacity within the Ministry of Justice to track and evaluate the impact of the reform process. Accordingly, it is too early for domestic, EU, or other external actors to assess the effects of the revised action plan put in place in June 2008 or the significant efforts taken by the former minister of justice, Ana Lovrin, to reorganize the local network of courts. With respect to the reorganization of the local courts, many experts have suggested that this may be window dressing rather than a substantial change. The reform was not completed by the end of 2008, and given the change in leadership (and potential change in priorities in the wake of recent murder cases), it is unclear whether the government will continue with this specific effort.

The poor selection of judges, most of whom were elected through political connections from the 1990s, remains a key problem facing the judicial system. Removing judges is not impossible, but it is difficult, especially when so many judges come from a particular political era and point of view. These judges, consequently, have little desire or ability to take on difficult, politically connected cases, particularly those where ruling party members might be involved. Investigations of some of these judges and a list of their questionable rulings have created the impression of bias in the system and a certain level of impunity for a portion of the political class, whether involved with corruption, war crimes, or other types of alleged transgressions.

At the same time, the war crimes case of Generals Mirko Norac and Rahim Ademi, which began in 2007 and subsequently faced a series of procedural difficulties, came to a close in May 2008. Norac was found guilty and was sentenced

to seven years in prison, mostly because of parallel command structures. Ademi was acquitted. The trial and verdict were considered up to the standards of international law and demonstrated Croatia's ability to fairly and competently judge war crimes cases domestically. However, this case does not necessarily represent the general situation in the judicial system. International scrutiny of the case, including almost constant OSCE monitoring of the court proceedings and daily trial activities, likely had some influence on the high level of professional conduct during the trial.

The war crimes trial against General Branimir Glavaš did not demonstrate such a high degree of professionalism. The trial was adjourned from July to September 2008, leading to a retrial under Croatian law. The ongoing trial had gone through its share of procedural difficulties, including a hunger strike by Glavaš. Until the new trial begins, Glavaš has been granted his freedom, which could be useful for him should he bear out speculations that he will run for Osijek mayor or *zupan* in upcoming local elections.

Similarly, the complex war crimes case related to the Lora prison camps did not progress during 2008 for unclear reasons related to the reconstruction of the Split city courthouse.

The investigative and prosecutorial services of the police have also been only partially improved. In cases of sensitive nationalist-related issues, police tend to err on the side of nationalist sentiment. For example, the nationalist singer known as Thompson was once again charged with promoting and sponsoring hate crimes in public places during 2008. As a pop singer using Ustashi (World War II Croatian Nazi puppet state symbols) rhetoric and images of ancient warriors for Croatian national freedom, Marko Perkovic Thompson often pushes the limits of free speech and is seen by many as inciting his crowds to shout racial offenses during a number of his concerts. Such offenses are legally considered a crime in Croatia. Yet after a particularly controversial concert in Zagreb during the summer of 2008, the one police officer who took the effort to prepare an investigation against Thompson for encouraging his audience to commit such acts was put on a forced leave of absence, subsequently bringing the case to a halt.

### Corruption

1999–2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
5.25	4.50	4.50	4.75	4.75	4.75	4.75	4.75	4.50	4.50

Corruption continued to be a high-profile issue in Croatia during 2008 due to both government actions and the spate of violence thought to be linked to organized crime and corruption activities. While Transparency International improved Croatia's Corruption Perceptions Index score from 4.1 to 4.4, institutionwide corruption is still considered a serious problem by a significant portion of the population, particularly in the fields of health care and education, as well as in general administrative services, and in relation to tenders for construction work.

In 2008, some developments were made in tackling institutional corruption. A revised anticorruption strategy and action plan and strengthened set of coordination powers around the Office for Fighting Corruption and Organized Crime were put in place in 2008. The government also went on the offensive in 2008 with several high-profile sting operations such as Operation Index, which led to the arrests of professors and students involved in corrupt university practices. But few of these cases, including Gruntovcani, Dijagnoza 1, Dijagnoza 2, Index, and particularly Operation Maestro (2007's highest-level investigation against the Croatian Privatization Fund), have resulted in clear results and convictions. Most recent efforts appear to target mostly mid- and low-level actors rather than top actors in terms of both charges and eventual indictments.

The shadowy area between political corruption, organized crime, and the security services is not as pronounced as in other Balkan countries. There are clear signs that traditional organized crime activities such as drug and human trafficking continue, particularly along the borders with BiH and Serbia. Yet it is the less apparent organized crime involvement in Croatia's economy and political space that is gaining attention as the true challenge to anticorruption efforts.

The violent murders of Ivana Hodak and Ivo Pukanić, and the public beatings of Josip Galinec, a businessman from Zagreb, and Igor Rađenović from the company Zagrebački Holding, are believed to have resulted from the intersection of some of these business interests. The government's performance in investigating and prosecuting these cases has been poor despite heightened concern over public safety and increased scrutiny by EU monitors.

The government has been relatively forthright about limitations in terms of both its prosecuting and investigating capacities and its ability to take on the political dimension in the fight against corruption. Public outcry over heightened safety concerns may increase public interest in corruption issues and prompt officials to demonstrate greater political will to tackle these problems. However, cleansing state structures and related institutions as well as their links to the larger business community is a significant and midterm task. The recently appointed national chief of police, Vladimir Faber, took on his mandate by declaring that the time has come for Croatia to stop falsely believing in its security. Whether this will lead to impassioned political will and surmounted energy to take on the tangled set of interests involved remains to be seen.

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- <sup>1</sup> It should be noted that while all political parties have a pro-European agenda, public opinion polls show a public that oscillates between 47 and 53 percent in favor of joining the European Union, <http://www.predsjednik.hr/default.asp?gl=200805120000005>.
  - <sup>2</sup> Transparency International Hrvatska (TIH) i Hrvatsko novinarsko društvo (HND) September 28, 2008, <http://www.gong.hr/news.aspx?NewsID=1812&PageID=1>.
  - <sup>3</sup> The Lora prison cases focus on crimes committed in the early 1990s by prison guards against primarily Serbian detainees, which resulted in both deaths and injuries of said inmates. The trials have been regularly delayed owing to either administrative issues or delays in obtaining witness testimonies (particularly from those who are outside of Croatia and reluctant to travel to Split to testify).
  - <sup>4</sup> Davorka Blažević, "Don Tomislavov uvjet prvopričesnicima: Pišite Gotovini u Haag" [Don Tomislav's condition to confirmations: Write to Gotovina in Haag]. *Slobodna Dalmacija*, November 16, 2008, <http://www.slobodnadalmacija.hr/Hrvatska/tabid/66/articleType/ArticleView/articleId/30267/Default.aspx>.
  - <sup>5</sup> Television subscription obligates every Croatian household that owns a TV set to pay a fee to HTV, without the possibility to claim that the household does not watch HTV programming. Refusal to pay the television subscription causes additional fee punishments and criminal charges.