Commercialization and Privatization of Media in Southeast Europe: A Wolf in Sheep’s Clothing?

Helena Popović, University of Zagreb

Keywords: media systems, Southeast Europe, democracy, commercialization, privatization, Social Responsibility Theory

Abstract

This article discusses recent institutional changes in Southeast European media systems with a special emphasis on Croatia. All media were trapped between socio-historical specificities and the normative standards of imported, ‘civilizing’ liberal values. After the fall of state socialism, faith in the ‘invisible hand of the market’ formed the dominant discourse. The market economy that emerged was (and still is) viewed as inextricably linked to democracy as a political system. In the field of media, Social Responsibility Theory was embraced, which positions the media both as a public good within democracy and as a commodity exchangeable in the market. I argue that this twofold approach has proven to be unsustainable in Southeast Europe, at least if we want to advance the public role of the media in democracies. Analysis of the Croatian case - including media policy frameworks, media ownership and finances, media self-regulation, media content, journalism as a profession, and media audiences - shows that commercialization and privatization have been devastating. Adhering to the public role of the media requires ‘de-naturalizing’ the realities of commercial media and holding on to the idea that radical change is possible.

In the early 1990s, the change of political system in Southeast Europe and the introduction of market competition were widely perceived as a long awaited liberation of the media from state control. Over the last two decades, prevailing discourse has depicted the state as the ‘foe’ and market competition as the ‘friend’ of media systems. Only media operating in a liberal market economy can ensure pluralism, diversity, and independence from political interference. Competition serves as a mechanism which ensures that the preferences of audiences will guide editorial policies. This optimism regarding the liberalization of the media markets was contagious among media scholars and experts in the region. Markets were viewed uncritically from an ‘official’ western perspective as symbiotically linked to political democracy. In evaluating the decade of ‘independence’ Peruško observes that:
...the media system in the country was still out of step with the expected democratic and market principles of media operation in modern society. ... Democracy and the market presuppose not only a well-ordered legislative framework but also a certain amount of internalized political culture which includes an a-priori respect for democratic political values (1999:169).

She states that the Croatian media system ought to be “compatible with the European democratic tradition and market economy” (Peruško, 1999:170). However, what McChesney (2013) calls the free market ‘catechism’ was (and still is) a part of the hegemonic discourse which vilifies the state as corrupt, expensive and ineffective. From this perspective, Malović writes about state ownership as the main shortcoming of Croatia’s the media system:

The Croatian Mass Media Ownership overview of May 1999 clearly indicated that the Government owned all influential media...In December 2003 the situation was better, but the Government still owned 82 different media companies. ... This is a clear case of cross ownership and media concentration. No other publicly known media owner has managed to achieve such cross-ownership (2004:132).

According to him, the media’s strong political affiliations in Croatia have resulted in “the lack of independent, balanced and impartial reporting” (Malović, 2004:135). Malović counterposes state/public ownership against private ownership, ignoring the fact that the former can be required to display a higher level of responsibility and transparency and be publicly accountable to citizens.

Even in rare cases where more market agendas were advanced with caution, political power was the central concern and viewed as the main threat to independent media. In analyzing the Southeast European media systems, Splichal argues that the establishment of “political capitalism” has created “paternalist commercialism” in the media, with the state (government) often acting both as a political and economic actor (2000:16). However, Splichal expresses his doubt that a free market economy will resolve this problem: “The absence of a market economy makes the media politically dependent, but the opposite does not hold true: a market economy cannot guarantee political autonomy media” (2000: 16). He is also cautious about the “uncritical imitation of democratic institutions developed in older democracies” which he sees as a “risky business” especially in regards to the processes of privatization (Splichal, 2000:15).

The supposed affinity between democracy as a political system and the market economy is reflected in Social Responsibility Theory, developed in the United States by Siebert, Peterson and Schram as early as 1956. In this context, the role of the media in democracies is to serve the public interest and to enhance the democratic potentials of a society through dissemination of information and by fostering participation. However, media are also subjected to the rules of the market and the private enterprise system by which independence from political power is secured. Thus, media are viewed both as a commodity exchangeable on the market and as a public good. The theory has been further developed throughout the decades. Denis McQuail (1987) defines the main principles of Social Responsibility Theory as the fulfillment of obligations to society, journalist’s professional standards, self-regulation as a guiding principle, and pluralism as an expression of society’s diversity. However, the core remains the same: market competition (i.e. freedom) can co-exist with state regulation (media obligations to society), and a compromise can be made between media freedom and media control. The media themselves are supposed to develop professional journalism standards and to operate in a responsible manner through self-regulatory mechanisms. A mixed model of public service media and private commercial media is defined as the normative ideal. In the following pages,
I argue that this mixed model of news media (by which I primarily mean press, radio, television and news portals) has proved unsustainable in Southeast Europe generally and Croatia in particular. This region confronts fundamental problems that are, I suspect, also central to media systems in western democracies: hyper-commercialization of media and commodification of journalism.

**Sketching out the context: ‘civilizing’ Southeast Europe**

Over the last two and a half decades, the abrupt structural changes in Southeast Europe have created a peculiar setting. Elements of the former state socialist system were interconnected with newly established forms of liberal democracy. The situation was complicated by inter-ethnic warfare and the rise of new authoritarian regimes. In Croatia the old regime was replaced by the nationalist authoritarian rule of Franjo Tuđman. Both eras were characterized by extensive state control and institutional regulation. This does not mean that socialism - in its Yugoslavian form - and the nationalism which succeeded it can be equated. However, in both cases extensive state power affected the social sense of ‘self’ and suppressed various forms of individual action, as evidenced by the lack of grassroots activities and a generally weak civil society. A specific feature of post-socialist states is that they faced simultaneously a late process of democratization, as well as political-economic pressures from the prevailing global order. Democratization processes entailed the establishment of new institutions that emulated ‘old’ democracies (most notably western European countries) and their value priorities, namely, individualism, free market economy, commitment to human rights, multiculturalism, and freedom of speech.

- These developments had noticeable repercussions for the performance of the media in Southeast Europe. Along with the frequent adjustment to European regulation, the media landscape is still struggling with path dependent problems associated with transition from the socialist system to liberal democracy. However, cultural specificities and historical factors also influence the operation of media systems in the region. The research conducted by Hallin and Mancini (2004) which proposed three media models in Europe based on four indicators - political parallelism, media markets, professionalization of journalism and the role of the state - did not include former socialist states. However, the polarized-pluralist model incorporating Mediterranean countries (France, Greece, Italy, Portugal and Spain) can to a certain degree be applied to Southeast Europe. The features that are specific to the countries in the latter region can be summarized as follows:

- In a wider historical context: a late development of liberal institutions and political democracy; persistence of landholding elites; strong influence of the church; weak development of markets and industries (only developed after World War Two in the Socialist Federative Republic of Yugoslavia); and weak development of the bourgeoisie and an urban working class since the 1950s and 1960s.

- The media emerged from the political sphere and literary circles. Press circulation was low, urgent political matters pervaded the media domain, and state influence remained persistent. Frequent state interventions in the media system under different regimes hindered the development of professional journalism as practised in western democracies and pressured critically oriented news media [1]. Formal journalism education originating in the 1970s was only weakly developed.

- The state authoritarian heritage was immediately followed by savage deregulation and uncontrolled privatization of media in the 1990s. The financial capacity of the state to
develop media institutions was limited. Media regulation formally adhered to the values of serving the public interest but in practice this was compromised by clientelism and corruption, minimal public access to official information, and vertical processes of political communication.

- In the contemporary context of journalism, the common features are: weak professional organizations, limited consensus on journalistic standards, and the low prestige of educational institutions teaching this subject.

While there are different national media systems in Southeast Europe, there are major similarities in terms of developmental trends. The publication *Media Integrity matters – Reclaiming Public Service Values in Media and Journalism* (Petković, 2014) includes country reports from Albania, Bosnia and Herzegovina, Croatia, Serbia and Macedonia (based on research conducted in 2013). The development of media policy from 2000 onwards occurred either as a response to media industry development, or in the context of European Union integration. Media policy strategies were not developed consistently, nor were they based on the empirical analysis of media environments. Instead, media laws from EU countries were copy-pasted as a part of the integration process and then mostly ignored in terms of implementation. In addition, frequent changes of regulation and rules made it hard to follow the provisions, since they were in constant flux. Regulatory bodies lacked expertise and independence since their members were mainly nominated through political bargaining. There has been scarce regulation of print media while the focus has been placed on broadcasting. Market competition has been the main objective; media concentration is minimally regulated and hardly ever enforced. In addition, media finances are non-transparent, the social rights of journalists and other media workers are largely ignored, and their working conditions are precarious. The quality of media content is disturbingly low and public interest as a media policy principle is set aside (Petković, 2014.)

Media systems in the region are primarily influenced by institutions, such as the Council of Europe, the European Commission, and the Organization for Security and Co-operation in Europe (OSCE), which assist in shaping policies through 'expertise' and different modes of funding. Political actors, such as government, parties and ministries, shape the policies and influence media landscapes through financing models (e.g. state/public ownership, state advertising, subsidies and other funding). Market players in the media industry usually argue against any regulation; they respond quickly to technology developments and favour liberalization of advertising, but frequently ignore media workers’ rights and content quality safeguards. In contrast, civil society organizations and professional associations advocate for the public interest and take part in the formation of policies (depending on political institutions). However these groupings remain weak compared to state and economic power structures. It is quite clear that there are political-clientelistic and corrupt links between powerful political and economic actors. Irrespective of the increased regulation of the media systems (as a part of EU accession processes), media performance seems not to have improved over the last decade.

**The Croatian media system [2]**

**Media policy and regulation**

As mentioned, the role of the state in shaping media policies has been confined to the creation of a market-friendly environment. This was an easy option to take bearing in mind the vilification of previous regimes for dominating the media landscape. The idea promoted by the international
community of a ‘free and independent media’, really meant the opening up of opportunities for commercial market players. Political elites that were used to operating in a system of state control were expected to allow for new elites to emerge from the business sector. Consequently, media policy was formally defined in accordance with the principles of Social Responsibility Theory; free market competition, transparency of media operation, self-regulatory mechanisms, promotion of pluralism, journalist rights, and sustaining strong public service media. However, the ‘withdrawal’ of the state meant that it failed to implement the defined rules and provisions. Meanwhile, different political actors remained a source of pressure on the media at the local level and, occasionally, on the PSB Croatian Radio-television. Accommodating the private interests of commercial players was visible on different levels. Media concentrations flourished regardless of regulatory provisions, especially in the press market and the press distribution market (Popović, 2014). The state provided funding for media operating at regional and local levels, regardless of the type of ownership, in order to promote pluralism and public interest content; however, there was no attempt to monitor the way in which public funds were spent [3]. Value Added Tax was lowered in 2007, and in 2013 for press media (all of which were in private ownership and of very low quality); the PSB Croatian Radio-television faced restrictions on advertising (2010) in order to make room for commercial players, and they had to outsource 15% of their annual programme budget for European audiovisual work of independent producers. Half of the budget had to be allocated to domestic production (in the Croatian language). Thus, analysis of media policy regulation and implementation provides plenty of evidence to show that the state, in the context of EU accession, has enhanced the media environment for commercial media. In the process, a symbiosis between economic power structures and political power has been forged.

**Media ownership and financial sustainability**

Complete privatization of the press had occurred by the end of the 1990s; major international corporations entered from 2000 onwards. The largest were the Styria, WAZ and CME group (present on seven markets in the region and in the majority ownership of Time Warner), Bertelsmann Gruppe RTL (one of the biggest production companies in Europe), and Deutsche Telecom. State owned media were renamed public service media (Croatian Radio-television) while small critically oriented media had difficulty coping with the new commercial competition in media markets.

After the collapse of state socialism in the 1990s, international donors played a major role in financing media that had opted for democratization of society. With their withdrawal from the region the most important critically oriented media were left to the mercy of the market – meaning that they were doomed to disappear – not only because of small audiences, but also because of lawsuits and boycotts from advertisers that did not want to be associated with such content. A case in point is the satirical weekly Feral Tribune that was shut down in 2008 [4].

In the contemporary media landscape, financing derives from few sources, depending on ownership structure. These are: advertising and sponsorship; local, regional and state subsidies; VAT revenue; donations; plus sales and/or circulation. The financial crisis in Croatia resulted not only from the global crisis in 2008, but also because of inefficient economic strategies and corrupt practices on all political levels following the post-1989 transition. The media generally are in a difficult position since their sources of income have decreased, something that creates problems throughout all media sectors (private, public, and civil society).
While the state still has an important role in financing the media, especially public service media and local and regional media (through the Fund for Pluralism), advertising is the main source of income. Data from 2013 shows that the consumer goods sector is the largest advertiser, followed by telecommunications, personal hygiene products, and the pharmaceutical industry. The largest advertisers are two domestic corporations, Agrokor and Podravka grupa, while foreign corporations important in the advertising industry are T-Croatian Telekom, Henkel, VIP, L’Oreal, Ferrero, Procter&Gamble, Tele2, and Zagrebacka pivovara [5].

Advertising income for all media platforms has declined since the 2008 financial crisis (except for the Internet, which has generated increasing revenue compared to previous years). Television is still the media institution which generates the most advertising revenue, followed by the press, radio, and internet [6]. In addition, the fragmentation of audiences and the proliferation of multiple channels divide advertising expenditure among a higher number of potential beneficiaries. The advertising industry has to a large extent come to shape the type of content created for audiences in different market niches.

The proliferation of profit oriented, advertising focused commercial media perpetuates the structural power of large corporations since the media depends on them and must respond to their demands. Corporations also influence media content because they do not want their products or services to be associated with any controversy. Media organizations thus produce content and organize programme schedules to serve the tastes of many, which usually results in sameness of output. Additionally, audiences are ‘sold’ to advertisers as niches, preferably affluent ones, while less privileged groups are marginalized (Curran et al., 2009). Furthermore, advertising normalizes consumption as a way of life and has a crucial role in creating a promotional culture (Wernick, 2009).

Commercial media that base their operations on advertising are defined as market players, while their public role is set aside. This results in the ‘dumbing down’ of media content as the main concern is financial sustainability and profit. As mentioned, this primary goal also affects content since profit oriented commercial media promote a specific type of social relations in which individual entrepreneurship, market competition and private interests are depicted as the natural and best possible mode of operation. A vivid example from the Croatian media landscape is visible in the case of the commercial daily Jutarnji list, until recently (2014) owned by WAZ and EPH [7]. The daily has in recent years published a series of articles attacking public health care services as well as public higher education institutions. At the same time, the company has been directly engaged in the private health care business and has made an attempt to enter the higher educational market in Croatia (Popovic, 2014). Thus, there is a clear-cut connection between the interests of media proprietors and the framing of media content.

Marketing and public relations agencies, advertisers, as well as banks that are creditors of numerous media outlets, are growing in influence, but have not yet been included in regulatory provisions. Thus, unregulated pressures emanate from actors that have no tangible connection to media organizations and for the usual proprietor-editor-journalist hierarchy.

These developments shape the role of the media and narrow the space for mediated public debates. Censorship and self-censorship guide the editorial policies of media organizations which are embedded in a complex setting of profit imperatives, commercial fragility of media outlets, and interpersonal connections with political and economic power structures. In this context, independent, alternative and critical discourses are difficult to maintain.
Self-regulation

One aspect of Social Responsibility Theory is self-regulation. In order to ensure a balance between free market competition and state intervention, the media are expected to develop self-regulatory mechanisms to reduce pressures from powerful interest groups and, especially, the government. As stated in the Online Media Self-Regulation Guidebook: “…where media freedom is guaranteed, self-regulation can help preserve the independence of media and protect it from government interference” (OSCE, 2013:5). Self-regulation is supposed to ensure responsible and professional journalistic practices and allow media organizations to serve the public interest. This implies that media workers should define editorial guidelines and facilitate an open communication channel between the media and the public. However, this means that vertical hierarchies that exist within the media (visible in the goals of media proprietors, editors and journalists) are overlooked. It also assumes that all media, regardless of ownership structure, have the same goal – that is to be responsible and serve the public interest independently of profit interests. It is not quite clear why anyone should expect commercial media to implement a mode of operation different from market players engaged in other sectors. A short glance at actual media practices shows that this is either a naïve assumption or a way to obfuscate existing power relations.

Self-regulation from within media organizations is practically non-existent in Croatia for several reasons. The Media Act (Article 26) stipulates that the relationship among media owners, editors-in-chief and journalists be regulated by media statutes. However, the majority of media outlets have completely ignored this clear provision without any legal repercussions, which perpetuates the everyday practices of both media organizations and media regulators. In addition, the position of journalists in the labour market is precarious, the number of unemployed journalists is rising, and they are fearful of demanding rights and pursuing goals that might antagonize media proprietors/editors. In this context, hierarchical structures are not questioned and a vertical unidirectional mode of communication predominates.

In sum, self-regulation could be interpreted in a twofold way. If self-regulation means allocating power to the journalists and creative staff within a media organization in order for them to advance professional standards, it is surely a worthy goal. However, this scenario is unlikely to develop in media that are owned by private proprietors who regularly marginalize workers. Thus, it seems as if self-regulation is only a signifier within the discourse of a liberal market economy that justifies deregulation. The idea of ‘empowerment from below’ and the supposed ‘independence’ from state interference are neatly conflated with the commercial interests that guide the operation of media. Institutional constraints that journalists face are ignored. Furthermore, overlooked is the fact that in democratic systems the state is ‘owned’ by the public, and should accordingly work in the public interest.

Media content, diversity and pluralism?

During the 1990s, privatization and commercialization of media promised to resolve the problem of state control and to ensure a media landscape that would reflect the diversity and complexity of society. New technologies facilitated the spread of media outlets, accelerated the production of content, and opened up opportunities for audiences to participate in various modes of consumption as well as in the production of media content. This has altered the practices performed within media organizations, depending on the platform in question. This complex and fast changing environment forces the actors involved in the media practices to simultaneously master multiple challenges on
various levels, which consequently lowers the ethical norms of the profession and diminishes the media’s democratic role.

In Croatia’s completely privatized press, there is no broadsheet newspaper. The last one, the daily Vjesnik, was shut down by the Government in 2012. The leading daily, 24 hours [8], is a tabloid, and Vecernji list and Jutarnji list are half-tabloids. Their content and form has changed in the last decade and includes crime stories, celebrity coverage, and advertising to a large extent. Academic research shows that professional standards in the media are low. In an analysis of Croatian dailies, Vilović (2010) shows that right-of-reply articles are rarely published by the editors. Majstorovic (2010) analyzed front page articles in the Vecernji list and Jutarnji list dailies and found that ethical norms were frequently breached especially in articles covering domestic politics, while sensationalist reporting was a clearly visible trend. Vlainić (2012) focuses on the representation of children in the Jutarnji list and Vecernji list, and argues firstly that children as a topic are marginalized, and secondly that ethical norms concerning children-related stories are frequently breached. Right to privacy is not respected while the exploitation of emotional pain was present in some stories.

The research conducted by Benković and Balabanić (2009) on web portals with the highest usage - net.hr, index.hr and tportal.hr - showed that, overall, their content was dominated by commercially-driven entertainment rather than issues of public concern. As with the tabloid press, most content on these portals is constructed for younger people and concerns stories to do with show business (22.35%), sports (15.61%) and crime (11%). Topics covering economy, science, religion, social issues and civil society activities are marginalized. On the other hand, the internet as a platform enables the proliferation of quality content including investigative journalism, albeit with a marginal readership and constant financial insecurities.

Radio stations mainly broadcast mainstream music and provide entertainment formats designed to ‘cheer up’ the listeners. According to research conducted by Mirković and Zagar (2013) most stations are connected to radio networks and, in order to cut expenses, they use the same news production company, resulting in uniform content [9]. PSB Croatian Radio 3 is one of the rare programmes with diverse offerings including interesting roundtable discussions, radio-dramas, news bulletins and music genres that do not follow popular taste imperatives. Internet radio stations also specialize in particular music genres, however their reach is unknown.

Television provides entertainment content in the form of soap opera, quiz shows and, especially, talent shows. To cope with the competition, PSB - despite their public service role – mimics commercial television. However, PSB, as expected, takes the lead in fulfilling the media’s public role. Across television channels with national reach, PSB offers the highest percentage of news programmes, followed by commercial NOVA TV and, lastly, RTL TV [10]. Commercial television broadcasts more news entertainment magazines; RTL is in the lead, followed by NOVA TV and, lastly, PSB channels. The latter’s coverage of issues to do with civil society activities, children and youth, disabled people, retired citizens, ethnic or religious minorities, nongovernmental organizations, asylum seekers, gender rights, sexual minorities rights – again confirms the distinctiveness of PSB. Across all television networks, the time devoted to the above mentioned issues can be listed as follows: HTV 1 – 16.85%; HTV 2 – 15.10%; NOVA TV - 6.21%; and RTL TV - 3.36% [11].

Journalists on journalism in Croatia

Journalism as a profession has changed significantly in the last few decades. The role of journalists varies depending on their position within given media hierarchies, the type of ownership structure
and the size of the media organization within which they work, the technological platform they use, and the theme(s) they cover. However, most journalists are in a precarious working position, with short term contracts that generate insecurity and a low level of autonomy, while production processes are often reduced to technical tasks. These conditions are related to broader processes such as commercialization and privatization of media, fast technological changes, and changing conditions in the labour market. Needless to say, this has serious repercussions for the quality of journalistic work and media performance in general. Light entertainment, infotainment, and celebrity are the main narrative forms. In addition, representations of crime emphasizing individual risk and insecurity permeate the dominant media. To explain the current state of journalism in Croatia, journalists based in Zagreb were organized into three focus group discussions to share their everyday work experiences and perceptions of the general media environment [12].

**External Pressures**

According to journalists participating in the focus groups, media operations in Croatia are dominated by economic and political interests. Large advertising agencies were viewed as the main source of pressure on media content. Commercial media (especially press and television) were regarded as the most self-censuring; advertisers and marketing agencies overtly threaten to withdraw their business if something they consider inconvenient is published or aired.

Large commercial media were mostly criticized for their lack of investigative journalism and for breaching ethical codes. Much of the information they provided was seen to be in the interest of the media proprietors and other powerful social actors. Journalists in commercially driven media with insecure contracts resorted to the cheapest form of production and were not in a position to cover controversial topics. In this sector it was impossible to write about certain topics (i.e. workers' rights, the influence of powerful business elites). Also noted was a polarization of salaries among journalists; the few with enormous honoraria contrasted with the majority of 'dust cleaners' – mostly young and inexperienced and exploited by editors and owners.

Political pressures were mainly associated with public service media, in which governments remained influential through the nomination of PSB leaders. The rise of public relations material was also noted; journalists were usually obliged to publish or air such packages intact, without question.

Focus group participants noted that media owners and editors traded information depending on particular interests. According to their testimonies, it was not uncommon for journalists to be offered bribes for framing a story in a particular way in accordance with the needs of ‘clients’. It was also pointed out that journalists covering the area of business and economy were routinely offered gifts, suppers, and paid trips.

**Hierarchical Structures**

Editors and media proprietors were viewed as a power bloc in contradistinction to journalists. In contemporary Croatian media, editors define the headlines and shape the content and framing of a story (including the sources that need to be cited in order to corroborate the position they want to construct and support). Nostalgia was expressed for a past hierarchical order in which older colleagues would mentor the work of younger journalists. By contrast, contemporary editors were often depicted as professionally incompetent and working in the interests of the media owner against journalistic understandings of professional standards and media integrity. The incompetence of editors was seen as the result of the fact that journalists could not influence the appointment of editors.
It was pointed out, especially with regard to corporate media, that journalists who demanded their rights were frequently marginalized, while those who were pragmatic and quietly doing as they were told benefited most. Journalists consented to this state of affairs because of the labour market; there are only a limited number of media in Croatia and the number of unemployed journalists is rising. Within media production systems, good journalists with experience were not welcomed since they could not be easily influenced. Instead, young journalists with little experience were often required to carry out the orders of the editors.

Croatian media can be divided according to sector and source of income. Commercial media, public service media, and civil society or third sector media were differently evaluated by the journalists participating in the discussion. Third sector media were seen to have the most freedom of expression and they could be critically oriented. However, such media faced problems of financial sustainability, small salaries for staff, and weak legal protection (for any prospective defense of critically oriented content). Public service media were viewed as the most pressured from political power structures and to have the closest connections between high level staff and government elites. PSB was also viewed as a potential source of corruption, and vulnerable to expenditure cuts. Managers and producers were taking over the head roles rather than editors. The perceived strengths of PSB were financial stability, insulation from advertisers, and capacity to fulfill the ‘watchdog’ function and pursue investigative journalism. Focus group participants described commercial media as having one strength only – strong legal teams. However, their ascribed weaknesses were considerable. They included precarious working conditions, prohibition on union representation, speed of production, scarcity of staff, and huge differences in salaries. Also criticized were the power of advertisers, non-respect for the provisions of the concession contracts (TV and radio) and cheap production. These also affected professional standards: frequent breaches of journalism ethics were noted as were exploitation of young journalists and occasional censorship on particular themes. More frequently, indirect censorship resulted from the insistence on entertainment formats at the expense of serious journalism. Furthermore, there was no sharing of information among journalists because of competition and copyright limitations.

The Audiences

As the Croatian media environment has deteriorated, the main status quo defense has been that audiences are receiving what they want. Audiences have been conceptualized differently by media scholars, but regardless of the concept used - ‘the public’, ‘masses’, ‘audiences’, ‘consumers’, ‘users’ – they are central to the analysis of media systems. Media policies are normatively developed to ensure that the media operates in the 'public interest'; media markets are partially defined according to audience reach; advertisers and marketing agencies make their decisions based on audience ratings that include data on niche socio-demographics; and media content is created by producers based on their idea about the audience’s preferences. Finally, professional journalists are supposed to work in the public interest.

Audiences are central, irrespective of whether they are ascribed agency or passivity. In the first case, the audiences can be viewed as co-producing the system, and in the latter as a means to reproduce it from ‘above’. In the last few decades concepts such as ‘active audiences’, ‘participation’, ‘creativity’ and ‘interaction’ have become pivotal in media theory and research. They all imply a vision of active human subjects. Such research focuses on the micro-power, tactics and resistance strategies available to ordinary members of the audience. The bastions of power (i.e. government elites, corporations) have been somewhat neglected. This is also visible in the field of media policy.
where media literacy has emerged as a desirable ideal because it implies a distribution of knowledge to all members of society so that they can critically evaluate the media. This is surely necessary; however the implication is that consumers/users must be individually responsible. In the case of Croatia, the responsibility of media institutions themselves is left aside. Consequently, free market logic rather than the principle of democratic empowerment prevails (consumers capable of critical evaluation will be able to make rational decisions about what to consume). This basic assumption conceals the fact that knowledge is unevenly distributed, and that parallel to the processes of ‘educating the powerless’ mechanisms should be found to scrutinize the activities of powerful social actors. Research in this area could be followed by changes in media policy. This also means an acknowledgement of class and social stratification should inform all aspects of media research. If one is to advance community cohesion, civil society activism, political inclusiveness, and individual creativity, it is important to consider the habits of passivity and disengagement as well in order to better understand the way people engage with media and texts in everyday life. This kind of research should be conducted without a pre-constructed agenda for the purpose of understanding the linkages between inequality and (dis)engagement. Unfortunately, empirical audience research that might reveal the way audiences position themselves and respond to powerful actors in the media system is lacking in Croatia. The dominant approach is based on quantitative methodology as exemplified by audience ratings. This only takes into consideration how many and who belong to given media audiences and does not ask why audience members like or dislike certain types of form or content, or how they use media in their everyday life.

**Conclusion**

The optimism regarding the market economy that emerged with the fall of state socialism in Croatia was inextricably linked to the ideal of democracy as a political system. It still is, and the idea of their inseparability still appears as natural – which is the best indicator of ideology at work. The claim of Social Responsibility Theory that media can fulfil their function to serve the public interest while at the same time facilitating the market exchange of goods has proven to be wrong. In contrast to the pluralist media landscape that the mixed model promises, the profit logic of commercial media has prevailed. However, due to the strength of the ‘market catechism’ (McChesney, 2013), the very idea of institutional change is linked to the assumptions of media self-regulation or media literacy; both are ambivalent in their meaning and practical outcome. They can be viewed (and are often presented) as empowering strategies but they are also discursive, deflecting responsibility away from government decision makers.

Media outlets in Croatia that provide quality content (critical, analytical, public service oriented) are those in which journalists have sustained a level of autonomy and security of employment such that they do not depend on advertisers and the market. Thus the structural position of the media to a certain extent determines the type of content they provide. In this respect it seems pivotal to preserve PSB and further strengthen alternative types of media ownership emerging in the civil society or third sector. This priority was also evident from journalists’ evaluations of the media environment. Obviously, constant battles for profit and financial sustainability among media organizations overruled their public interest obligations.

The changes that emerged with commercialization and privatization of the media landscape in Southeast Europe have hindered the media’s capacity to operate in accordance with their public role in democracies. Various interconnected elements of the media system reflect this - media policy,
media ownership and finances, media self-regulation, media content, journalism as a profession, and media audiences. Whether or not the specific impact of commercialization and privatization on media systems in Southeast Europe and Croatia has parallels elsewhere can be argued. In the case explored here, however, it seems that major institutional changes are necessary if we want to advance the public role of the media. This will necessarily require ‘de-naturalizing’ the assumption that such a change is possible without ‘de-naturalizing’ the dominance of private commercial media.

**Author Bio**

Helena Popović is an Associate Professor at the Faculty of Political Science, University of Zagreb, Croatia. She holds a PhD in Media and Communication Studies from the University of Ljubljana, Slovenia. Her major research interests include political economy of the media, media audiences and media entertainment.

**Endnotes**


[2] Some parts of this article emerged as a result of research associated with Southeast European Media Observatory: Building Capacities and Coalitions for Monitoring Media Integrity and Advancing Media Reforms. This was coordinated by the Peace Institute, Ljubljana, and, in Croatia, the Centre for Investigative Journalism (2012-2014) (http://mediaobservatory.net/about).

[3] The Fund for Pluralism is regulated by the Electronic Media Act (Article 64) and the Croatian Radio-television Act (Article 35). They stipulate that three per cent of the PSB monthly license fee income has to be allocated to the Fund. The Fund allocates around €4,200,000 annually for radio and television, operating on local and regional levels. It also assists audiovisual and radio programmes of nonprofit media and, since 2013, electronic publications such as news portals. The Fund supports public interest content as well as the media employment of workers with higher education. In this way, electronic media are partially supported by public funding regardless of their ownership structure (commercial, public third sector/civil society).


Until recently (mid 2014) owned by tycoon Miroslav Pavic, and now in the ownership of Marijan Hanzekovic.

Source: Evidencija izdanih potvrda o upisu u upisnik HGK o izdavanju i distribuciji tiska (Evidence of licensed press publishers and distributors), Croatian Chamber of Economy, Industry Sector, 10 December 2013.


PSB HTV 1 has 26.62%, PSB HTV 2, 3.21%, Nova TV, 13.50% and RTL TV 12.78%.

Source: Ipsos Puls, Mediahub and AGB Nielsen, Analiza TV trzista (Analysis of the tv market), AEM, 2013.

The three focus groups were assembled as part of a project entitled Southeast European Media Observatory: Building Capacities and Coalitions for Monitoring Media Integrity and Advancing Media Reforms. This was coordinated by the Peace Institute, Ljubljana, and in Croatia, the Centre for Investigative Journalism (2012-2014) (http://mediaobservatory.net/about). The focus groups were loosely organized according to the type of media sector within which the journalists worked: the third sector - small critically oriented media (mainly but not limited to civil society associations), commercial media, and public service media. They were conducted in November, 2013, in Zagreb, Croatia. The third sector media focus group had seven members, two female and five male; the commercial media focus group had six members, one male and five female; and the PSB media focus group had five members, two male and three female.

References


