Croatia

by Petar Dorić

Capital: Zagreb
Population: 4.4 million
GNI/capita, PPP: US$18,680

Source: The data above were provided by The World Bank, World Development Indicators 2012.

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* 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

The positive decision by the European Union (EU) on Croatia’s membership in June marked a clear point of progress in Croatia’s democratic transition. Concerns remain, particularly on judicial and corruption-related issues, but Croatia has demonstrated the political will to continue on the path to EU accession, which is scheduled for 2013. In relation to anticorruption efforts, the government performed better than in years past, with the judicial branch taking on challenging cases against current and past government officials and friends. However, the march towards the EU has yet to be internalized by institutions and by society as a whole. Many institutions now have new laws complying with EU standards, but the functioning of these is still to be tested. Despite all of the focus on the EU, the population remains relatively uninformed about either what the EU means or what they should be expecting in terms of improved rights or democratic standards. For example, a public opinion poll taken by Transparency International Croatia at the end of September showed that one-third of citizens did not realize the EU negotiation process had been finished and only 20 percent were familiar with the main purpose of Law on Transparency of Public Data (Zakon o javnom informiranju), which obligates all public institutions to work transparently.

Government efforts to address war crimes of the 1990s are still insufficient. The adoption of a controversial law rendering any investigations by Serbia of war crimes in Croatia invalid and the government’s reaction to The Hague’s guilty verdicts for two generals in April illustrated a society and state that still lack critical examination of crimes committed by Croatian forces during the war.

National Democratic Governance. The EU’s positive decision on Croatia’s accession in June recognized the government’s many efforts at reform, particularly more recent attempts to step up corruption investigations. Corruption investigations have tested the maturity of the institutions, but these have managed to remain stable and perform their duties. Accordingly, national governance remains at 3.50.

Electoral Process. Preparations for parliamentary elections did not address two problematic components of election regulations. The election campaign began in a turbulent environment, with the ruling party being investigated for corruption, but the election itself was considered to be well within democratic standards. Croatia’s rating for electoral process remains at 3.25.

Civil Society. Diverse and sometimes competing factions within civil society exercised their voice through public demonstrations throughout the year. Protestors organized against the first gay rights parade in Split and protestors against The Hague’s guilty verdicts for two generals showed the power of the conservative
and nationalist currents within civil society. Meanwhile, protests by workers and a general increase in street protests against the political class reflected efforts by another segment of the population to advocate for their rights and influence society. *Croatia’s civil society rating remains at 2.50.*

**Independent Media.** Media have not demonstrated efforts to improve their performance; rather they continue to exhibit political and economic interests over professional standards. *Croatia’s rating for independent media remains at 4.00.*

**Local Democratic Governance.** Reform of local government administrations was put off for yet another year. Some political will towards fiscal decentralization has emerged for the elections, but will only be tested after the elections. *Local democratic governance remains at 3.75.*

**Judicial Framework and Independence.** Reform efforts for the EU accession process and the new version of the criminal code have been shadowed by poor war crimes judicial performance and the new law nullifying Serbia’s investigation into war crimes in Croatia. *Croatia’s rating for judicial framework and independence remains at 4.25.*

**Corruption.** Investigations have been opened on all levels from former prime minister to current ruling party, the Christian Democratic Union (HDZ, Hrvatska demokratska zajednica). *Prosecution of cases has been ramped up; sentencing of cases is still to be tested, but further efforts to chip away at the complex web of high-level corruption result in an improvement of the rating from 4.25 to 4.00.*

**Outlook for 2012.** The new government in 2012 faces a number of challenges, not least of which is keeping corruption-related investigatory efforts and war crime processes on track. The EU will be doing a biannual report on Croatia specifically in these areas to track progress. Expected rulings on a number of Bosnian Croat indictees in The Hague will provide the next opportunity for the government to show responsibility and political will in the face of war crimes verdicts. At the same time, the new government faces a tough economic environment where all easy choices have already been used up, and real budget reforms and new efforts to generate economic growth are demanded by the population. Croatia has made it through the EU accession process, but the next year will be full of unglamorous, but necessary follow-up and further reform efforts. The mandate of the new government, accordingly, will be full and challenging.
Main Report

National Democratic Governance

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In June, two decades after it established its independence, Croatia finally completed negotiations with the European Union (EU) on accession, which is scheduled to take place during the second half of 2013. The positive response from Brussels was seen as a milestone in Croatia’s transformation from a war-torn, transitional state to a solid, EU-candidate country with increasingly consolidated democratic institutions and practices.

In some ways, the EU’s decision was less a reflection of an improvement in democratic governance during 2011 than an acknowledgement of the cumulative effort Croatia has put forth in the past decade to engage more seriously in democratic reforms, which began after the death of President Franjo Tudjman in 2000. Since then, progress has slowly been achieved on some of Croatia’s key challenges, including forming an independent judiciary, establishing a more balanced executive branch—shifting many powers from the president to the prime minister—and professionalizing public administration.

In 2011, government institutions demonstrated their capacity to function despite yet another turbulent political year. Specifically, the government attempted to tackle the vicious cycle of corruption through numerous investigations of government officials. Before the year was out, a number of current and former elite of the ruling party, the Croatian Democratic Union (HDZ) had been charged with involvement in corruption-related or other criminal activity. Widespread corruption is a legacy of the Tudjman era that persists despite moves by the current government to confront it, and public funds are routinely handled in murky deals benefiting key members of the ruling party and their affiliates.

Prime Minister Jadranka Kosor has been at the head of the anticorruption campaign. To some extent, analysts believe the prime minister’s interest in tackling corruption is self-serving, stemming from a desire to clean up the HDZ and bolster loyalty among party factions to her government rather than former prime minister Ivo Sanader. Sanader’s arrest in December 2010 on corruption charges shook the country as it was the first time a former head of state had been arrested and prosecuted on such charges. It also clearly defined Kosor’s image as independent from Sanader, her former boss. Sanader was arrested in Austria and extradited to Croatia in July 2011. Sanader’s case set an important precedent for the prosecution of high-level officials in Croatia, and in the Balkans.

Regardless of Prime Minister Kosor’s motives, the fact remains that the most effective anticorruption actions to date have been carried out under her mandate. The opening of corruption investigations against the HDZ party in October along with earlier investigations of specific members means that almost every current and
former HDZ minister is under investigation. Not surprisingly, the main opposition parties, especially the Social Democrats (SDP) supported such measures, but it is noteworthy that the HDZ leadership, who is most vulnerable to the anticorruption campaign, did not interfere with the investigations and judicial process.

This demonstrates some maturity in government institutions, particularly the functioning of the executive in relation to the judicial branch, which has played a less than independent role in the past. The European Commission (EC) 2011 status report noted these efforts, encouraging the country to continue with reforms in the fight against corruption and the promotion of fundamental rights. The EC will continue to monitor these areas closely until the accession date.1

The government performed less admirably in relation to the guilty verdicts of the International Criminal Tribunal for the Former Yugoslavia (ICTY) against Generals Ante Gotovina and Mladen Markac and the release of General Ivan Cermak in April for crimes committed during the 1991–95 conflict in Croatia. Few if any public officials accepted the verdicts, focusing instead on the appeals process and declaring support for the generals.2 Statements focused on institutional responses to the verdicts such as filing appeals. This can be considered positive from the point of view of acknowledging the court rulings, but they did not acknowledge the facts proven in the court related to victims and crimes committed.

While some right-wing parties remain less EU-oriented, mainstream parties like SDP have been pro-EU and generally supportive of the Kosor government’s priorities. However, as elections approached, public pressure to address the effects of the continued economic crisis spurred the SDP and other opposition parties to be less compliant with HDZ, criticizing the government’s ineffective economic policies and underscoring the distinction between themselves and the ruling party.

While the ruling party attempted some last-minute politicking in the introduction of controversial legislation—specifically, the Law on Rendering the Legal Acts of the Yugoslav National Army, the Socialist Yugoslavia and the Republic of Serbia Illegal—the state of the economy and public disillusionment with HDZ elite given the many corruption investigations ultimately resulted in a change of government at the end of the year. The victory of the SDP-led coalition in parliamentary elections on 4 December promised a new emphasis on addressing the economic crisis. Regardless of the performance of the new government moving forward, the maturity of the leadership of the outgoing government in anticipating and accepting its defeat should be acknowledged as a mark of improving national democratic governance.

### Electoral Process

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The parliamentary elections eventually scheduled for 4 December loomed large in political discourse throughout the year. While the elections themselves can be
considered in line with democratic standards both in parliamentary elections and on the local level, problems remain in the electoral process.

Most at issue remains the fact that for the 10 voting districts or electoral units (plus 1, for the diaspora), the difference in proportional representation breaches the election law allowances of up to 5 percent differences in voter populations and calls into question whether elections can be considered to be procedurally correct. However, the nongovernmental organization (NGO) watchdog Gradani Organizirano Nadgledaju Glasanje (GONG) pointed out that, based on previous elections, one electoral unit had a 12 percent lower number of registered voters than the average; another unit had 12 percent more voters than it should; and four more electoral units recorded irregular disproportional levels as well.

Neither the ruling coalition nor the main opposition parties attempted to readjust the voting districts in order to correct these inconsistencies. Nor did any major political party show an interest in updating the faulty voter registration list with new data from the 2011 national census, despite the fact that the old list had been linked to voting irregularities in previous elections. The lack of action on these issues across party lines suggests that either these problems are not significant enough to affect election results, or that the irregularities may actually aid major political parties in winning elections.

Laws allowing war criminals to run for office also came into question in 2011 when the Croatian Democratic Alliance from Slavonia and Baranja (HDSSB) announced at the end of October that war criminal and former member of parliament (MP) Branimir Glavas would be at the top of their electoral list in the parliamentary vote. Glavas was convicted of war crimes in Croatia, but fled to Bosnia where he is currently serving out his sentence. A lack of clarity in the law concerning war criminals’ rights to participate in elections allows Glavas to be elected to parliament. Although the government condemned HDSSB’s announcement, the State Electoral Commission at first delayed making a formal decision on the issue until it received the formal submission of electoral candidates in late November. It later decided that Glavas could not compete in the electoral race, but he could be a headliner on the voting lists.

By late October, public opinion polls for parliamentary elections indicated that the center-left coalition—consisting of the SDP, the Croatian People’s Party (HNS), and the Istrian Democratic Assembly (IDS)—seemed likely to receive 38 percent of the vote while only 20 percent of those polled favored HDZ. The Croatian Laborists–Labor Party of Dragutin Lesar and the far-right Croatian Party of Rights (HSP) of Anto Djapic were among the smaller parties guaranteed a couple of parliamentary seats, in addition to seats allocated for ethnic minorities.

Accordingly, the victory of the SDP-led Kukuriku (“cock-a-doodle-doo”) coalition was expected, but the extent of the win was still a bit of a surprise. The SDP coalition won a majority of parliamentary seats—81 of 150, while ruling party HDZ only received 44. The other surprise in the election was the performance of two new parties, Dragutin Lesar’s labor party which won 6 seats and retired priest Ivan Grubisic’s independent list with 3 seats. Convicted war criminal Glavas’s HDSSB
also got 6 seats. The Peasants’ Party (HSS) managed to get one seat, as did the far-right coalition between HSP and dr. Ante Starcevic/Croatian Clean Rights Party (AS/HCSP). The Croatian Liberals (HSLS) and HSP (one branch alone) did not make it into parliament, which is the worst electoral result for both parties to date.

With these results SDP and its coalitional partners HNS, IDS, and the Croatian Pensioners’ Party (HSU) can form a coalition government alone. The SDP-led coalition won in all urban areas except the city of Gospic. The HDZ managed to win in only 2 out of 10 electoral districts: in North Dalmacija (electoral district 9) and the area of Slavonia bordering Bosnia (electoral district 5).

Considering that HDZ’s platform was based on EU accession actions and that SDP has always been more pro-EU than HDZ, it appears that only about 5 to 10 percent of MP seats would belong to those opposed to the EU (those gathered around HDSSB). However these electoral results do not yet reflect a political shift towards the left in the electorate since parties from the winning coalition actually gained only 40 percent of total votes; in the previous parliamentary elections in 2007, the same parties won 44 percent and lost elections. There were no new voters for SDP; the present change is rather due to the fact that HDZ collected only 23 percent of the vote in 2011 in relation to the 32 percent it collected in 2007.

Minority party dynamics were also present in the elections, but did not result in major changes in minority representation in parliament. Frustration over the slow resolution of problems related to Croatian-Serb property restitution prompted the creation of a new coalition between smaller Croatian-Serb parties and Serbia’s main right-wing opposition party, the Serb Progressive Party (SNS). This attempt failed to win over supporters of the major Croatian Serb party of Milorad Pupovac’s Independent Democratic Serb Party (SDSS), but it served as a reminder of the unresolved issues related to the emigration (or forced emigration) of ethnic Serbs during the war.

**Civil Society**

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Civil society in general plays a significant role in public life, exerting direct influence on the political sphere. Civil society in Croatia has traditionally been divided into two main blocs of actors and interests—socially conservative and human rights-oriented groups. Both blocs effectively influence the government, but the socially conservative bloc has historically been more successful than the human rights-oriented bloc.

Human rights NGOs, along with environmental, gender, and related organizations, have gradually built up their constituencies and influence in society. Organizations like the non-partisan citizens’ organization GONG, Transparency International, Iskorak, and Kontra remain active in promoting anticorruption and gender-issue programs by educating the public, especially voters, on specific
issues. Several of these organizations, such as Documenta and the Center for Peace, Nonviolence, and Human Rights have publicly supported the EC proposal for the additional monitoring of Croatian government efforts in relation to war crimes investigations.

The other bloc of influence is made up of more socially conservative focus groups, either connected to the Catholic Church, war veterans’ associations, or ethnic and cultural organizations. The church retains a significant amount of influence on state policy in issues such as family planning, religious education in public schools, gay rights, and war crimes issues and has undergone little transformation. The exceptions are rare such as Dalmatian catholic priest, Ivan Grubisic, who is known for his tolerance and inclusive stance on issues. His decision to run for parliament as a retired priest and with a liberal focused agenda was denounced by the church even as his party won three parliament seats. Some war veterans’ associations have begun to show signs of accepting more moderate positions and engaging more with broader sections of society in relation to humanitarian causes in the world and in Croatia. However, for the most part, veterans’ groups still oppose state cooperation with Serbia, Montenegro, or Muslim officials in the Federation entity of Bosnia and Herzegovina and remain opposed to cooperation with the ICTY in The Hague.

Labor unions’ influence in civil society has waxed and waned. Three main unions have been active since the country was formed and as a byproduct of the socialist era: the Union of Autonomous Trade Unions of Croatia (SSSH), the Independent Trade Union (NS), and the Croatian Trade Union Association (HUS). Most efforts are focused on workers’ rights in botched or bankrupt privatizations, but 2011 also saw an increased emphasis on workers’ living standards in general, bringing the unions and personalities like the head of the Labor Party more clearly into the political debate.

Inspired partly by the growing momentum of political uprisings in states like Egypt, as well as protests across Europe, Croatian civil society actors engaged in peaceful demonstrations throughout 2011, with broad public support. Social networking websites like Facebook and Twitter were instrumental in organizing large groups of demonstrators, seemingly overnight, especially in Zagreb. Grievances behind the protests were varied, ranging from a general dissatisfaction with the political class to EU accession. Authorities managed to keep public order, mostly without the use of force.

In June, the coastal city of Split hosted its first annual gay pride parade. Despite a heavy police presence, a number of injuries resulted from attacks by counter protesters hurling stones and Molotov cocktails at roughly 400 people marching on the city’s main seaside promenade in support of gay rights. Over 100 counterprotesters were arrested. Several Catholic priests made public statements during the parade using hate speech, and analysts suggest that some priests, such as Father Jozo Cirko, may have been behind the counterprotests. In contrast to Split, Zagreb hosted its annual gay pride parade without incident, with several well-known public personalities supporting it.
The guilty verdicts and long sentences delivered by the ICTY in April against Ante Gotovina and Mladen Markač—two Croatian commanders of the 1990s war against the Serbs—provoked a strong public reaction and were denounced by the majority of public officials. The verdicts also revived old ethnonationalist public discourse reminiscent of the 1990s, with only a few NGOs, such as Documenta, publicly challenging the discussion.

Notably, public protests in support of the convicted commanders were nonviolent. War veterans’ associations organized a number of large protests, including one in the fall that bussed in several thousand veterans to The Hague. These protests clearly have an influence on the government and have prompted most officials to appear pro-commander in their public statements. Despite their illiberal opinions, protesters have largely respected the legality of the rulings and adhered to democratic processes, unlike similar protests nearly a decade ago.

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While most indicators show Croatia gradually moving towards democratic consolidation, the country’s media sector remains plagued by nontransparent ownership, journalistic unprofessionalism, and self-censorship. The media sector in 2011 continued to display many of the same corrupt practices of other big businesses, with the state doing little to correct this negative trend.14

The media sector’s development has been similar to that of other economic sectors in Croatia. The murky privatization practices of the 1990s allowed most media outlets to be swallowed up by a handful of companies, creating monopolies. In the case of television, the privatization of state television has diversified programming, but has only marginally improved opportunities for investigative journalism.

Print media outlets, like many other companies, are controlled by a small set of business interests that are far from transparent in their ownership roles. The negative effects of nontransparent media ownership gained increased attention from public officials in 2011, making their way onto the agenda of the Council for National Security (Vijece za nacionalnu sigurnost)15 and the National Journalism Association (Hrvatsko novinarsko drustvo). However, little action has been taken to correct the situation, despite the fact that economic and political pressures have contributed to substantial self-censorship.16

In print media, the German WAZ Medien Gruppe that owns Europapress Holding (EPH)—together with local media owner Nino Pavić and his former associate Miroslav Kutle (currently in Bosnia, half-hiding from Croatian authorities)—owns about 50 percent of the print media, including the major dailies Jutarnji List, Slobodna Dalmacija, Sportske novosti, Slavonski dom, Dubrovački
vjesnik, Šibenski list, and weeklies and monthly magazines such as Globus, Arena, Auto klub, Gloria, Cosmopolitan, Teen, Moja tajna, O.K., and Playboy. The other large print media investor is Styria Media Group of Austria, which owns most of the remaining dailies and weeklies.

The connection between media ownership and ongoing corruption investigations is speculated upon with increasing frequency in the Croatian, Austrian, and German media. Nino Pavić, in particular, has been under public suspicion in connection with the Hypo Alpe Adria Bank corruption scandal. At the end of the year, Pavić had yet to be formally charged for illegal banking in relation to Hypo Alpe Adria or illegal privatization of media and other properties in Croatia. Though the police requested his arrest in a case concerning illegal privatization their request was not supported by the public prosecutor, Mladen Bajic. This produced more public speculation regarding the unclear connection between the media tycoon and the public prosecutor.¹⁷

Croatia’s national television network, Hrvatska Radio Televizija (HRT), remains the most influential news source in the country, with more than half of the population using it as its primary source of information. The development of private, nationwide television stations in the past several years (including Nova and RTL) has not challenged HRT to improve but, rather, to commercialize. While HRT has transformed from state to public TV, in reality, it is a hybrid of public, state, and commercial TV. By law, all households must pay a fee for HRT even though it continues to run advertisements. Although competition is present, investigative news programming appears less than sensationalistic tabloid-style programming.

All television stations failed to exhibit a basic level of media professionalism in their coverage of April’s ICTY verdicts. Each of the three stations presented almost identical coverage of the trials, with heavily subjective and emotional commentary and historical analysis depicting the generals as the only true victims in the events of 1995. Seasoned reporters for HRT openly cursed the ICTY on the air, while RTL and TV Nova presenters experienced the trial as they might a soccer game—cheering and heckling rather than conveying facts or using the opportunity to explore the events of 1995. Overall, the trial coverage more closely resembled the biased state television programming of the 1990’s Tudjman era than the independent media of a country on the verge of EU accession.

Three months before the December elections, Hloverka Srzic Novak, a notorious Tudjman loyalist, returned to HRT with her own daily political show. Besides the corruption investigation that was brought against the Tudjman-era HRT journalist, Dijana Culjak, little progress has been made to hold the influential public TV station accountable for its reporting and management.

Investigative quality in print media also showed little improvement in 2011. Mainstream media have begun publishing original police and investigators’ statements concerning ongoing anticorruption investigations. While this material may appeal to journalists, evidence suggests that decisions about what and when information is leaked are highly managed in order to manipulate public opinion.
in ongoing investigations. For example, if Sanader's lawyers want something that would show him in a better light leaked, certain editors are called and this is in the papers the next morning. Similarly if the chief prosecutor's office wants to shore up its political support on an issue, it leaks something against one or another investigated and politically powerful individual. The most recent example of this was the use of a video clip of Mr. Sanader's statements in a closed meeting with the Bureau for Combating Corruption and Organized Crime (USKOK) investigators that appeared on YouTube, and many local news portals in early December. Such practices are not uncommon anywhere, but the concern is that journalistic standards have fallen low enough in Croatia that few if any media question such practices or use such information responsibly. Given the current and anticipated number of corruption investigations, the role of the media in accurately investigating these cases only increases.

Online media continue to serve as a popular source for higher-quality journalism; however, their impact and audience remain small. About 60 percent of households have a personal computer and 57 percent have an internet connection. Current studies suggest that most people use the internet for commercial/sales purposes, followed by e-mail correspondence, and reading magazines/news in third place. Print media and television are still the dominant information resources for the majority of the public.

Local Democratic Governance

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There was little progress in reforming Croatia's bloated local government administration in 2011. For a country of just 4.3 million inhabitants, Croatia maintains a system of 20 županijas (counties established around the 20 largest cities), 126 cities, and 429 municipalities. It has been suggested that Franjo Tuđman created županijas to more easily control the country during the war years (1991–95), and afterward, županija administration offices were mostly used as a political patronage system to consolidate the president's power and that of his party, the HDZ. Half of today's cities have populations of less than 10,000.

Over the past decade, a stream of proposals for reorganizing this expensive and inefficient system of local governance have been put forward by different experts and political parties, but no serious steps have been taken to change the system. This is despite the fact that EU requirements and recommendations have urged changes in this area for years. Eventually, a decision needs to be made in line with EU standards, reducing the number of regions to a maximum of eight. However, the geographical shape of the country as well as local disputes between cities vying for regional city status (such as between Zadar and Split or Rijeka and Karlovac) present many political challenges. Additionally, reducing the number of municipalities is not popular among local populations. People generally prefer to
have their villages called towns, as towns employ at least a few people in local administration, whereas villages do not get funding for these positions.

The reorganization of local government entities received more public attention in the runup to parliamentary elections. All major political parties made statements in favor of increasing the level of fiscal authority of local authorities from a current ceiling of 10 percent to 25 percent. However, only a few candidates have proposed concrete measures for lowering the number of counties, cities, or municipalities.

Županija-level government budgets have suffered significantly from the financial crisis. As a result of overall government reductions, already small regional government budgets were reduced by 11 percent in the past two years, and administrative restrictions on public finances limited the ability of counties and municipalities to take out loans. Cities fared slightly better and, in general, retained larger budgets than counties and municipalities.

Confidence in local governance practices decreased in 2011, especially with regard to the mayors of the two largest cities, Zagreb and Split. In Zagreb, long-time mayor Milan Bandic has been linked to corruption charges and illegal business dealings in an ongoing investigation. In Split, support for independent tycoon and politician, Zeljko Kerum, has worn thin due to Kerum’s failure to make good on promises to boost economic development in the city and region. As mayor, Kerum also brought numerous family and business associates into city government and made personal investments in the tourism sector. Both had poor election results, with Bandic not making the five percent threshold, and Kerum gaining just two seats for his Croatian Citizens’ Party (HGS), even after forming a coalition with HDZ.

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Reforms to the judicial system continued in 2011, with mixed results. On the one hand, prosecution of corruption cases intensified and administrative reforms continued, demonstrating a determination to strengthen Croatia’s feeble judicial system. However, efforts to handle war crimes cases with objectivity and judicial independence proved less successful, revealing persistent weaknesses in the system. In its October progress report, the European Commission (EC) noted that future monitoring would focus on Croatia’s commitment to reforming the judiciary and protecting fundamental rights areas, especially regarding the efficiency and impartial handling of war crimes cases and the fight against corruption. In July, the EC announced the continuation of regular, six-month assessments in the lead-up to Croatia’s accession to the EU in 2013.

The most significant of new regulations adopted in 2011 included revisions to the Criminal Law Code in September which allowed for the seizure of property during criminal investigations, as an instrument previously used only in select
corruption cases investigated by USKOK. However, there is concern that the
 provision gives potentially unlimited power to the prosecutor’s office, which could
 use its unchecked power to violate the basic rights of suspected criminals.23

Domestic war crimes prosecution remains a weak point of the judicial system,
which moves incredibly slowly and displays an institutional bias in favor of ethnic
Croat suspects. According to public data released during the summer of 2011,
only 3 percent of criminal cases against members of the Croatian armed forces for
alleged crimes committed during the 1991–95 war have begun to be processed.
State prosecution noted that 274 individuals are currently under investigation for
war crimes, but only 20 of them are Croatian. Of the 555 cases that have already
been tried, only 31 of the convicted individuals were Croatian.24

The other criticism leveled at Croatia’s war crimes trials is that only lower-
ranking officials are being prosecuted. In a report released in December 2010,
Amnesty International condemned the selective policy of the Croatian judiciary,
noting their reluctance to charge top state officials such as Vladimir Seks, Domazet
Loso, and Tomislav Mercep with war crimes, despite the existence of convincing
evidence against them.25 In response to international criticism, the state prosecutor
reopened the well-known Zec vs. Mercep case26 in the second half of 2011. The
case had been hastily investigated in the early 1990s but due to procedural errors
no conclusive evidence had been found of war crimes. The reopened case is now
part of a much larger charge that includes up to 43 victims, mostly civilians of Serb
ethnicity.27

A potentially problematic law was adopted in late October with the aim
of protecting Croatian citizens from Serbian war crimes investigations. The law
nullifies all Serbian rulings connecting Croatian citizens to war crimes in Croatia
from 1991–95. It also says that Croatia’s judicial bodies will not cooperate with
their Serbian counterparts in “criminal proceedings” if such cooperation “is against
Croatia’s legal order and harms its sovereignty and security.”28 The law was backed
by 72 deputies in the 151-seat parliament. This law was pushed by the government
despite EU concerns, as well as strong criticism from the Croatian president Ivo
Josipovic, almost the entire opposition, and the state prosecutor. At one of the first
public statements after the elections and before forming the new parliament and
government, the new minister of foreign affairs and leader of HNS, Vesna Pusic,
proposed dismissing this law.29

| Corruption |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 4.75  | 4.75  | 4.75  | 4.75  | 4.75  | 4.50  | 4.50  | 4.50  | 4.25  | 4.00  |

Corruption investigations were stepped up even further in 2011 with the
continued search for high-profile targets and numerous thorough investigations
led by USKOK. During the last two years, the State Attorney’s Office (DORH) has
drastically increased its anticorruption activities, resulting in more than double the number of corruption-related arrests and convictions seen in the previous, two-year period. So far, only a few sentences have been handed down; many cases have been dismissed by the courts or are still in the appeal stage.30

In contrast to earlier years, by the end of 2011, it looked like all of HDZ and related individuals were considered fair game by the prosecutor’s office. Provisions against “the misuse of public position and privileges” in the newly applied provisions of the criminal code aided USKOK and the prosecutor’s office in bringing charges against a number of hitherto untouchable officials, including many members of HDZ. USKOK also charged top party officials Mladen Baresic, Ivan Jarnjak, Ratko Macek, and Branka Pavosevic for engaging in a joint venture to extract money from state funds and channel them through real (and sometimes imagined) projects to select partners.

In July, former prime minister Ivo Sanader was extradited back to Croatia from Austria to face a number of charges, including war-profiteering.31 At the end of October 2011, Croatian state prosecutors formerly charged him in two different cases: the first involved illegal finances from Austrian Hypo Alpe Adria Bank, and the second involved the Hungarian oil company MOL and their activities during the time of merging with the Croatian oil company, INA. As prime minister, Sanader had been incredibly popular, but support for him dropped dramatically32 as the corruption charges were initiated and news of his arrest elicited almost no protest. It is evident that the public’s distaste for corruption among state officials and politicians is rising.

Just two days before the official end of the October parliamentary session and five weeks before general elections, USKOK opened a formal investigation of the HDZ political party. Freezing assets, USKOK began investigating HDZ’s so-called “black funds”—money allegedly accumulated illegally, through fixed public tenders with party or government–affiliated companies and then used in party-related activities.33 Prime Minister Kosor displayed visible shock at the USKOK charges, but maintained full cooperation with the investigation. This marks the first time in two decades of Croatian independence that the HDZ has cooperated openly with a criminal investigation into its finances.

However well-founded the allegations against HDZ may prove, the timing of the investigation raised serious concerns over the practice of selective prosecution at the chief prosecutor’s office. The NGO watchdog, GONG, criticized the prosecutor’s office, suggesting that the issue of HDZ finances could have been raised in 2005 or 2007.34 Nevertheless, the determination with which USKOK took on the investigation against the powerful HDZ party suggests that it intends to establish itself as a serious player in the fight against corruption. The EC took note of these efforts in 2011, as reflected in its October 2011 progress report.35
Author: Petar Dorić

Petar Dorić is a journalist and analyst based in Split, Croatia. He holds a Masters of International Relations from City College of New York.


3 In July, Croatia held elections for national minority representatives at each local governing council: county, municipality and city. 362,000 registered minority voters had the right to vote as well was to run for 227 positions. The State Electoral Commission report found no serious irregularities in the elections.


7 Parties must get at least 5 percent of the vote to gain a seat in parliament.

8 This included: the SNS (Serb peoples party), DPS (Democratic party of Serbs), and NS (Our party).


14 Elvir Padalović, “Viktor Ivančić: Feral Tribune je poštovanja vrijedan pokojnik” [Viktor Ivančić: Feral Tribune is respectful of the worthy deceased], Buka, 25 September 2011, http://www.6yka.com/novost/13565/Viktor-IvancicFeral-Tribune-je-postovanja-vrijedan-pokojnik. (It is also telling that one of the former key editors in Croatia gave this interview to the independent media portal, Buka, in Banja Luka, Bosnia and Herzegovina rather than in Croatia).


17 I. Ćimić, “MUP je bio spremen, DORH nije” [Police was ready, prosecution was not], Index.hr, 4 November 2011, http://www.index.hr/vijesti/clanak/mup-je-bio-spreman-dorh-nije-bajic-odbio-saslujanje-i-privodjenje-pavica-i-kutlinih-ljudi-/580987.aspx.


19 “U Hrvatskoj 60 posto kućanstava ima računalo, 57 posto pristup internetu” [In Croatia, 60 percent of households have a computer, 57 percent—Internet access], Novilist.hr, 7 February 2011, http://www.novilist.hr/Vijesti/Hrvatska/U-Hrvatskoj-60-posto-kucanstava-ima-racunalo-57-posto-pristup-internetu.


22 The Accession Treaty of the Republic of Croatia states “the Commission's monitoring shall focus in particular on commitments undertaken by Croatia in the area of the judiciary and fundamental rights (Annex VII), including the continued development of track records on judicial reform and efficiency, impartial handling of war crimes cases, and the fight against corruption. In addition, the Commission’s monitoring shall focus on the area of justice, freedom and security, including the implementation and enforcement of Union requirements with respect to external border management, police cooperation, the fight against organised crime, and judicial cooperation in civil and criminal matters, as well as on commitments in the area of competition policy including the restructuring of the shipbuilding industry (Annex VIII) and the restructuring of the steel sector (Annex IX). The Commission shall issue six-monthly assessments up to the accession of Croatia on the commitments undertaken by Croatia in these areas as an integral part of its regular monitoring tables and reports.” Council of the European Union, Treaty concerning the Accession of the Republic of Croatia (Brussels: Council of the European Union, 22 September 2011), http://register.consilium.europa.eu/pdf/en/11/st14/st14509-re01.en11.pdf.

23 Marina Barukčić and Andreja Žapčić, “Kadija te tuži, kadija ti sudi—to je novi ZKP” [Judge is sued, judge is on trial—it’s a new CPA], Tportal.hr, 1 September 2011, http://www.tportal.hr/vijesti/hrvatska/145985/Kadija-te-tuzi-kadija-ti-sudi-to-je-novi-ZKP.html.


26 This is a case in Zagreb in 1991 where an ethnic Serb family of four was murdered by a “death squad” suspected to be a Croatian parallel to institutional militias. The case was dropped due to administrative mistakes that were probably purposely made by authorities in order to cover up the killings.


31 “Podignuta optužnica protiv Ivice Sanadera” [Opened charges against Ivo Sanader], Dvor.hr, 23 September 2011, http://www.dvor.hr/PodignutaOptuznicaProtivIveSanadera01.

32 By the beginning of 2011, public opinion polls showed Ivo Sanader was the most negatively-perceived of Croatia’s politicians. See “Najpopularniji političar Josipović, najnepopularniji uhićeni Sanader” [Most popular politician is Josipović and most unpopular is Sanader], Glas-Slavonije.hr, 7 January 2011, http://www.glas-slavonije.hr/vijest.asp?rub=1&ID_ VJESTI=135231.

33 One SDP MP, Zeljko Jovanovic, went so far as to call the HDZ a ‘criminal organization’ in parliament. He said this before the USKOK formal charges and accordingly was sanctioned by the parliament as defaming the party and a public insult.
