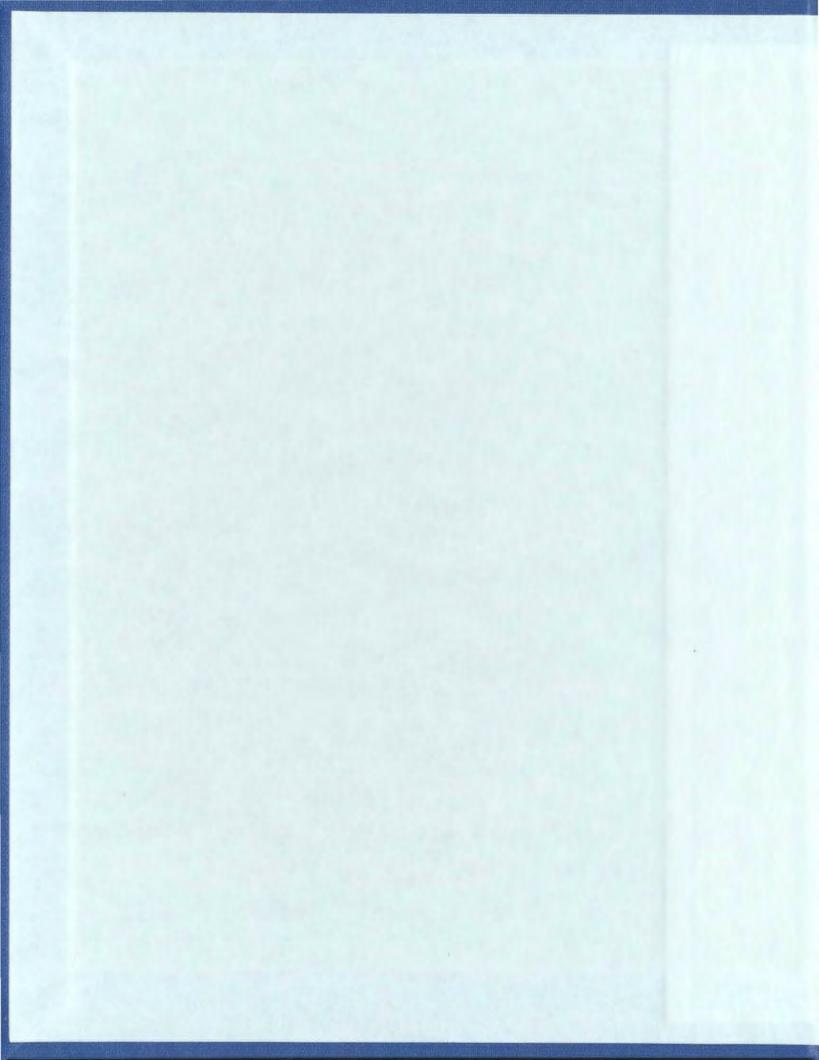
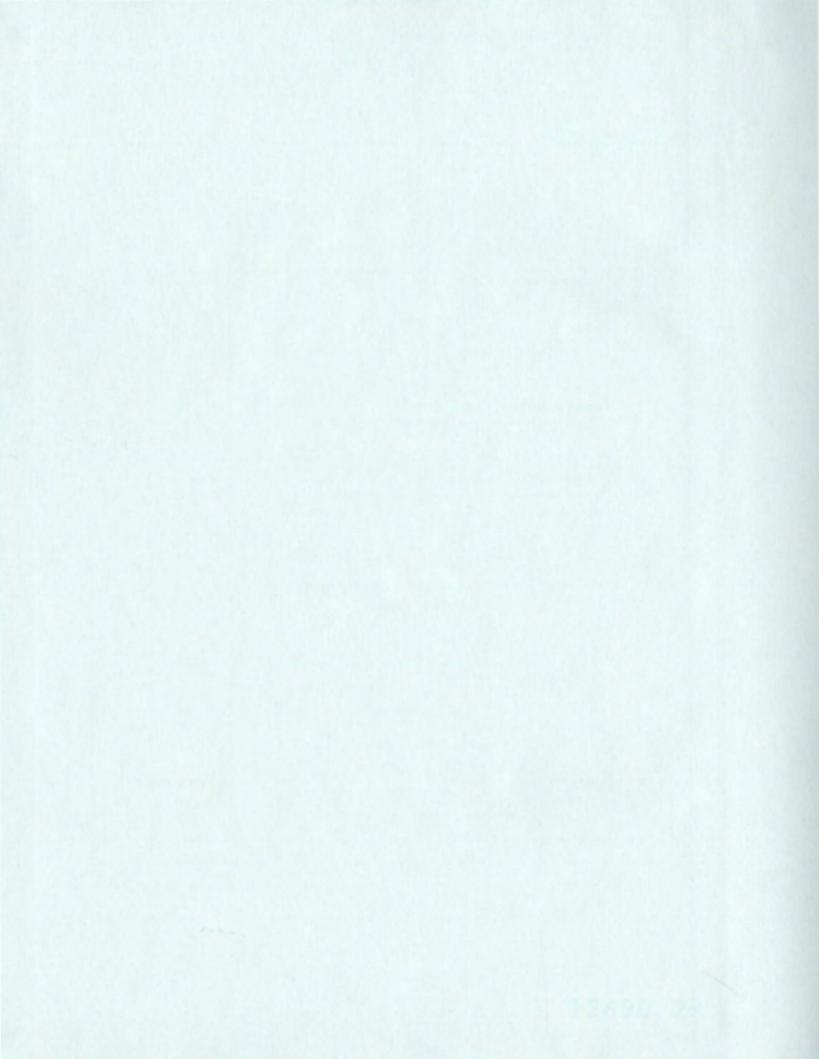
THE POLITICS OF CROATIA'S EU ACCESSION

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# THE POLITICS OF CROATIA'S

# **EU ACCESSION**

by

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## Abstract

This study first offers a brief overview of Croatian history and political developments from the disintegration of Yugoslavia to Croatia's decision to apply for EU membership. It then explores the question of why the Croatian Government decided to apply for EU membership. Finally, it examines the opinions of the civil sector and public regarding joining the EU. The conclusions of this thesis are that the Croatian Government's main reason for wishing to join the EU has to do with identity and security, while the civil sector and the general public are primarily driven by economic considerations and the prospect of socio-cultural benefits.

# Dedication

For my family.

"We all grow up with the weight of history on us. Our ancestors dwell in the attics of our brains as they do in the spiralling chains of knowledge hidden in every cell of our bodies."

Shirley Abbott

## Acknowledgments

I wish to thank my supervisor, Dr. Osvaldo Croci, for his guidance and encouragement. He enabled me to successfully conclude this work despite numerous family obligations and responsibilities. Also, I am indebted to Helen Knapman for her assistance with the administrative end of finishing an MA.

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# List of Abbreviations

AFIA	Agriculture and Food Industry Association
CAP	Common Agricultural Policy
CDU	Croatian Democratic Union
CEFTA	Central European Free Trade Agreement
CFG	Croatian Fishermen Guild
CFU	Croatian Farmers Union
CRP	Croatian Roma Party
EAFRD	European Agricultural Fund for Rural Development
EAGF	European Agricultural Guarantee Fund
ECSC	European Coal and Steel Community
ENP	European Neighbourhood Policy
EU	European Union
HSS	Hrvatska Seljacka Stranka - Croatian Peasant Party
HTV	Hrvatska televizija – Croatian Television
ICTY	International Court Tribunal for the former Yugoslavia
IDSP	Independent Democratic Serb Party
IMF	International Monetary Fund
NATO	North Atlantic Treaty Organization
PASB	Peasant's Association of Slavonia and Baranja
PDAC	Party of Democratic Action Croatia
PFEB	Protected Fishing and Ecological Belt

- SAA Stabilization and Association Agreement
- SDP Social Democratic Party
- UN United Nations
- WNIS Western Newly Independent States
- WTO World Trade Organization

### **CHAPTER 1**

#### Introduction

The end of communism in 1989 signalled a new era for the countries of Eastern Europe. Most Eastern European states quickly implemented democratic models of government, completed privatization of previously state-owned enterprises and opened up their national markets. The break-up of the former Yugoslavia initially slowed down its liberalization process, but the drive to join the European Union (EU) and the fundamental need for the newly formed states to cooperate to solve common problems overcame these early difficulties. By absorbing the Western Balkan region, the EU is trying to provide the framework for further cooperation among these countries. By doing so, the EU is helping transform the states of the region from communist regimes to functioning democracies, by promoting peace, stability, prosperity, human rights and the rule of law.

By joining the EU, Croatia will be included in the map of a new Europe. The country is adjusting its political and economic institutions, aligning its legislation with the *acquis communautaire* and raising public awareness regarding the EU and the accession process itself. In order to join, the country needs to launch a series of comprehensive internal reforms to implement sometimes-painful political, economic, institutional and legal adjustments that will irreversibly change Croatia's socio-economic and political landscape. Therefore, one may ask why any country would choose the demanding and costly path that is the accession process and subject its people to a series of enormous socio-economic and political adjustments.

The Croatian government's application for EU membership was primarily driven by Croatia's need to confirm its European identity, to embrace Western values and to strive to become a liberal democracy. Croatia is also seeking security and wants to enter the EU collective peace system. Since the country is geographically positioned in one of the most turbulent parts of the world, Croatia is trying to protect itself from various external and internal socio-political and economic pressures and military challenges. As for Croatian civil society, the rationale for wishing to join has largely to do with the economic and socio-cultural benefits of EU membership. Croatian socio-economic progress looks almost guaranteed with accession to the EU, its market and the global trading system. If we disregard for a moment the rifts between transitional winners and losers, the liberalization of goods, services and labour among the Western Balkan countries and the consequent transformation of their industries and patterns of trade should have positive long-term effects. Moreover, by signing the Bologna Declaration, at the meeting of ministers in charge of higher education in Prague in 2001, Croatia has promised to adjust its system of higher education to guarantee quality education to all Croatians, thus ensuring the competitiveness of its human resources. The transfer of cultural mores, values, governance know-how and technical skills is an important part of the accession benefits, as these play the role of motivators.

For this reason, independence, for Croatia, means its return to Europe. It is also a historic confirmation of Croatia's European identity. The European Union itself is a world of clear intentions: protection of democratic principles and human rights, spreading of freedom, security and law for all

citizens, preservation of linguistic and cultural differences, and economic development founded on shared knowledge.<sup>1</sup>

#### 1.1 Political Developments Since the War of Independence

In the 1980s, the Eastern European communist states were facing serious political problems. People were losing their trust and interest in socialism, as the charm of democracy and free market capitalism was growing stronger. Yugoslavia, characterized and propelled by workers' self-management, was, in that regard, no different than the rest of the countries of the then-communist bloc. More prosperous Slovenia and Croatia were calling for free democratic elections and, ultimately, for separation from the rest of Yugoslavia, while Serbia, and its former leader, Slobodan Milošević, were calling for the increased centralization of Serbia's two autonomous provinces of Vojvodina and Kosovo. The crumbling of communist ideology was fuelling the rise of ethnic and religious nationalism among various groups in Yugoslavia. Calls for the self-determination of Yugoslav republics and provinces were overlapping with calls for the unity of Yugoslavia. The growing ethnic feuds and overall frustration were being used by members of the *ancien régime* for their own purposes. Members of the communist nomenklatura, who were keen to maintain power, became fervent nationalists and "guardians" of their respective ethnic and religious groups. The introduction of a democratic multi-party system signalled the end of communism, but also the widening of socio-economic, political, religious and ethnic divisions as well as escalating pressures

<sup>&</sup>lt;sup>1</sup> A statement by Antun Mahnić, a political *attaché* with the Croatian Embassy in Ottawa, Canada, and a representative of the Ministry of Foreign Affairs and European Integration. Interview with the author, 19/02/2009.

and irreconcilable demands. Newly-formed political parties were fashioned exclusively around ethnic and religious lines.

Franjo Tuđman, a former Yugoslav People's Army general grown political dissident, exploited the opportunity which arose from the volatile socio-economic and political conditions caused by the fall of communism in Eastern Europe. With the financial help of the Croatian diaspora. Tudman founded the ultra-nationalist Croatian Democratic Union (CDU) in 1989. At the first multi-party national election, the CDU won with an overwhelming majority and Franjo Tuđman became Croatia's first president, a post he held in a tight grip until his death in December 1999. Immediately following the elections, the newly formed Croatian government declared Croatia's secession from the rest of Yugoslavia. The EU recognized Croatia as a sovereign state in January 1992, and in May 1992 the country was admitted to the United Nations (UN). The new Constitution of the Republic of Croatia imprudently reduced the civil status of Croatia's Serbs from "constitutive people" or a "nation" to a "minority". For Serbs, this loss of status became the main issue of contention. During the years of socialist Yugoslavia the size of a nation within a particular republic or province had been irrelevant, and so the new liberal democratic emphasis on elections and electoral numbers meant that, as Stokes claims, "members of almost every ethnic group in the former Yugoslavia suddenly became frightened that they would be permanently relegated to the status of minority, outvoted in elections, pushed out of jobs, and otherwise discriminated against."2

<sup>&</sup>lt;sup>2</sup> Gale Stokes, "From Nation to Minority: Serbs in Croatia and Bosnia at the Outbreak of the Yugoslav Wars," *Problems of Post-Communism* 52, 6 (November/December 2005): 4.

#### **1.2 Croatian War of Independence**

According to Barry R. Posen, the security dilemma is particularly intense when both sides have similar offensive and defensive military power.<sup>3</sup> However, prior to the break-up of the former Yugoslavia, inflammatory language and irresponsible actions by both sides had led to mutual mistrust and an analogous security dilemma, despite the asymmetric distribution of military power between Croats and Serbs,. Posen notes that:

...in the spring of 1990, Serbs in Croatia were redefined as a minority, rather than a constituent nation, and were asked to take a loyalty oath. Serbian police were to be replaced with Croats, as were some local Serbian officials. No offer of cultural autonomy was made at the time. These Croatian policies undoubtedly intensified Serbian fears about the future and further tempted them to exploit their military superiority.<sup>4</sup>

The Croatian challenge to the Yugoslav state was reinforced by German recognition of Croatia, which, considering the German track record in the Balkans, further incited Serbs' fears about their identity and survival.<sup>5</sup> German as well as Vatican support for an independent Croatia superficially confirmed the European origins of the Croatian identity, as opposed to that of the Orthodox Serbs and their supposedly Balkan identity. German support provided an important reason for the Croatian government to continue with its xenophobic language, which further provoked the already armed Serb paramilitary groups seeking to avenge Nazi-Croatian war crimes. German support therefore helped set off, albeit indirectly, the war in Croatia.

<sup>4</sup> Ibid., 38.

<sup>&</sup>lt;sup>3</sup> Berry R. Posen, "The Security Dilemma and Ethnic Conflict," Survival 35, 1 (Spring 1993): 28.

<sup>&</sup>lt;sup>5</sup> Ibid.

Because of Croatia's dismal treatment of ethnic Serbs during the Second World War, fear spread among Serbs that the suffering endured under the Ustaše<sup>6</sup> regime would be repeated under the extremist national government of Franjo Tuđman. Croats feared rising Serbian nationalism and potential regional hegemony in the form of a unitary Yugoslavia or a Greater Serbia. Unfortunately for both Serbs and Croats, their fears were distorted, misrepresented and eventually exploited by members of the former communist regime, who managed to maintain their authoritarianism under the guise of nationalism.

The clout of the League of Communists of Yugoslavia and the Yugoslav People's Army, the two most prominent institutions in the former Yugoslavia, although waning in the years prior to the war of the 1990s, had occasionally been wielded at all political, socio-economic and civic levels, by reinforcing processes incompatible with the sociocultural background of the Yugoslav peoples as a whole. These communists-turnednationalists were able to use fear as an instrument of manipulation, and, ultimately, of political influence and control. According to Mungiu-Pippidi, fear, and not simply intolerance, was "the greatest determinant of ethnic nationalism throughout the region."<sup>7</sup> Unlike Slovenia, the other breakaway Yugoslav republic that experienced an easy way out of Yugoslavia, Croatia's insistence on separation from Yugoslavia escalated into an all-out civil war in which approximately 12,000 people lost their lives.<sup>8</sup> Neither side had much interest in calming the situation; the Croats hoped that the escalation of the conflict

<sup>&</sup>lt;sup>6</sup> Ustaše – was a Croatian National Socialist terrorist organization which allegedly committed atrocities against Serbs, Jews and Gypsies in their pursuit of an ethnically pure Croatia during the Second World War.
<sup>7</sup> Alina Mungiu-Pippidi, Nationalism After Communism: Lessons Learned, (Budapest: CPS Books, 2004).

<sup>&</sup>lt;sup>8</sup> See Croatian Army Colonel Ivan Grujić's testimony at the trial of Croatian Serb politician Milan Martić. Available at http://www.iwpr.net/?p=tri&s=f&o=261066&apc\_state=henh (accessed 25 May 2007).

would draw attention to the Croatian cause in the West<sup>9</sup>, while the Serbs wanted to break contact with the Croat separatists and therefore looked for a way to draw the Yugoslav Army into the conflict. In short, the Serbs, encouraged by Slobodan Milošević and several hard-line Yugoslav Army officers, captured almost one third of Croatia and declared it a separate country.

Ironically, the Serbs' fears about being discriminated against, victimized and expelled from Croatia were eventually fulfilled, after they confronted the Croatian government by military instead of democratic means. The Krajina Serb paramilitary and the Yugoslav Army committed serious breaches of basic human rights in the initial phase of the war. The Croatian population suffered tremendously when the Serb paramilitary engaged in terrible atrocities and brutally expelled around 220,000 Croats from the Krajina region that was under their control.<sup>10</sup> Finally, the Croats launched two military offensives against the rebel Serbs in 1995, operations Flash and Storm, which ended the war by "cleansing" approximately 200-250,000 ethnic Serbs from Croatia.<sup>11</sup> During that period, just like many of the Serb paramilitaries at the beginning of the war, Croatian soldiers started burning houses and looting property and engaging in mass killings of

<sup>9</sup> Franjo Tudman stated on at least one occasion that Croatia had "chosen" war over peace as the only way of achieving independence. See Mile Bjelajac, Ozren Zunec, "The War in Croatia," 1991-1995, The Scholars' Initiative Confronting the Yugoslav Controversies (January 2006). Available at http://www.salzburgseminar.org/ihjr/si/si/Team 7 Full Text Report.pdf (accessed 20 May 2007).

<sup>10</sup> The return of expelled Croats is now almost completed with 218,000 returns. See The Organization for Security and Co-operation in Europe (OSCE) Mission to Croatia "Report on Croatia's Progress in Meeting International Commitments Since 2001," 09/06/2006. p. 13 Available at

http://www.osce.org/documents/mc/2006/06/19522\_en.pdf (accessed 25 May 2007).

<sup>11</sup> According to the Human Rights Watch (HRW), between 300,000 and 350,000 Serbs left Croatia during the 1991-1995 period. See the HRW publication "Croatia: A Decade of Disappointment," 04/09/2006. Available at http://www.hrw.org/en/node/11222/section/2 (accessed 02 September 2007).

mainly elderly Serbs that had been left behind.<sup>12</sup> In November 1995, an agreement was reached in Dayton, Ohio between the warring sides in the Yugoslav conflict (i.e. Croats, Muslims and Serbs), which stopped the clashes between belligerents; in effect, freezing the conflict while still leaving numerous underlying problems and dilemmas unresolved.

#### **1.3 The Development of the Croatian Political System**

Since its independence in 1992, Croatia has been a parliamentary democratic republic. From 1990 to 2000 the country was governed as a *sui generis* semi-presidential system, with the president wielding a broad range of executive powers. Franjo Tuđman, the first Croatian president, regarded himself as the winner of the Yugoslav wars and of Croatian independence. He wanted to give himself a free hand in opposing any future attempt, from either outside or inside, to re-establish a new Yugoslavia in any shape or form. Tuđman even went as far as amending the Croatian Constitution to forbid Croatia's membership in any Balkan association of states that would ultimately lead to the creation of a new Yugoslavia.<sup>13</sup>

President Franjo Tuđman's isolationist nationalism and belligerent stance toward the EU further escalated tensions and placed Croatia much further behind other countries in the region in terms of its chances of gaining accession to the EU. His scepticism and negative response toward EU policies in the region stemmed from his opinion that support from European countries for Croatia's cause in the war had been inadequate.

<sup>&</sup>lt;sup>12</sup> See "Serbs see new `war crime` tape" BBC, 09/08/2006. Available at

http://news.bbc.co.uk/1/hi/world/europe/5258610.stm (accessed 19 August 2007).

<sup>&</sup>lt;sup>13</sup> Dejan Jović, "Croatia and the European Union: a long delayed journey," *Journal of Southern Europe and the Balkans*, 8, 1 (April 2006): 85-86.

Tuđman thought that Europe had helped intensify the Yugoslav conflict by unnecessarily supporting Yugoslavia, the "darling of the West", for too long by imposing sanctions against Croatia and its poorly equipped army.<sup>14</sup> Franjo Tuđman regarded Croatia as the military and political winner of the Yugoslav breakup and a moral winner against indecisive and sceptical Europe. This is clearly indicated in one of his speeches, in which he argued:

All international factors – from London, Paris and Rome to Bonn and Washington, and, of course, Moscow – favoured, cost what it may, the maintenance of the former Yugoslavia as the cornerstone of the Versailles order in this part of Europe. When all political – diplomatic efforts to keep Yugoslavia failed, the very same circles considered that independent Croatia could not survive, jeopardized as it was by the organized revolt of the Serb population in Croatia and the immense military supremacy of the Yugocommunist Army. All the European powers, together with the entire European Community and America and the United Nations, not only impassively watched the Yugocommunist and Serbian forces barbarically destroy Vukovar and other Croatian cities in the autumn of 1991, but even enacted the arms embargo in the Security Council. This meant nothing else but leaving barehanded, helpless Croatia at the mercy of the superiority of the Yugoslav Army, then considered to be one of the strongest military powers in Europe.<sup>15</sup>

First and foremost, Tudman saw Croatia as an emerging economic and military

power in the region. The EU Regional Approach policies<sup>16</sup> were viewed as highly

challenging and were promptly rejected on the grounds that the EU was trying to re-

establish a neo-Yugoslavia through some new regional arrangements, such as the concept

<sup>14</sup> Ibid.

<sup>&</sup>lt;sup>15</sup> President Franjo Tuđman, "Topical issues related to the development of Croatia in given international circumstances"; cited in Jović, "Croatia and the European Union," 89.

<sup>&</sup>lt;sup>16</sup> The EU Regional Approach policies were developed to implement the previous Dayton/Paris and Erdut peace agreements between the warring parts in former Yugoslavia and bring basic stability, peace and prosperity to the region. More information at http://ec.europa.eu/enlargement/projects-in-focus/regional-cooperation/index\_en.htm (accessed 19 August 2007).

of the "Western Balkans".<sup>17</sup> The EU, lacking an effective counter-strategy to Tuđman's isolationist policies, simply froze its relationship with Croatia until Tuđman's death in December 1999. The current Croatian president, Stjepan Mesić, described his views of first Croatian president Franjo Tuđman and his politics in these words:

I left official politics at the moment when I split with the late President, Franjo Tuđman. I did not share his views on policy towards Bosnia-Herzegovina and in Bosnia-Herzegovina. I also did not share his understanding of democratic processes; that is, Tuđman simply did not understand them. Furthermore, he wanted to centralize power and resources to an extreme degree, and I wanted decentralization. Finally, I wanted to see Croatia become Europeanized and open toward Europe. I understood global trends and wanted Croatia to become member of the European Union as soon as possible, since that is, in my view, in our strategic interest. Tuđman opted for isolation, and it was only to be expected that we would split.<sup>18</sup>

The winners of the 2000 elections, President Stjepan Mesić and the late Prime Minister

Ivica Račan, made entry into the EU Croatia's primary foreign policy objective, in the

hope that Croatia would catch up with other transitioning Eastern Central European

countries. After winning the elections, Mesić argued:

Tensions have now ceased, and we will start serious discussions, since all of us have much more important tasks, like getting Croatia out of economic recession and paving the way toward establishing European standards and meeting European criteria, in order to achieve our strategic goal, membership in the European Union.<sup>19</sup>

Following Franjo Tuđman's death in December of 1999, the CDU lost the

elections of the following year to a center-left coalition of six parties under the leadership

19 Ibid.

<sup>&</sup>lt;sup>17</sup> The term Western Balkans was perceived by Croats as the EU's euphemism for a new Yugoslavia. President Franjo Tuđman, "Topical issues related to the development of Croatia in given international circumstances"; in Jović, "Croatia and the European Union," 89.

<sup>&</sup>lt;sup>18</sup> See an interview with President Stjepan Mesić, "Our goals can only be achieved through co-operation" Central Europe Review 2, 19 (May 2000). Available at http://www.ce-

review.org/00/19/interview19\_mesic.html (accessed 2 October 2007).

of the late Ivica Račan and his Social Democratic Party (SDP). The end of Franjo Tudman's and the CDU's rule signalled a new beginning for Croatia. The newly elected government immediately changed Tudman's isolationist policies toward the EU and became more open to dialogue with other countries in the region. The 2000 parliamentary and presidential elections brought a visible transformation in both the attitude of the Croatian public and in concrete government policies toward the EU. The Croatian government became ready and willing to embrace new challenges, such as further political and socio-economic integration with the EU. In seeking accession to the EU, Croatia affirmed its determination to break away from Tudman's isolationist policies and turn toward integration with the bloc. By fully cooperating with the International Court Tribunal for the former Yugoslavia (ICTY), the government of Croatia signalled that it wished to embrace the EU's main values and principles - the rule of law, democracy and respect for human rights. Presidential powers were subsequently reduced and transferred to the government (Vlada), headed by the Prime Minister, and control of executive and legislative powers were transferred to the Croatian Parliament (Sabor). As a result of these changes the semi-presidential system was transformed into a pure parliamentary system. Also, the Constitution was amended and the bicameral parliament was brought together as one<sup>20</sup> and was given back its historic name – the Croatian Parliament (Hrvatski Sabor). Moreover, the Constitution was also amended to oversee and protect Croatia's newly-acquired democratic structures, processes and procedures, but even more importantly, to defend and preserve the territorial integrity of the country:

<sup>&</sup>lt;sup>20</sup> The Chamber of Counties or the upper house of the Croatian Parliament ceased to exist on 28 March 2002.

A political party shall be organized according to a territorial principle. The work of any political party which by its programme of activity violently endangers the democratic constitutional order, independence, unity or territorial integrity of the Republic of Croatia shall be prohibited.<sup>21</sup>

Croatia's increased cooperation with the European Union (EU), the World Trade Organization (WTO),<sup>22</sup> the International Monetary Fund (IMF) and the Central European Free Trade Agreement (CEFTA)<sup>23</sup> indicates that Croatia is favourably, although inconsistently, committed to democracy and a free market economy. Despite considerable progress in its transition toward a genuine democracy, Croatia continues in fact to grapple with different transition-related problems. While current Prime Minister Ivo Sanader can be credited with resolute anti-corruption campaigns and better cooperation with the ICTY, as well as a more relaxed attitude toward ethnic and religious minorities, the country has yet to complete its transition process. In its annual survey of various European countries and their current state of affairs, *the Economist* painted this vision of the country: "Croatia's sullen and obstructive approach to pluralism, media freedom and the rule of law remains an alarming pothole on the road to further EU enlargement. Nobody wants to upset the murky and convenient status quo." <sup>24</sup>

See http://www.ukom.gov.si/cefta2003/eng/presidency/croatia/ (accessed 19 February 2009).

<sup>24</sup> "Stars and soggy bottoms," The Economist, 04.01.2007. Available at

<sup>&</sup>lt;sup>21</sup> From The Constitution of the Republic of Croatia. Available at

http://www.constitution.org/cons/croatia.htm (accessed 04 May 2007).

<sup>&</sup>lt;sup>22</sup> Croatia has been a member of the WTO since 30 November 2000. See

http://www.wto.org/english/thewto\_e/countries\_e/croatia\_e.htm (accessed 15 July 2007).

<sup>&</sup>lt;sup>23</sup> Croatia became a CEFTA member as of 1 March 2003 following the agreement ratification by Romania and Slovenia. Most of the original CEFTA members left the organization following their EU accession in either 2004 (Czech Republic, Hungary, Poland, Slovakia and Slovenia) or 2009 (Bulgaria and Rumania). The current CEFTA members are Albania, Bosnia and Herzegovina, Croatia, Macedonia, Moldavia, Montenegro, Serbia and UMNIK (on behalf of Kosovo).

http://www.economist.com/research/articlesBySubject/displaystory.cfm?subjectid=7933606&story\_id=849 1837 (accessed 22 August 2007).

#### 1.4 EU Membership: the Final Stage

Although slowly at first, the EU, along with a range of other international players, institutionalised channels through which they could disseminate information and provide the support mechanisms and networks needed for democratisation and overall development in East-Central, and later on, South-Eastern, Europe. Since the 1990s, a complete change in attitude on the part of formerly authoritarian countries toward the role of international agents in promoting democracy has made the impressive transformation of those countries possible.<sup>25</sup>

Since the wars in former Yugoslavia, the EU has recognized that a disregard for the affairs of bordering countries can prove too costly for both the wider, surrounding regions as well as for the EU. Discrepancies in prosperity and political stability between the EU and its neighbours can be detrimental to the overall interests of EU member states. Violent conflicts, refugees, terrorism and organized crime, as well as disruption of energy supplies, trade and transportation links and overall political instability in the neighbouring regions can spill rapidly over into the EU and consequently impede the economic prosperity, stability and security of its citizens.

Presently, the EU is perceived as a non-traditional security actor<sup>26</sup> with an acknowledged interest in the progress of its neighbours on all fronts, and especially in their socio-economic and political domains. Although a successful transition to democracy and a free market economy is ultimately the responsibility of those aspiring to

<sup>&</sup>lt;sup>25</sup> Geoffrey Pridham, Designing Democracy: EU Enlargement and Regime Change in Post-Communist Europe, (New York: Palgrave Macmillan, 2005): 6.

<sup>&</sup>lt;sup>26</sup> Boyka Stefanova, "The European Union as a Security Actor: Security Provision Through Enlargement," World Affairs, 168, 2 (2005): 51.

EU accession, democracy, the rule of law and good governance are being promoted in the Western Newly Independent States (WNIS)<sup>27</sup> and the Southern Mediterranean<sup>28</sup> through the framework of the newest version of the European Neighbourhood Policy (ENP).<sup>29</sup> The conditional nature of EU membership has been used as leverage in the pre-accession process to encourage potential members to embrace Western values, embodied in democracy, free markets and private ownership, and to encourage security in neighbouring countries. The socio-political features of any modern, democratic, politically stable and economically prosperous country, such as security, socio-political cohesion, stability, dependability, predictability and trust are probably hard to tally, but are highly desirable benefits of EU membership.

According to Ivica Račan, Croatia's late Prime Minister, Croatia was eventually recognized by the international community as a "democratic state with substantial human and economic resources", which helped the country be recognized as worthy of being a potential member of the EU.<sup>30</sup> In May 2000, the European Commission acted on a Feasibility Report<sup>31</sup> by proposing opening negotiations for a Stabilization and Association Agreement (SAA).<sup>32</sup> In 2001, Croatia managed to sign the SAA, which was proclaimed a

associate membership creates a framework for further cooperation between member states and an associate

<sup>&</sup>lt;sup>27</sup> The members are Belarus, Moldavia and Ukraine

<sup>&</sup>lt;sup>28</sup> The members are Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Palestinian Authority, Syria and Tunisia

<sup>&</sup>lt;sup>29</sup> "On Strengthening the European Neighbourhood Policy," COM (2006) 726 final, Brussels, 4 December 2006.

<sup>&</sup>lt;sup>30</sup> Ivica Račan in Gorana Dojčinović, What Does Croatia Gain by the Stabilization and Association Agreement

<sup>(</sup>Zagreb: Ministry of European Integration, 2002): 4. <sup>31</sup> COM (2000) 311 "Report from the Commission on the feasibility of negotiating a Stabilization and Association Agreement with the Republic of Croatia" Brussels, 24 May 2000.

Available at http://www.mvpei.hr/ei/download/2001/08/02/Feasibility1.pdf (accessed 2 November 2007). <sup>32</sup> The SAA is a legal contract which positions Croatia as an associate member state of the EU. The

crucial stepping stone on the way to establishing "a European future for Croatia."<sup>33</sup> Prior to Croatia's 2003 application for EU membership, the head of the CDU, Ivo Sanader, during a meeting with Otto von Habsburg, the last head of the Habsburg dynasty and a tireless champion of EU enlargement, first proposed the adoption of a resolution by which all parliamentary parties, through a general agreement, would assist the Croatian Parliament in seeking EU membership status. Sanader reasoned that the resolution would "determine strategic direction and understanding of plans regarding Croatia's path toward the EU." <sup>34</sup> More importantly, the resolution fully departed from and disregarded the Tudman-era constitutional amendment Article 141, which prohibited any emergence of a Balkan federation of states in the Constitution.<sup>35</sup> During the following parliamentary debate regarding the resolution, some minor disagreements were registered regarding Croatia's relationship with Bosnia and Herzegovina and regarding the International Court Tribunal for the former Yugoslavia (ICTY), the return of refugees and privatization. However, despite these conflicting concerns and interests, the Croatian Parliament was able to reach a party-wide consensus regarding the EU accession and passed the

http://europa.eu/rapid/pressReleasesAction.do?reference=IP/01/1503&format=DOC&aged=1&language=E N&guiLanguage=en (accessed 22 August 2007).

<sup>34</sup> Ivo Sanader quoted in Vjesnik, 17 December 2002. Available at

http://ns1.vjesnik.com/Pdf/2002%5C12%5C17%5C01A1.PDF (accessed 22 August 2007).

member and helps the country for candidacy and eventual full membership. This includes, in general, agreements on political, socio-economic, cultural and security issues.

<sup>&</sup>lt;sup>33</sup> From Chris Patten's statement which followed signing the SAA agreement between the EU and Croatia. The EU press realise "Stabilisation and Association Agreement between the EC and Croatia signed today." More information available at

<sup>&</sup>lt;sup>35</sup> Article 141 (2) asserts that, "It is prohibited to initiate any procedure for the association of the Republic of Croatia into alliances with other states if such association leads, or might lead, to a renewal of a South Slav state community or to any Balkan state form of any kind." Full text available at http://www.servat.unibe.ch/icl/hr00000 .html (accessed 20 February 2008).

resolution.<sup>36</sup> Representatives of the twelve biggest Croatian political parties, from both sides of the political spectrum, signed the "Resolution on the Accession of the Republic of Croatia to the European Union" on 18 December 2002.<sup>37</sup> On 21 February 2003, Croatia applied for EU membership, which initiated the formal process of Croatia's accession to the EU. The application was accepted on 18 June 2004, and Croatia officially became an EU candidate. The country's short-lived unwillingness to cooperate with the ICTY had somewhat stalled the process, but finally, in October 2005, Croatia initiated accession negotiations. Some negotiating chapters are more complicated than others; for example, the environment, regional policy and coordination of structural instruments, judiciary and fundamental rights, foreign security and defence policy, finance and budgetary provisions. However, the Croatian government is relying a great deal on the shared knowhow and experience of the previous EU candidates.

<sup>&</sup>lt;sup>36</sup> According to the former Prime Minister Račan, one of the explanations for such prompt parliamentary approval was the fact that Croatia wanted to be viewed on an individual basis, which increased the possibility for Croatia to catch up with other Central European countries in its accession to the EU. Out of 112 MP, 111 voted in favour of the Resolution with one abstention. Presently, however, chances for a speedy Croatia's entry are rather slim. More information available in Vjesnik, 17 December 2002. http://ns1.vjesnik.com/pdf/2002%5C12%5C17%5C02A2.PDF, Vjesnik 20 December 2002. http://www.vjesnik.hr/html/2002/12/20/Clanak.asp?r=tem&c=1 (accessed 22 August 2007).

<sup>&</sup>lt;sup>37</sup> The Resolution on the accession of the Republic of Croatia to the European Union, Zagreb, 18 December 2002. The Resolution affirmed that, "...that the strategic foreign policy priority of the Republic of Croatia is a full-fledged membership in the European Union, which has proved to be a nucleus and area of stable peace, freedom, democratic values and high standards of living, respecting universally recognized principles and conventions for the protection of human and minority rights, persevering in efforts aimed to complete the transition of the economy into an open market economy in order to accelerate the process of economic development to the benefit of all the citizens of the Republic of Croatia, developing good neighbourly relations and resolving open issues with all its neighbours, engaged in regional co-operation and determination to act towards the strengthening of peace and stability in whole of Europe..." The full text of the Resolution in English is available at

http://www.mingorp.hr/UserDocsImages/zakoniugovorieng/Resolution%20on%20the%20accession%20of%20the%20Republic%20of% 20Croatia%20to%20the%20European%20Union.pdf (accessed 3 September 2008).

In addition to meeting the EU's stipulated conditions and overcoming the general scepticism in the EU over the Union's "absorption capacity", Croatia might also be forced to wait for EU institutional reform, which is deemed to be a necessary precondition for further enlargements.<sup>38</sup> Nevertheless, according to the EU Enlargement Commissioner Oli Rehn, Croatia is "the next country on the list" regardless of the date.<sup>39</sup>

<sup>&</sup>lt;sup>38</sup> See "Sarkozy calls for freeze on EU enlargements," EurActiv Network 13 January 2006. Available at http://www.euractiv.com/en/future-eu/sarkozy-calls-freeze-eu-enlargement/article-151511 (accessed 3 September 2008).

<sup>&</sup>lt;sup>39</sup> See "Rehn: Croatia will not join EU before 2010," EurActiv Network, 9 June 2006. Available at http://www.euractiv.com/en/enlargement/rehn-croatia-join-eu-2010/article-156042 (accessed 3 September 2008).

#### **CHAPTER 2**

### The Croatian Government's Rationale for EU Accession

The point of negotiating with the European Union (EU) can be described as-the complete and full transformation of Croatian society...By becoming a member of the Union, Croatia will enter the system of collective peace and security, and will participate in the process of decision-making.<sup>40</sup>

Vladimir Drobnjak, the Croatian Chief Negotiator with the EU

For the Croatian government, accession into both the EU and NATO (The North

Atlantic Treaty Organization) are considered the most important strategic foreign policy

goals. The Croatian government views the EU integration project as an ideal collective

peace system, while NATO<sup>41</sup>, in contrast, is viewed as the cornerstone of the European

security structure and a tangible collective defence organization. While the EU confronts

security challenges by cooperation and diplomacy at multiple levels across different

regions and cultures, NATO, with its military forces, bases, command-and-control centres

and, most importantly, the enduring leadership and commitment of the United States,

<sup>&</sup>lt;sup>40</sup> Interview with Vladimir Drobnjak, chief Croatia's EU negotiator, in "Drobnjak: pristupanje EU je hrvatski strateski cilj" (Drobnjak: EU accession is Croatian strategic goal), Croatian Radio Television News, 17 October 2005. http://vijesti.hrt.hr/ShowArticles.aspx?ArticleId=1357, Cited in Dejan Jović, "Croatia and the European Union: a long delayed journey," Journal of Southern Europe and the Balkans 8, 1 (April 2006): 87.

<sup>&</sup>lt;sup>41</sup> NATO accession, unlike the one to EU, does not enjoy popular support. One of the main reasons for such tepid welcome of NATO accession among Croatian citizens was that 76% of them, according to the Promocija plus opinion poll, were for NATO referendum and greater democratic engagement on the part of citizens. Instead, the bill on ratification of the NATO accession was pushed through the Croatian Parliament requiring just the majority of MP votes in favour. Strangely enough, all the deputies in the Parliament voted in favour of Croatia's accession to NATO - except one, an independent deputy Dragutin Lesar. Prime Minister Sanader even admitted a NATO referendum would jeopardize Croatia's NATO accession: "Remember that only a year ago the leading opposition party asked for a referendum. If we had agreed to it, we would be nowhere today." Other reasons against NATO accession were environmental degradation and rising Islamic terrorism. More information on http://www.tni.org/detail\_page.phtml?act\_id=19414, http://www.seebiz.eu/en/politics/mps-vote-in-favor-of-nato-accession,4096, html, http:// www.ceeol.com/aspx/getdocument.aspx?logid=5&id=b91a60d6-87a9-4183-b7fd-f9bb4088506b, http://www.natonareferendum.org/ (accessed 15 September 2008).

projects stability and confidence into the Balkans region. Croatia, in return, despite its relatively small size, can expect to exert an influence on future NATO projects and EU policies and defend its status, borders and economy within Euro-Atlantic institutions. While commemorating Croatia's NATO entry on April 1, 2009, President Mesić stressed that:

The Republic of Croatia has fulfilled one of its two foreign policy targets: to join the European Union and NATO. Today, the first of those goals has been achieved, we are becoming a full member of the NATO alliance, and by doing so, we have ensured security for our country. However, NATO is not only a military alliance but also protects democratic values, so by joining the alliance it is confirmed that Croatia has adopted and defends high democratic standards.<sup>42</sup>

The two main motivational factors of the Croatian government seeking EU accession are the confirmation and consolidation of Croatian Western identity and the enhancement of Croatia's security. In essence, Croatia is becoming more open and willing to embrace new regional co-operational experiments. It has ceased to fear that closer relations with neighbouring countries will lead to a re-emergence of a regional identity incompatible with that of the EU. The Croatian government's current official viewpoint is that Croatia's interests, identity and security are best protected within Euro-Atlantic structures.

Firstly, the major problems for Croatia ostensibly stem from its geographical position in the Balkans and the symbolic and real threats that the Balkan "powder keg"

<sup>&</sup>lt;sup>42</sup> "Albania, Croatia join NATO" Herald Sun, 2 April 2009. Available at

http://www.news.com.au/heraldsun/story/0,21985,25277916-5005961,00.html (accessed 2 April 2009).

represents. The Croats<sup>43</sup> do not feel that they historically, culturally or even ethnically belong to the Balkans. They argue that the Croatian identity fits with 'Mittleuropa', and therefore Croatian political allegiance now goes to the EU and NATO.<sup>44</sup> For Croats, the Balkans option is a frustrating alternative of isolation, economic failure, low levels of education, general destitution and, most importantly, a threat to their identity and geopolitical image. Unlike Yugoslavia, a member of the Non-Aligned Movement which flirted with both the East and West, Croatia has chosen for itself a less ambiguous path. According to Prime Minister Sanader, Croatia has already aligned itself "with the West and will be a part of the EU and NATO politics."<sup>45</sup>

Secondly, the current Croatian government believes in collective security and peace among European states that share the same democratic values, culture and institutions, despite the fact that the actions of the Croatian government under Tuđman during the 1990s were isolationist, problematic and hostile.<sup>46</sup> EU integration was a decision made by the post-Tuđman political elite in order to promote and enhance the country's security from possible external and internal threats, consequently increasing Croatia's ability to cultivate a favourable economic environment. This would also increase Croatia's chances of achieving long term sustainable development, thereby

<sup>&</sup>lt;sup>43</sup> The term 'Croat', as well as 'Serb', is an ambiguous label and may refer to Croats or Serbs living in Croatia, Bosnia and Herzegovina and/or Serbia.

<sup>&</sup>lt;sup>44</sup> Croatia's GDP stands at €15,628, which puts the country ahead of some EU member states such as Bulgaria, Latvia, Lithuania, Poland and Romania. See GDP comparison report at

http://www.globalpropertyguide.com/Europe/Croatia/gdp-per-capita (accessed 10 September 2008). <sup>45</sup> Prime Minister Sanader commenting after the US announced their intention to ratify Croatian application to NATO. "New York: Uskoro Americka ratifikacija clanstva Hrvatske u NATO-u" (New York: Soon American ratification of Croatian membership in NATO". Vinkovci (23 September 2008). Available at http://vinkovci.com.hr/vijesti/hrvatska/new-york-uskoro-americka-ratifikacija-clanstva-hrvatske-u-nato-u/, (accessed 25 September 2008).

<sup>&</sup>lt;sup>46</sup> Dejan Jović, "Croatia and the European Union": 94.

improving its social, economic, cultural and environmental well-being. Prime Minister

Ivo Sanader states that:

Croatia's commitment to the principle of regional cooperation is substantiated through active participation in numerous regional political and economic initiatives. The EU-oriented policy the Croatian government has pursued in recent years has resulted in the awareness that a stable and prosperous Croatia is an engine for stability and prosperity in the neighbouring region.<sup>47</sup>

#### 2.1 Europe vs. the Balkans Identity Debate: Resolving the Conundrum

Since its independence in 1991, Croatia has put a lot of effort into protecting the two key symbols of its nationhood - sovereignty and national identity.<sup>48</sup> Croatian national discourse has been centered around democracy and democratic processes, with the main emphasis being placed on Croatia's evolving democratic values, norms, culture and identity as the determinants of its future domestic and foreign policy. Croatia did not want

<sup>&</sup>lt;sup>47</sup> Ivo Sanader, "Leading a successful transition: the case of Croatia" Eur View (June 2008): 97. <sup>48</sup> Identity theory shows that key functions of a state are the creation of a national identity and the standardization of a national language as an important indicator of its uniqueness. This also encompasses creation of a Self-Other, or Us-Them, relationship. Human beings have a psychological need to socialize, and hence a need to belong to something greater, such as an ethnic group, tribe, nation or even a civilization. The subsequent socio-political identification increases their self-esteem and social cohesiveness by comparing their own unit to others. The comparison with others does not necessarily entail negative perceptions or connotations, but often does, particularly in cases of national or ethnic differentiations and confrontations. William Connolly (1991) argues that "identity requires differences in order to be, and it converts differences into otherness in order to secure its own self-certainty." A basic need for inclusion and positive in-group evaluation sometimes involves a negatively perceived out-group. A potential threat to a group's image and identity is a principal indirect strategy in identity construction and consolidation. Buzan, Wæver and Wilde (1998) maintain that the fear that "we will no longer be us" and "no longer the way we were or the way we ought to be to be true to our identity" can be employed to defend a collective identity highly susceptible to securitization. Social cohesion of a group increases when leaders invoke fear, construct historical myths, and exaggerate contrasting in/out differences and past encounters with the antagonistic and devious Other. The exchange of threats and counter-threats reinforces mutual mistrust and often leads to a "spiral of escalation", further aggravation and the aforementioned security dilemma, subsequently making everyone involved feel less secure. For more information see: William Connolly, Identity/Difference: Democratic Negotiations of Political Paradox, (Ithaca: Cornell University Press 1991); Barry Buzan, Ole Wæver, Jaap de Wilde, Security: A New Framework for Analysis (Boulder, London: Lynne Rienner Publishers 1998).

to be excluded from EU membership, thereby being disqualified from obtaining a European identity and becoming a 'normal' and peaceful EU member state embracing Western culture and values. President Stjepan Mesić, at a regional meeting with other Western Balkans' statesmen in Montenegro, expressed this position: "Our region has to be Europeanised, not because of Europe, but because of ourselves. Because the European concept is a concept of peace."<sup>49</sup>

Croatian independence from Yugoslavia was a goal that should have brought the country back to Europe. Being part of the EU was, and still is, considered the ultimate catalyst for the recognition of Croatia's European and Christian identity. The return to Europe of the countries that were considered a part of the East prior to the fall of the Iron Curtain was a popular rhetorical theme used by the Croatian political elite to help create a Croatian national identity, increase the country's socio-political cohesion and prevent the return to power of former communists once the democratic system had been institutionalized. Throughout the 1990s, Croatia began to increasingly identify with Western democracy, and wished to detach itself from the Balkans in order to achieve greater socio-economic prosperity and politico-military security. Croatia's Europeanism was also frequently mentioned in order to rationalize and reinforce its decision to separate from Yugoslavia and join the EU instead. President Tudman made this clear in a 1991 speech in which he provided both reasons 'to struggle *for*' and 'to fight *against*' by indirectly invoking the Europe vs. the Balkans dichotomy:

<sup>&</sup>lt;sup>49</sup> President Stipe Mesić, 16 November 2006. Milocer, Montenegro

http://www.predsjednik.hr/default.asp?ru=296&gl=20061120000006&sid=&jezik=2 (accessed 21 March 2008).

We hope that the European countries and the EU will understand that the Croatian struggle for its territorial integrity, its freedom and democracy is not only the fight of the Croatian nation, the fight against the restoration of socialist communism, but the fight for normal conditions when Croatia can join Europe, where she historically belongs.<sup>50</sup>

To be considered a European, in the Croatian context, was to differentiate oneself from the Yugoslav or Balkan identities.<sup>51</sup> Croats liked to portray themselves as being more educated, progressive, industrious, successful and tolerant than their Yugoslav counterparts, who were supposedly indolent, thick-headed, narrow-minded and fanatical. A new, supposedly enlightened and forward-looking *avant-garde* identity was sought after, in order to strengthen Croatia's new orientation toward Western institutional communities and facilitate its transition toward a free-market economy and a democratic political system. In this way, Croatia was looking to detach itself from the Balkans, a turbulent region which threatened Croatia's national identity. By invoking its European Christian heritage and supposedly freeing itself from the Balkan identity, however, which implied Croatian departure from Yugoslavia, the country put itself in a precarious security position *vis-à-vis* the other successor states. Ironically enough, the enlightened intentions of many Croats were undermined by Tudman's xenophobic anti-Balkan policies.<sup>52</sup>

Croatia can be said to belong to three regions: the Balkans, Central Europe and the Mediterranean region. All three regions are easily discernible in Croatian culture, values

<sup>&</sup>lt;sup>50</sup> Franjo Tudjman quoted in Nicole Lindstrom, "Between Europe and the Balkans: Mapping Slovenia and Croatia's "Return to Europe" in the 1990s" Dialectical Anthropology 27 (2003): 317.

<sup>&</sup>lt;sup>51</sup> The construction of "Europe vs. the Balkans" dichotomy or "the civilized West vs. the backward Balkans" very much resembles Edward Said's work on Orientalism and a construction of a despised alter ego, or the Other, in order to emphasize the superiority of the Western civilization over Arabo-Muslim people, their culture and their way of life. Edward Said, Orientalism (New York: Vintage Books, 1994). <sup>52</sup> Dejan Jović, "Croatia and the European Union": 92.

and norms. During the 1990s, the Croatian government and its president were aggressively trying to inflate Croatia's Central European identity. For example, in a 1998 New Year's interview with Croatian Television, Franjo Tudman repeatedly insisted that Croatia belonged to Central Europe and the Mediterranean region. He condemned the EU's Regional Approach policy and its representatives, who he claimed wanted to return Croatia to the Balkans by deception by calling the new association, which Croatia was about to join, the "Western Balkans".<sup>53</sup> For Tudman, the Balkans were the Balkans, with or without the adjective "Western". He saw the EU as being too much under the influence of France, Great Britain and the US, and less so under Germany, a Central European country which would recognize and further the interests of another Central European state such as Croatia.<sup>54</sup> He viewed the "Balkan" identity, however, with much disgust, shunning it and treating it as a repository of all the negative characteristics and influences over Croatia one can possibly imagine. At the same time, in the same pugnacious fashion, anybody who was associated with the Balkans or recognized as having a Balkan identity, regardless of their nationality, was despised, mocked and discriminated against, excepting, of course, Tudman and his clique, whose behaviour was tolerated. Hysterical national chauvinism and fear of Serbs, Yugoslavs, Chetniks, Communists, and Orthodox Christians, and the persecution of these groups, were all justified on the basis of the

<sup>&</sup>lt;sup>53</sup> Franjo Tuđman, interview for HTV, in *Vjesnik*, 30 December 1998.

http://www.vjesnik.hr/html/1998/12/31/Teme%20dana.htm#TD (accessed 16 February 2007). 54 Ibid.

supposed threat they posed to the Croatian nation, "one of the oldest in Europe,"<sup>55</sup> and its freedom.

Moreover, the Croatian language was reconstructed for the purpose of differentiating the 'true' Croats from the rest of the Balkan people. Tudman's use of the ancient Croatian language with newly constructed terminology, which differed sharply from the Serbo/Croatian language of socialist Yugoslavia, and the patronizing tone in his inflammatory speeches, furthered the West (Croatia) versus the East (the Balkans) dichotomy.<sup>56</sup> The divide was pushed to the point that Croats, a Slavic nation, were acknowledged as members of a different civilization, a civilization which did not encompass the Serbs or the Muslims.<sup>57</sup> The rift created fuelled tensions between the Croats and other nations in the eastern part of Yugoslavia, primarily the Serbs. Michael Ignatieff's book, The Warrior's Honour: Ethnic War and the Modern Conscience, contains a great example of how the "Other" peoples, primarily the Serbs, felt perceived as being unworthy to share the European identity with the Croats. In an interview with an ethnic Serb soldier fighting Croatian neighbours in Mirkovci (which means the peaceful place), in the eastern part of Croatia, Ignatieff attempts, after some difficulty, to find an answer to how a Serb is different from a Croat:

 <sup>&</sup>lt;sup>55</sup> Franjo Tuđman quoted in Gordana Uzelac, "Franjo Tuđman's nationalist ideology," *East European Quarterly* 31, 4 (January 1998): 453.
 <sup>56</sup> There are about one thousand newly constructed Croatian words. Many such words are new constructs

<sup>&</sup>lt;sup>36</sup> There are about one thousand newly constructed Croatian words. Many such words are new constructs and were not used by Tudman, but he was one of the first people to bring this newly constructed language into play. Presently, language competition awards are given (2000kn or around \$400 per word) to those that can come up with words that would replace foreign expressions or terminology. Popular examples are: svemrežje (internet), smećnjak (garbage dumpster), istinomjer (polygraph), skrbnina (alimony), raskružje (roundabout), zrakomlat (helicopter) etc. More information at

http://www.vjesnik.hr/html/2006/10/20/Clanak.asp?r=kul&c=5 (accessed 23 September 2008). <sup>57</sup> Ibid., 454.

Look, here's how it is. Those Croats, they think they're better than us. They want to be gentlemen. They think they're fancy Europeans. I'll tell you something. We're all just Balkan shit.<sup>58</sup>

Although Serbs and Croats are very much alike, the soldier's view of the Croatian and Serbian identities is very different. According to Bjelić, who was first to analyze Ignatieff's revealing interview, the Serb soldier's "...spontaneous self-orientalization reveals his internalization of the hygienic fault lines between European 'purity' and Balkan 'danger'."<sup>59</sup>

#### 2.2 Croatia and the EU: Security Matters

"...it was necessary to clear doubts and provide information about what the European Union is and what it will become to be able to complete the European unification process and then define and possibly redefine the term Europe which is not only a geographical, but also a political term. We must agree that the border of Europe is not some river or a mountain, but that the border stretches as far as European values, tradition and culture do."<sup>60</sup>

The EU project, regardless of its imperfections, is arguably the most ambitious

political undertaking in history. It has been called "the most advanced political

achievement of our time".<sup>61</sup> The contemporary "new world order" imposed by a single

superpower, the US, is considered by some as "self-defeating and no longer

 <sup>&</sup>lt;sup>58</sup> In Dusan Bjelić, "The Balkans: Europe's cesspool," Cultural Critique 62 (Winter 2006): 33.
 <sup>59</sup> Ibid., 35.

<sup>&</sup>lt;sup>60</sup> President Stipe Mesić in his address during the 'Croatia Summit 2005', 14 October 2005. Zagreb, Croatia http://www.predsjednik.hr/default.asp?ru=252&gl=200510210000004&sid=&jezik=2 (accessed 24 March 2007).

<sup>&</sup>lt;sup>61</sup> "European Union called most advanced political achievement of our time Professor Calleo says," Camden Herald,

http://www.mainecoastnow.com/articles/2007/03/02/camden\_herald/local\_news/doc45e70c3e480b0402535 439.txt (accessed 4 April 2007.

sustainable."<sup>62</sup> An alternative future model of the current international system will probably resemble the EU in many respects; one in which a group of democratic, sovereign states unite together to create an institutional entity through which their socioeconomic, political and security goals are much easier to achieve. The EU has always had a long-term interest in promoting peace, security, democracy, and human rights in Europe and around the world. Robert Schuman, prior to the creation of the EU's and EC's predecessor, the European Coal and Steel Community (ECSC), declared that the *raison d'être* of the ECSC was to promote peace, stability and reconciliation between former rivals, principally Germany and France, by pooling resources, binding interests and promoting mutual values. He argued that a common economic system growing out of the ECSC would come to represent "the leaven from which may grow a wider and deeper community between countries long opposed to one another by sanguinary divisions."<sup>63</sup>

The stress on democratic values is important in the security context. The EU had made it clear that only parliamentary democracies could aspire to join the organization. In 1962, the Birkelbach Report, a predecessor of the present-day Copenhagen Criteria, stipulated that "only states which guarantee on their territories truly democratic practices and respect for fundamental rights and freedoms can become members of our Community."<sup>64</sup> The European Union acknowledges democratic standards and processes as the Union's and member states' fundamental tenets and core beliefs, as inscribed in the

<sup>63</sup> The EU at a glance, Robert Schuman, The Schuman Declaration of 9 May 1950,

http://europa.eu/abc/symbols/9-may/decl\_en.htm (accessed 2 March 2007).

<sup>&</sup>lt;sup>62</sup> Ibid.

<sup>&</sup>lt;sup>64</sup> Quoted in Geoffrey Pridham, Encouraging Democracy: The International Context of Regime Transition in

Southern Europe (Leicester: Leicester University Press, 1991).

Maastricht Treaty on the European Union: "The Union is founded on the principles of liberty, democracy, respect for human rights and fundamental freedoms, and the rule of law, principles which are common to the Member States."<sup>65</sup> A leading promoter of democracy, the EU defines security as a fundamental precondition to its overall development.<sup>66</sup> Better security stimulates economic growth and development, encourages foreign direct investments, discourages crime and builds people's confidence in a better future for their children and themselves. Security concerns are some of the main reasons for the EU's global promotion of and emphasis on democracy in its external relations, regional cooperation and conflict prevention.

Although democracy is often regarded as the objective of this campaign, the idea behind it is that established democracies tend to be more peaceful in nature and are more inclined to respect human rights and freedoms. EU High Representative Javier Solana maintains that "the best protection for our security is a world of well-governed democratic states."<sup>67</sup>

The security identity and interests of European democracies have been contested by a paradigm shift *vis-à-vis* security since September 11, 2001.<sup>68</sup> The role of the EU in promoting global security is constantly changing due to globalization and EU market

<sup>&</sup>lt;sup>65</sup>See "Consolidated Version of the Treaty on European Union" Official Journal of the European Communities C325/5, 24 December 2002. Available at http://eur-

lex.europa.eu/en/treaties/dat/12002M/pdf/12002M\_EN.pdf

Article 6 (1)." http://eur-lex.europa.eu/en/treaties/dat/12002M/pdf/12002M\_EN.pdf (accessed 20 Septembre 2008).

<sup>&</sup>lt;sup>66</sup> Javier Solana, "A Secure Europe in a Better World: The European Security Strategy" (Brussels, 12 December 2003): 3. Available at http://ue.eu.int/ueDocs/cms\_Data/docs/pressdata/en/reports/76255.pdf (accessed 20 Septembre 2008).

<sup>&</sup>lt;sup>67</sup> Ibid., 9.

<sup>&</sup>lt;sup>68</sup> Anders Wivel, "The Security Challenge of Small EU Member States: Interests, Identity and the Development of the EU as a Security Actor," *Journal of Common Market Studies* 43, 2 (June 2005): 394.

expansion, while its security identity is becoming increasingly militarized. Consequently, small and insufficiently insulated European states lacking institutions capable of withstanding global pressures and external and internal security threats are in danger of becoming easy targets in a disorderly global environment. Small European states face an EU integration dilemma, being faced with a choice between adopting a great power security identity created by the EU or keeping their own traditional approach to security and conflict resolution, which, for most of them, emphasizes peaceful coexistence and the rule of international law.<sup>69</sup> A small state such as Croatia, which strongly identifies with the European character, fits perfectly into the EU collective security arrangement. However, as a rule, small states tend "to adapt to – rather than dominate – their external environment and seek influence through membership of international institutions."70 Therefore, Croatia, and other small democratic states within the EU, provided they cooperate, will be the main beneficiaries of institutional security arrangements. By working through multi-level institutions, small EU states are able to wield disproportional power in relation to bigger states. The dilemma of choosing between autonomy and influence is significant for a new EU member, which through institutional integration becomes increasingly involved in, and committed to, EU affairs.<sup>71</sup>

The EU itself is perceived as a non-traditional security actor<sup>72</sup> primarily because of the changing security rationale in contemporary international relations, the EU reliance on collective peace among democratic European states and the EU employment of

<sup>&</sup>lt;sup>69</sup> Ibid., 396.

<sup>&</sup>lt;sup>70</sup> Ibid., 395.

<sup>&</sup>lt;sup>71</sup> Ibid., 396.

<sup>&</sup>lt;sup>72</sup> Boyka Stefanova, "The European Union as a Security Actor," World Affairs 168, 2 (Fall 2005): 51.

conditionality as a tool in the pre-accession process to encourage potential members in changing their domestic and foreign policies. The EU framework is well-suited to defend its members on the world stage. Since the EU will protect Croatian interests abroad with regard to third countries, Croatia will identify its foreign interests with those of the EU. Ana-Marija Boromisa argues that:

Croatia will become a part of a big block and will negotiate like the EU, especially toward third countries. If you take negotiations with the USA, Croatia alone is not a significant actor. Its negotiation position may influence decision-making within the EU, as well in negotiations with major powers. In this regard, the position of Croatia is changing.<sup>73</sup>

The EU has adopted a wide range of policies and procedures as well as legislative instruments in order to address such questions as police and judicial cooperation, border security and management and internal and external migration. Together with economic development, becoming a member within the EU area of justice, freedom and security is the paramount outcome of EU accession. Croatia will very likely continue with its democratic reforms, which will in turn positively shape its national as well as its emerging European identity.

Moreover, Croatia has a serious organized crime problem which needs to be addressed, preferably before, but if necessary after, the country joins the EU. The issue of transnational Balkan organized crime is not a problem unique to just Croatia, but also to the Balkan region in general, where it originates.<sup>74</sup> Organized crime damages the socio-

<sup>&</sup>lt;sup>73</sup> Interview with Ana-Marija Boromisa, Institute for International Relations, Zagreb, Croatia, in Euroforum. 2007. Available at http://www.mvpei.hr/ei/download/2007/08/23/euroform\_16\_hrvatski\_za\_web.pdf (accessed 23 August 2007).

<sup>&</sup>lt;sup>74</sup> The Federal Bureau of Investigation labelled all groups originating from or operating in Albania, Bosnia-Herzegovina, Bulgaria, Croatia, Greece, Kosovo, Macedonia, Montenegro, Romania and Serbia as Balkan

economic, political and cultural fabric of a society, and it keeps evolving in a world going ever more global. As recently witnessed in Mexico, Bosnia and Kosovo, mafia groups are not just indiscriminately threatening civilians, but are also increasingly challenging the state itself. Criminal groups are forming sophisticated, well-connected international networks with broadened and diversified crime activities. The structure of mafia in some Balkan countries is still organized around families, clans and tribes (e.g. Albania, Kosovo, Montenegro, as well as the Serbs and Croats of Herzegovina), which makes it easier for these groups to operate even in an unwelcoming environment. Those organized in clans and tribes do so for protection and mutual assistance, but organized family clans form a backbone of modern Balkan organized crime. Certain elements from these groups have already emigrated to the West, where they are regrouping, spreading and establishing their criminal activities (e.g. money laundering, human and drug trafficking, extortion, prostitution, gambling, etc.), all the while maintaining a home base back in the Balkans. Croatia is located on the so-called "Balkan route" used by organized crime groups to smuggle drugs and illegal immigrants into Western Europe. The Croatian government itself is ill-equipped to fight organized crime; new criminal trends and techniques have long evolved and country-wide police actions have only a minimal and short-term effect.

Croatia's tough stance on organized crime reflects its concerns about entering the EU while riddled with problems menacing to the very existence of the Croatian state.<sup>75</sup>

Organized Crime. More information at http://www.fbi.gov/hq/cid/orgcrime/balkan.htm (accessed 24 September 2008).

<sup>&</sup>lt;sup>75</sup> Recently, Zagreb, the Croatian capital, has been hit by a wave of mafia violence. The victims are highflying individuals, such as a prominent lawyer's daughter, a crime reporter, a well-known industrialist and a

Certainly, Prime Minister Sanader's government does not want to encounter problems similar to those which have befallen Bulgaria, the newest EU member, which saw its EU funding cut due to its unwillingness to fight crime at high levels of government and business.<sup>76</sup> Not surprisingly, the EU does not want to see the disastrous Bulgarian model being repeated in Croatia, as it seriously breaches EU norms and obligations. The EU Parliament Rapporteur on Croatia Hannes Swoboda called upon the highest Croatian officials to arrange and execute a rapid, country-wide police action that would address Croatia's problem with organized crime.

Furthermore, Croatia faces a continuing threat from extremist elements of all sorts, who share a willingness to employ violence to advance their respective causes. The most important groups are fundamental Islamist terrorists, whose activities are international in scope and involve different groups, networks and individuals driven by particular radical and violent beliefs. Croatia is highly vulnerable to terrorist attacks, even those not committed on its own soil, due to its booming tourist industry and its 10 million visitors each year. The country has already suffered several acts of terrorism at home. The most notorious occurred in Rijeka in 1995, when an Islamic terrorist organization, al-Gama`a al-Islamiyya from Egypt, attacked a police station by driving a

<sup>76</sup> The European Commission froze around 800 million euros of European funds in July of 2008 for Bulgaria as it had not taken enough steps to fight "corruption at high levels and organised crime." See EUBusiness at http://www.eubusiness.com/news-eu/1223377321.26 (accessed 7 October 2008).

high-ranking city official. Consequently, Prime Minister Sanader fired his Minister of Interior and Justice and the chief of the national police and hired experts with non-political backgrounds in order to make them less vulnerable to influence. He said that, "We will not allow, under any costs, Croatia and Zagreb or any other city to be an unsafe place to live. We will not allow organized crime to create the impression that anything can be done and that there will be no sanctions. It seems there are attempts to create this impression, which is why we will embark on the most determined fight against organized crime, against the mafia." Prime Minister Ivo Sanader quoted in "Croatian PM sacks interior, justice ministers," People's Daily Online, 7 October 2008. Available at http://english.people.com.cn/90001/90777/90853/6510553.html (accessed 7 October 2008).

car loaded with explosives into a wall of the building, injuring twenty-nine people and killing the bomber.<sup>77</sup> In response to this act Croatia became heavily involved in the global struggle against terrorism, even before the infamous terrorist attack against the US in 2001. However, by joining the EU it will officially become part of a global antiterrorist initiative, thereby committing itself to the prevention of further attacks. This effort includes the detection, investigation and eventual disarmament of those involved in any manner in the development and trade of weapons of mass destruction. Countries aiding and abetting such terrorists are also a target of anti-terrorist efforts. Croatia will also, by cooperating with its EU partners, collect and share intelligence and extradite those suspected of propagating and conducting terrorism, and will therefore be able to fight a more elaborate, complete and matured anti-terror battle. Fear that Croatia will be pushed away from the EU and left to fend for itself will eventually subside amongst Croats, but former Prime Minister Ivica Račan expressed this concern by stating that, "If the European Union, prompted by terrorist actions in America, creates a sanitary cordon at its borders, the question is on which side of that cordon will Croatia be."78

In order to tackle the problems of organized crime and terrorism, all Balkan countries must pool their resources and work together toward reinforcing the rule of law, strengthening their legal systems with a vigorous, impartial and autonomous judiciary, and building accountable and effective law enforcement and intelligence gathering agencies. The EU has to help countries in the region utilize the appropriate instruments

<sup>&</sup>lt;sup>77</sup> More information available at http://edition.cnn.com/WORLD/Newsbriefs/9510/10-21/am.html?iref=newssearch (accessed 8 October 2008).

<sup>&</sup>lt;sup>78</sup> Ivica Račan quoted in "Croatia after terrorist attacks against the USA," Aimpress (Zagreb, 4 October 2001). Available at http://www.aimpress.ch/dyn/trae/archive/data/200110/11004-007-trae-zag.htm (accessed 10 October 2008).

and identify objectives, in order to enhance the human and institutional capacity for the fight against extremist groups. By joining the EU, Croatia will be better able to fight organized crime, terrorism and violence. It will consequently improve its security, influence judicial cooperation among countries in the region and acquire mechanisms for combating drug, human and illegal weapons trafficking as well as fraud and prostitution, thereby helping to reduce aggression and eventually eliminate the insecurities regarding public safety. Prime Minister Sanader pinpointed the importance of the EU and its peace system for Croatia, as well as for the region, when he argued that the EU:

...is in our mutual interest, in the interest of progress and democratic stability of our countries, an important connecting component. We in Croatia consider this process a unique significance to the southeastern region of our continent to turn the new page of its historical development, and through cooperation on mutual vision, to develop and improve all components of political, social, economic and cultural life of this part of Europe. Legally arranged and safe countries and societies, freed from dark sides of criminality and corruption, are unavoidable elements of our strives. On its way to the EU, Croatia pays a great attention to regional cooperation in justice and internal affairs. We start from the fact that there are certain problems which none of the countries in the region can solve by itself.<sup>79</sup>

<sup>&</sup>lt;sup>79</sup> Speech by Prime Minister Ivo Sanader at the conference of SEECP (South East Europe Cooperation Process) Ministers of Justice and Internal Affairs, Zagreb, 13 April 2007. Available at http://www.mvpei.hr/seecp/docs/070416\_Govor%20PVRH%20dr.%20Ivo%20Sanader%20JHA%20SEEC P.doc (accessed 10 October 2008).

# **CHAPTER 3**

### **Civil Society and its Rationale for EU Membership**

The most important goals of various Croatian civil society groups are to help strengthen the competitiveness of the Croatian economy, raise the standard of living for Croatian citizens and enrich the country's cultural and social life. One of the means of achieving such complex tasks is obtaining EU membership, a status which would ultimately increase Croatia's capacity to manage conflicts that may arise with external parties and endure the volatility of the global market. Darko Marinac, president of the National Competitiveness Council, contends that:

> "For Croatia, conducting EU accession reforms has already been positively reflected in the domain of education, rule of law, quality of Croatia's business environment and investment in infrastructure..."<sup>80</sup>

The following chapter covers the attitudes toward EU accession of significant groups that act as spokespersons for key sectors of Croatian civil society, such as agriculture, fisheries, industry and trade. It also covers Croatian public opinion concerning EU accession.

<sup>&</sup>lt;sup>80</sup> Darko Marinac, president of the National Competitiveness Council, quoted in Vjesnik (9 September 2006.) Available at http://www.suvremena.hr/1481.aspx (accessed 10 October 2008).

#### 3.1 Croatia's Major Civil Society Groups: the Current Situation

The lack of cooperation and interaction among Croatia's business organizations, trade unions, think-tanks, workers, farmers, fish producers and political parties, representing the interests of civil society, severely hampers the recognition, and hence, accomplishment of their mutual professional and social objectives, interests and concerns. Certain business associations and organizations are either highly favoured or utterly dismissed from public life, depending on whether or not a particular lobby group, industrial or commercial sector or political party supports their existence, either financially or otherwise. The situation is especially serious in the agricultural sector, which consists of many food producers unaligned with any specific support network and which therefore represent too narrow an interest group on their own. Many of the regional parties represent geographically confined interests, and are thus perpetuating the current state of affairs - excessive regional fragmentation of certain interest groups; notably, farmers and fishermen, but also big food manufacturers such as bakers and fruit and dairy producers. The same can be said for a few ethnic parties, which are not so much limited by their geographic as by their ethnic focus: The Independent Democratic Serb Party (IDSP), The Party of Democratic Action Croatia (PDAC), The Croatian Roma Party (CRP) etc. Such acute fragmentation limits the expression of the legitimate problems and concerns of agricultural producers and others as well, thereby restricting their potential to collaborate amongst themselves and their capacity to make deals with their main business partners as well as the Croatian government regarding food imports and exports, prices, subsidies and opportunities for various rural projects. Even more importantly, excessive

representative fragmentation limits the negotiating position of these groups *vis-à-vis* their partners and competitors in the EU.

As for overall public opinion, the level of Euroscepticism in Croatia is perceptibly rising, regardless of the fact that Croatians identify themselves as Europeans. The best illustration to support this is the chief slogan of the Croatian Eurosceptic campaign - "We need Europe, but not the European Union."<sup>81</sup> This perception is reflected in the general revulsion amongst Croatians of all things foreign; particularly non-Catholic and non-European values. Support for the EU does not necessarily coincide with the European identity and culture, but rather with massive bureaucracy and increasing political control.

### **3.2 Commercial Sector Groups**

As regards Croatia's EU accession, the issue of agriculture needs to be discussed separately from all others. Agriculture is one of the EU's most important sectors; almost half of the EU 126.5 billion euro budget for 2007 was spent on agriculture.<sup>82</sup> That approximately three-quarters of all legislative regulations are directly related to the agricultural sector, when only five percent of people are employed in its various levels of production, speaks to its prominence.<sup>83</sup> Not surprisingly, acceptance of the Common

<sup>&</sup>lt;sup>81</sup> "We need Europe, but not the European Union" campaign by Nenad Ivanković and SIN ("Samostalnost i Napredak" or Independence and Progress), now called "Jedino Hrvatska" (Only Croatia), a union of 25 right-wing political parties. Croatian Radio and Television (HRT) news, 17 March 2005. Available at http://vijesti.hrt.hr/arhiv/2005/03/17/STR.html (accessed 10 October 2008).

<sup>&</sup>lt;sup>82</sup> See the European Commission Financial Programming and Budget documentation at http://ec.europa.eu/budget/budget\_glance/what\_for\_en.htm (accessed 15 October 2008).

<sup>&</sup>lt;sup>83</sup> Ramona Franic, Tito Zimbrek, Premises for the inclusion of agriculture in the process of Croatian accession to the European Union, in Katarina Ott (ed.), Croatian Accession to the European Union: Economic and Legal Challenges (Zagreb: IJF, 2002): 162.

Agricultural Policy (CAP) has consistently been the most contentious issue for Croatian farmers.

The agricultural sector has, by and large, accepted the inevitability of Croatia's EU accession, which is seen as a corrective, positive step toward tackling and solving long-standing, complex problems. Croatian food producers are aware of the positive experiences of other new EU members such as Poland, and with the EU-initiated agrarian reforms and their good results.<sup>84</sup> They also firmly believe that the future of Croatian agriculture and fisheries, with their many comparative advantages, looks promising. Croatia has abundant water resources, a propitious climate and relatively developed agricultural practices. However, in the midst of the current global financial crisis, reforms and EU involvement in Croatia are still treated with scepticism. The country faces numerous problems and is in need of structural reforms regardless of EU accession. Croatia's rural population is rapidly aging, causing an overall drop in the rate of economic activity and an unfavourable polarization between young and old and urban and rural.

Despite a great amount of arable land per capita,<sup>85</sup> there are a number of landrelated impediments to Croatia's conventional transition to environmentally sustainable agriculture: land registry disorder, excessive fragmentation of privately owned arable land, loss of agricultural land to ever-increasing urbanization, undefined supervision and

http://www.vjesnik.com/pdf/2006%5C04%5C29%5C19A19.PDF (accessed 15 October 2008). <sup>85</sup> Croatia has around 0.65 ha of agricultural and 0.45 ha of cultivable land per capita. See Croatian Parliament, "Croatia in the 21<sup>st</sup> Century," 11 July 2002. p.11. Available at

http://www.nn.hr/clanci/sluzbeno/2002/1471.htm (accessed 15 October 2008).

<sup>&</sup>lt;sup>84</sup> "Poljski seljaci porucuju: Udite u Europsku Uniju" (Polish farmers recommend: Join the European Union). Vjesnik (29 April 2006.) Available at

use of government owned land, war-generated absentee ownership and a great amount of derelict, untilled and abandoned land.<sup>86</sup> Damir Kovačević, a professor at Zagreb University, voices his concerns over Croatia's EU entry. He says that "the problems are small and fractured estates, an old and uneducated population, dated technology, poorly developed market infrastructure. Unfortunately, Croatia has never had a farming strategy to address those issues."<sup>87</sup>

In addition, over 80 percent of the land is owned privately (i.e., as family farms) while the rest is owned by the government. Most of these family farms, over 70 percent, have no more than 3 ha of arable land and usually employ low-technology and low-efficiency agricultural practices. In 2001, 10.9 percent of Croatia's population was employed in agriculture, making Croatia second only to Poland (27.4%) among the EU-25 and CEE countries.<sup>88</sup> What is worrisome for a sceptical Croatian food producer is the fact that EU accession implies that the system of government agricultural subsidies will be completely restructured and that payments to producers will no longer be available from the Croatian state. Specifically, the EU, through its CAP, will allocate the resources most conductive to sustainable agricultural practices, which will prove beneficial to the few who are best prepared for such a great transition.<sup>89</sup> According to the Resolution on

<sup>&</sup>lt;sup>86</sup> Ibid.

<sup>&</sup>lt;sup>87</sup> Damir Kovačević, a professor at Zagreb University quoted in "Croatian farmers eager to access a wider EU market with specialty products," International Herald Tribune, 18 August 2008. Available at http://www.iht.com/articles/2008/08/18/business/farm.php (accessed 18 August 2008).

<sup>&</sup>lt;sup>88</sup> Franic, Zimbrek, Premises for the inclusion of agriculture in the process of Croatian accession to the European Union, 166.

<sup>&</sup>lt;sup>89</sup> Hrvoje Butkovic, K.A. Dujmovic, Ivona Ondelj, "Croatia in the European Union: What can the citizens expect?" Institute for International Relations and Konrad Adenauer Foundation (June 2007):15.

the Strategic Guidelines for Negotiations between the Republic of Croatia and the

European Union:

...it is of particular importance to agree on adequate transitional periods and mechanisms related to the amount and pace of direct payments to Croatian agricultural producers from the budget of the European Union, determining of production quotas for particularly sensitive products, and deadlines for attaining quality standards.<sup>90</sup>

Croatia will be required to establish a new, specialized agency to facilitate the transfer of

payments and regulate and direct the disbursement of funds to Croatian farmers and food

producers from the European Agricultural Guarantee Fund (EAGF) and the European

Agricultural Fund for Rural Development (EAFRD). Petar Čobanković, former Minister

of Agriculture, voices his support for EU membership and the benefits EU funds would

produce, and argues that:

The EU gives the possibility to all its members to shape their own rural politics, and projects are financed from the EU funds to amount up to 50%. Equipment purchase is also financed from the EU structural funds, which raises the level of agricultural competitiveness and its production. Agricultural producers would also raise more their profits because some of the income would be made from the sale of their products. The EU, just like to the rest of the EU members, will offer to Croatia a possibility to obtain the EU origin and traditionality trade mark for its food products. The Croatian market can also be more protected in relationship to the competition coming from the "New World", from such countries like Brazil and Argentina, which are big and competitively strong meat, milk and wine producers. By joining the EU, Croatia can also better champion its interests in other international organizations like the World Trade Organization (WTO).<sup>91</sup>

http://www.vjesnik.hr/html/2007/05/29/Clanak.asp?r=tem&c=1 (accessed 29 October 2008).

<sup>&</sup>lt;sup>90</sup> "Resolution on the Strategic Guidelines for Negotiations between the Republic of Croatia and the European Union," (Ministry of Foreign Affairs and European Integrations, 2005):3. Available at http://www.eu-pregovori.hr/DOWNLOAD/2005/10/28/Resolution\_\_\_ENG.pdf (accessed 29 October 2008).

<sup>&</sup>lt;sup>91</sup> Interview with Petar Čobanković, Croatia's Minister of Agriculture and Forestry in "EU nece Hrvatskoj zabranjivati proizvodnju tradiciskih proizvoda" (The EU will not ban production of Croatian traditional products) Vjesnik 29 May 2007. Available at

Furthermore, Croatia's accession to the WTO in 2000 prohibited government agricultural subsidies and use of protective measures for its domestic products. Consequently, the competitiveness of domestic products, in general, was put at risk, unlike in the past when protection from foreign trade and extremely high import tariffs were used to ease the life of farmers and other agrarian producers. In 1997, Croatia's tariffs on foreign-made agricultural products averaged 25.3 per cent.<sup>92</sup> Without imports, food prices in Croatia would skyrocket. The food surplus coming from the EU lowers average food prices in Croatia, but indirectly negatively affects the already non-competitive Croatian food producers.

As a result, the level of Euroscepticism among Croatian agricultural producers has become proportional to the level of Croatia's agrarian imports; the higher the level of imports, the more scepticism toward the EU is harboured among the farmers and other food producers. Currently, Croatia imports almost two billion euros worth of various agrarian food and non-food commodities annually, which, according to Božidar Pankretić of the Croatian Peasant Party (HSS),<sup>93</sup> is ruining the domestic agricultural production sector.<sup>94</sup> The levels of frustration and discontent, and thereby subsequent opposition, is growing among farmers toward the Ministry of Agriculture, Forestry and Water

92 Ibid.

<sup>93</sup> The Croatian Peasant Party (HSS) is the only Croatian party that is exclusively interested in supporting troubled agricultural producers. Another party putting forth a considerable effort is the Croatian Pensioners' Party (HSU), which frequently protests against government policies detrimental to Croatian farmers but which does not have an encompassing policy solely focused on supporting agricultural and fish producers. For more information see how the Croatian Pensioners' Party's protests against wheat price gouging "Nema opravdanja za poskupljenje psenice," Vecernji List, 1 August 2007. Available at http://www.vecernji.hr/home/manager/2075647/index.do (accessed 8 October 2008).

<sup>&</sup>lt;sup>94</sup> A speech by Božidar Pankretić, Croatian Peasant Party (HSS), 22 May 2007. Available at http://www.hss.hr/ (accessed 8 October 2008).

Management, which is, according to Pankretić,<sup>95</sup> a former HSS official, "a service agency for foreign lobby groups with no real interest in protecting domestic food producers." <sup>96</sup> Croatian Farmers Union (CFU) officials claim that this situation favours importing and commercial lobbies, big wholesalers and large commercial chains that buy farm products and fish only from a few select individuals, disregarding the majority of small farmers and fishermen.<sup>97</sup> Antun Laslo, president of the Peasant's Association of Slavonia and Baranja (PASB) argues that "Croatian agriculture is facing bankruptcy...and this is the last chance to keep the Croatian farmer on Croatian land." <sup>98</sup> According to Laslo, the Croatian government is solely responsible for market discrepancies and food price imbalances. It needs to stop the import of cheap food staples from the EU, as this only benefits EU producers and a small number of Croatian importers, not consumers or domestic producers. For the last ten years, the Government's purchase of wheat from Croatian farmers has been organized under threats like "ili kuna ili buna" (either money or mutiny).<sup>99</sup> Various food producers have threatened the blockage of roads or ports, the

<sup>96</sup> A speech by Božidar Pankretić, Croatian Peasant Party (HSS), 22 May 2007. Available at http://www.hss.hr/ (accessed 8 October 2008).

<sup>&</sup>lt;sup>95</sup> Božidar Pankretić is currently Croatian Minister of Agriculture, Fisheries and Rural Development. At the time of his speech in 2007, he was just an official within the Croatian Peasant Party.

 <sup>&</sup>lt;sup>97</sup> "Proizvodnja hrane" (Food production), Vjesnik (15 May 2006.) Available at http://paor.blog.hr/2006/05/index#1621079801 (accessed 15 October 2008).
 <sup>98</sup> Ibid.

<sup>&</sup>lt;sup>99</sup> Croatian currency, called kuna, is used here as a reference to the minimum amount of money required to purchase one kilogram of wheat, as demanded by the farmers. Kuna is currently worth about 20c Canadian. See "Zetva psenice: Kuna ili Buna". Available at

http://www.vjesnik.hr/Html/2005/07/18/Clanak.asp?r=unu&c=3 (accessed 15 October 2008).

spillage of milk or destruction of crops, and as a result purchases of various subsidized food staples are increasingly becoming more of a political than an economic matter.<sup>100</sup>

Dairy farmer Ivica Bričić, a former member of the biggest farming conglomerate, "Lura" and an agricultural program beneficiary, and whose farm will be subsidized by the EU, is sceptical of EU intentions and his prospects after Croatia's EU accession. Bričić reasons, "I doubt that we can be competitive in the EU milk and dairy products market when our government does not care for agriculture; then again, we will know soon enough."<sup>101</sup> Stipan Bilić, Director of the Agriculture and Food Industry Association (AFIA) also cautions farmers and other food producers about the intense EU competition they will face after Croatia's EU entry. Currently, according to Bilić, Croatian farmers produce about 50 times less food than the best EU farmers and 15 times less than average ones. However, following the EU accession Croatian farmers will not be permitted to increase their production due to already large agricultural surplus within the EU. Unless Croatian farmers obtain or keep the same level of financial stimulus per hectare of land, which is presently about 10-15% higher than the EU average, their livelihoods could be compromised, with potentially fatal consequences for some of them.<sup>102</sup>

Vinko Perinić, a former Croatian Peasant Party advisor, argues that the EU evokes fear among farmers because fear is, "...a usual manifestation of circumstances facing Croatian people and different family and individuals. Peasants are conservatives whose

<sup>100</sup> Interview with Petar Čobanković, Minister of agriculture and forestry, "Ruralni proctor ce imati najvecu korist of od Europske Unije" (Rural areas will profit the most from the EU) in Vjesnik, 15 July 2006.
 Available at http://www.vjesnik.com/html/2006/07/15/Clanak.asp?r=tem&c=3 (accessed 7 October 2008).
 <sup>101</sup> Ivica Brcic quoted in Zagorje, (23 February 2006). Available at

http://www.zagorje.com/articles/2270/show.aspx (accessed 7 October 2008).

<sup>&</sup>lt;sup>102</sup> Stipan Bilić in "Prije ulaska u EU domacoj proizvodnji nuzne promjene," CroatiaBiz, 19 May 2005. Available at http://www.croatiabiz.com/info lnews-article.php?ID=24315 (accessed 7 October 2008).

first priority is always their land and family. They cannot, without difficulty, establish a dialogue with a society where materialism prevails and which does not want to recognize the true values held dear by the peasantry."<sup>103</sup>

Yet despite the general unease and fear, the agricultural sector is widely regarded as one of the few that would actually benefit from EU accession. More specifically, with a generally anticipated increase in food prices, accession is expected to burden consumers and bring gains to heavily subsidized producers. In fact, Dragan Kovačević, the Secretary of State Secretary for the Ministry of Agriculture and Forestry, argues that "if there is one sector that will profit from the EU accession, that is agriculture." He also adds that:

Production funds have already been directed toward bigger agricultural enterprises, which produce for the market. Small subsistence-oriented agricultural producers, those that just produce for their own needs, will be funded through the funds as well, because it is important to sustain life in the village. The village is a social category. In the EU, the question of the rural life comes first.<sup>104</sup>

The biggest gains will certainly go to flexible, market-savvy agricultural producers, notably the producers of organic and ecological food and produce, who continue their traditional production activities with a focus on priorities financed by the EU. Nenad Matić, a representative of Croatia's Peasant Party and a designer of the government's "Renaissance of the Countryside" program, argues that Croatia cannot compete with others in the region unless it changes its strategy. However, he is confident

<sup>&</sup>lt;sup>103</sup> Interview with Vinko Perinic in Zadrugar 4 February 2009. Available at http://www.zadrugar.info/content/view/290/37/ (accessed 4 February 2009).

<sup>&</sup>lt;sup>104</sup> Interview with Dragan Kovačević, the State Secretary for Ministry of Agriculture and Forestry and one of the members of the EU-Croatia negotiation team in Vjesnik, 18 January 2006. Available at http://www.vjesnik.com/pdf/2006%5C01%5C18%5C19A19.PDF (accessed 14 October 2008).

in his relatively expensive products and believes that they will fare well in EU markets. He declared that:

We cannot be a major exporter – we cannot compete with others in terms of quantity or price. We must look for particular market niches for our indigenous products, wine, cheese, plum brandy and to sell our home-grown food to tourists.<sup>105</sup>

In addition, Mario Sever, Croatia's first organic food producer, is very optimistic about Croatia's EU accession. He thinks the membership will "boost the ranks" of specialty food producers and improve his personal economic prospects. He contends that, "As Croatia will be getting closer to the European Union and as agriculture legislation will be harmonized with EU standards, our position will improve and the others would be hopefully encouraged to follow us."<sup>106</sup>

The difference between long-term winners and losers in the agricultural sector will overwhelmingly depend on financial measures and the technical capacity of producers to adjust quickly to the strict health and safety standards of the EU and to the competitive nature of the common market. Croatia, with its extensive but underutilized potential where most food is still imported and where direct foreign investment in agriculture is a complete novelty, regards EU accession as a promising opportunity.<sup>107</sup>

<sup>106</sup> Interview with Mario Sever, on of Croatia's organic food producers in EUBusiness, 13 February 2007. Available at http://www.eubusiness.com/news\_live/1171166402.68/ (accessed 15 October 2008).

<sup>&</sup>lt;sup>105</sup> Nenad Matic of Croatia's Peasant Party and a designer of government's "Renaissance of the Countryside" program quoted in "Croatian farmers eager to access a wider EU market with specialty products," International Herald Tribune, 18.08.2008. Available at http://www.iht.com/articles/2008/08/18/business/farm.php (accessed 15 October 2008).

<sup>&</sup>lt;sup>107</sup> Svrha je pomoci, a ne unistiti hrvatsku poljoprivredu (The objective is to help and not to ruin Croatian agriculture), Jutarnji List (6 May 2008). Available at http://www.jutarnji.hr/clanak/art-2008,5,6,,118465.jl (accessed 16 October 2008).

Apart from agriculture, the Croatian fishing industry is an important segment of the Croatian economy, given its role as a major source of employment and food. The fishing industry significantly benefits from the great natural base that the Adriatic Sea has to offer.<sup>108</sup> The Croatian fishing industry, being primarily export-oriented, is heavily dependent on the country's cooperation with the EU, its main trading partner.<sup>109</sup> This collaboration brings huge benefits to the country and a large surplus in foreign trade. Free access to the EU market creates an incentive for a major overhaul of the Croatian fishing fleet and its current fishing practices, which would be greatly beneficial for the long-term development of Croatia's coastal regions.<sup>110</sup> Moreover, Croatian Fishermen's Guild (CFG) representatives believe that the country's accession to the EU would also foster better cooperation among the countries of the Adriatic and the Ionian Sea basins in regard to the financing of mutual EU fishing industry projects.<sup>111</sup> Croatian fishermen also expect

<sup>&</sup>lt;sup>108</sup> Apart from being a Central European country, Croatia is also a Mediterranean country, with over 6000 km of coastline and over 1000 islands. Croatian rivers are also of a high economic value, not only as a source of fresh water but also in terms of navigation and transportation. For example, the Danube is the longest river in the EU and the second longest river in Europe after the Volga. It goes through ten European countries and is hugely important as a water resource and for navigation and transportation, tourism and fishing. These rivers belong to the Adriatic and Black Sea basins and are some of the cleanest in the world, and are rich in both flora and fauna. Freshwater fishing also represents a share, albeit small, of the fish-producing industry. Because most of Croatia's greatest rivers also mark the country's borders (Sava and Una with Bosnia and Herzegovina, Danube with Serbia, Drava with Hungary, Mura and Kupa with Slovenia), the use of river resources is often hampered by Croatia's disputes with Serbia, Slovenia and Bosnia and Herzegovina.

<sup>&</sup>lt;sup>109</sup> Croatia is the only non-EU member of the Federation of European Aquaculture, and has signed and ratified the treaty with the General Commission for Fisheries in the Mediterranean.

<sup>&</sup>lt;sup>110</sup> In order to comply with the acquis, the Croatian government has already made numerous changes in its legal regulations and procedures while trying to incorporate its fishing policy into the Common Fishing Policy (CFP) of the EU. As an EU member, Croatia will gain 3.5 billion euros from the European Fisheries Fund (EFF) until 2013. The investment will be directed into infrastructure, fishing fleet restructuring, research and development, diversification and enhancement of fishing products and occupational health and safety standards. Croatia's alignment with the CFP will also benefit the environment and the sustainability of fishing practices.

Butkovic, Dujmovic, Ondelj, "Croatia in the European Union: 18.

<sup>&</sup>lt;sup>111</sup> "HOK: Ina uvazila zahtjeve ribara" Vjesnik, 23 January 2009. Available at

http://www.vjesnik.com/Html/2001/01/23/Clanak.asp?r=gos&c=2 (accessed 23 January 2009).

that their traditional fishing practices and gear, which are considered enriching and beneficial for all EU fishermen, will be protected under EU regulations following the country's accession.<sup>112</sup>

However, the most contentious issue for Croatia's fishermen regarding the country's EU accession concerns fishing rights and habitat protection on its side of the Adriatic Sea. Since Croatia shares the Adriatic Sea with its two more affluent neighbours, Slovenia and Italy,<sup>113</sup> it decided to pursue a "fishing and ecological zone" on its side of the Adriatic Sea, the so-called Protected Fishing and Ecological Belt (PFEB).<sup>114</sup>. The Croatian justification for this unilateral action is the protection of the fish stocks, which are apparently being severely depleted by the much bigger Italian fishing fleet. According to the Croatian government, Italy deprives Croatia of 200,000 tonnes of fish, with a value of 300 million Euros annually, which is the ten times the value of the Croatian fishermen's catch.<sup>115</sup> The Slovenian government regards the one-sided activation of the

 <sup>&</sup>lt;sup>112</sup> "Godisnji uvoz tuna, incuna i sardela od 160 milijuna dolara" AgroNews, 16 March 2009. Available at http://www.agroklub.com/agronews/godisnji-izvoz-tuna-incuna-i-srdela-od-160-milijuna-dolara/799/ (accessed 16 March 2009).
 <sup>113</sup> Slovenia and Croatia have repeatedly criticized each other in the past over a slew of issues and concerns

<sup>&</sup>lt;sup>115</sup> Slovenia and Croatia have repeatedly criticized each other in the past over a slew of issues and concerns such as failure to reach agreements over mutual borders, the Krsko joint management nuclear power plant, real estate property rights and Croatian depositors' savings in Ljubljanska Banka. The Treaty of Osimo, which concerned delimitation of the territory between Italy and Yugoslavia, never regulated the maritime and land borders between Croatia and Slovenia and hence triggered a dispute between the two countries. Croatia is seeking international arbitration to resolve its border and fishing rights disputes with Slovenia in the Adriatic Sea, while the other side opposes the international presence or demands an international arbitrage for the entire Slovenian-Croatian border, both land and maritime. Slovenia, with its 47 kilometres of coastline, is claiming access to international waters, a claim that is disputed by the Croatian side. In March 2009, Slovenia was the only NATO member blocking Croatia's accession into the alliance, due in April 2009.

April 2009. <sup>114</sup> The Protected Fishing and Ecological Belt (Zasticeni ribolovno-ekoloski pojas or PFEB). This protected fishing and ecological zone covers around 57,000 sq km (22,800 sq miles). Malta, an EU member, has a similar 25-mile exclusive fishing zone since 1978. See Giampiero Francalanci, Tullio Scovazzi, Daniela Romano, Lines in the Sea, (Genoa: Martinus Nijhoff Publishers, 1994): 144.

<sup>&</sup>lt;sup>115</sup> See the article "Croatia provokes EU fishing row" BBC World, December, 31 2007. Available at http://news.bbc.co.uk/2/hi/europe/7166008.stm (accessed 16 October 2008).

protection zone as an issue which endangers Slovenian sovereignty. Slovenian Foreign Minister Dimitrij Rupel and the Slovenian People's Party even went so far as to threaten to block several of Croatia's EU negotiation chapters if Croatia started enforcing the protection zone.<sup>116</sup> The head of the Slovenian diplomacy argues that:

Croats have the same attitude towards our diplomacy as some Slovenes have towards the Croatian sea. Many still live in the illusion that it is half theirs. Perhaps that is the reason why they care so little for the Slovenian sea. The underlying problem in Croatian-Slovenian relations is in that Croatians did not view Slovenes – right up to the accession to the EU and NATO – as a partner on equal footing.<sup>117</sup>

Croatian fishermen, although ready for a compromise, threatened to block their support for Croatia's entry into the EU if the Croatian government backed down from the PFEB. Croatia's fishermen were staunchly backed by the CFG, the Croatian Homeland War veterans and the Croatian Party of Rights, a right-wing party with an ethnocentric platform. Also, the Croatian Homeland War veterans, as well as the Croatian Peasant Party,<sup>118</sup> a junior government coalition partner, even threatened to exit the government coalition. Its former leader, Josip Friscic, warned that, in the case that the Croatian government backed down from the PFEB question, he and five other parliamentarians will return their mandate, instigate other parliamentarians to quit their mandates and

<sup>&</sup>lt;sup>116</sup> See "Croatia May Soften Fishing Zone after EU Rebuff," by Reuters 12 December 2007. Available at http://www.planetark.org/dailynewsstory.cfm/newsid/45942/story.htm

Also see the Slovenian People's Party statement on Croatian protection zone. Available at http://www.sls.si/sl/inside.sls?uid=766B6235-C2F7-1418-69DB-161ADD80F475&linkid=newsContent (accessed 16 October 2008). <sup>117</sup> Dimitrij Rupel quoted in "Hurdle on the way to the EU: Rupel's 17-year war against Croatia," Nacional,

<sup>&</sup>lt;sup>117</sup> Dimitrij Rupel quoted in "Hurdle on the way to the EU: Rupel's 17-year war against Croatia," Nacional, 6 February 2008. Available at http://www.nacional.hr/en/articles/view/42491/ (accessed 17 October 2008).

<sup>&</sup>lt;sup>118</sup> Croatian Peasant's Party (Hrvatska Seljacka Stranka – HSS) does not posses a great number of parliamentary seats, but being the oldest Croatian party, possesses a great reputation for standing up for Croatian national interests.

create a rift in the current government coalition.<sup>119</sup> He argued that "HSS remains firm in its decision against suspension of PFEB, which is required of Croatia. The demand for PFEB suspension is without a real argument. The demand is actually a pressure of our neighbours in regards to our border negotiations."<sup>120</sup> President Stjepan Mesić had also vociferously supported PFEB implementation for some time:

When protection of the Adriatic is in question, I believe in respect of equal criteria for all countries with their sovereign rights to enjoy international law rules and UN Nations Convention on the Law of the Sea legal provisions. Croatia will take necessary steps, after the country starts applying its jurisdiction over PFEB, to find a mutually satisfactory solution with two friendly countries, Italy and Slovenia, in our mutual interest.<sup>121</sup>

However, President Mesić, like the current Prime Minister Ivo Sanader, while initially

supporting the application of the PFEB and disregarding warnings from such high ranking

officials as Jose Manuel Barroso and Romano Prodi, was forced to back down, and

withdrew his support for the Eco-Fishing Zone project. Petar Baranović, the president of

the Croatian Fishermen's Union (CFU), argued that Croatia's EU accession would not go

well for his members. He accused Italian and Slovenian EU politicians of being unfair by

"pressuring" Croatian politicians into suspension of the PFEB.<sup>122</sup> The rhetoric reached a

pinnacle when European Enlargement Commissioner Olli Rehn threatened to block

<sup>&</sup>lt;sup>119</sup> Interview with Josip Friscic, "Imao sam plan izaci iz Vlade" (My plan was to exit the government). 14 March 2008. Available at http://www.jutarnji.hr/clanak/art-2008,3,14,,112235.jl (accessed 17 October 2008).

<sup>&</sup>lt;sup>120</sup> "Josip Friscic didn't want to answer if he stays a coalition partner in Sanader's government" Jutarnji List, 12 March 2008. Available at http://www.jutarnji.hr/vijesti/clanak/art-2008,3,12,,111965.jl (accessed 17 October 2008).

<sup>&</sup>lt;sup>121</sup> Interview with President Stjepan Mesić on 23 January 2008. Available at http://www.ipazin.net/?p=705 (accessed 17 October 2008).

<sup>&</sup>lt;sup>122</sup> "Sindikat ribara: Italija i Slovenia su prema nama nekorektni," Index, 28 November 2003. Available at http://www.index.hr/vijesti/clanak/sindikat-ribara-italija-i-eu-su-prema-nama-nekorektni/173064.aspx (accessed 17 October 2008).

Croatia's negotiations with the EU in the case of PFEB implementation. Oli Rehn said that, "PFEB is like a cloud in the clear Croatian skies, and if not solved soon, it could cause a great delay in the EU integration process."<sup>123</sup>

An anonymous Croatian politician assessed the current situation for the Croatian weekly magazine Nacional:

The situation with the Eco-Fishing Zone has gone so far that there can be no real retreat regardless of whether it is the opposition or the ruling party. At stake are no longer just economic elements, but national pride because we cannot give in on something that belongs to us by all right. Just a few years ago it could all have been settled quietly and, especially as far as Italy is concerned, by giving them certain concessions, but if someone were to do so now they would feel a massive condemnation by the entire public. This is why I am not sure if any government will be able to solve this issue and not, in doing so, come in for a lot of criticism.<sup>124</sup>

In addition to the acknowledged prominence of the agricultural sector in Croatian society, the importance of the tourist industry is not to be underestimated, as it accounts for approximately 50 percent of Croatia's foreign currency earnings.<sup>125</sup> According to the Croatian Hotel Industry Report for 2006, EU accession will have a positive impact on the tourist industry. EU entry will certainly benefit the country financially, and it will also polish Croatia's image as a member of "the European club."<sup>126</sup> Damir Bajs, Croatia's Minister of Tourism, is very confident about the prospects of Croatia's eco and rural

<sup>&</sup>lt;sup>123</sup> "Ecological Zone Could Block EU Negotiations," Javno, 6 March 2008. Available at http://www.javno.com/en/croatia/clanak.php?id=129666 (accessed 18 October 2008).

 <sup>&</sup>lt;sup>124</sup> "Sanader promised Brussels Stay on Eco-Fishing Zone," 17 October 2008. Available at http://www.nacional.hr/en/articles/view/38941/ (accessed 17 October 2008).
 <sup>125</sup> See World Bank report on World Trade Indicators 2008, "Croatia: Trade Brief"

http://web.worldbank.org/WBSITE/EXTERNAL/TOPICS/TRADE/0,,contentMDK:21393040~pagePK:21 0058~piPK:210062~theSitePK:239071,00.html (accessed 17 October 2008).

<sup>&</sup>lt;sup>126</sup> The Croatian Hotel Industry Report – 2006. This analysis was made by the Institute of Economics Zagreb, Croatia's leading think tank. Available at http://www.huh.hr/userFiles/huh.hr/huh09.pdf (accessed 17 October 2008).

tourism, which, according to him, can be combined with food and wine industry development efforts. He avers that "Croatia, with its substantial rural community, has a chance to take an initiative in sustainable rural development...through tourism."<sup>127</sup> Tomislav Sokler, an executive with Hosting Adriatica, proclaims that Croatian tourism might experience its revival through Croatia's EU accession and that the tourist industry would undergo an instantaneous image upgrade and could only benefit from the free flow of capital, goods, people and services.<sup>128</sup>

Although Croatia is still perceived primarily as a tourist destination, little is known regarding its industrial portfolio and human resource capacity. The countries in close proximity to Croatia, primarily the Czech Republic, Hungary, Romania and Slovakia, have already positioned themselves as high-skills/low-cost labour European countries. However, Croatian industries also have a good chance for sustainable longterm competition with other, similar companies in the region, and not due exclusively to low prices.<sup>129</sup> Croatia, one of the most developed countries in the South-Eastern European region, also has the most diversified export structure. By accessing the EU, Croatian entrepreneurs are hoping to boost industry by embracing the innovative concepts, methods and mechanisms of various knowledge, human capital and technology transfer, thereby revitalizing production and commerce. Emil Tadeschi, the CEO of the Atlantic

<sup>&</sup>lt;sup>127</sup> Damir Bajs quoted in Slavonski Poduzetnik, 1 June 2008. Available at http://www.poduzetniksl.hr/content/view/165/39/ (accessed 16 October 2008).

<sup>&</sup>lt;sup>128</sup> Hosting Adriatica is a management consulting company specializing in travel and tourism industry. An interview with Tomislav Sokler published in Tourisminfo, 2007.

http://www.turizaminfo.hr/article.aspx?ar=266&to=123&ma=21&no=29 (accessed 16 October 2008). <sup>129</sup> Robert Bajrusi, "Blocking the negotiations would be an economic catastrophe," 12 March 2008.

Nacional. Available at http://www.nacional.hr/hr/articles/views/43593 (accessed 17 October 2008).

Group and one of Croatia's most successful entrepreneurs, claims that for Croatia, the EU

is the only viable alternative. He argues that:

The European Union is the future of Croatia's development, and there exists a consensus between all relevant political structures, as well as actors in the private sector and non profit sector. The mutual European market is a very important aspect of accession from the standpoint of Croatian entrepreneurs because it opens a much larger space for the placement of products, service and ideas. There is not enough emphasis that the reforms which we made and which we still face are necessary for improving our competitive capabilities in European and world markets, and that the European Union is the catalyst of the process which we must pass for our own benefit.<sup>130</sup>

Croatian entrepreneurs are expected to be innovative, proactive and, ideally, as little-reliant on state aid as possible, regardless if it originates from the Croatian government or the EU. Essentially, the EU needs to be regarded as a partner interested in supporting Croatian transitional efforts while challenges that can be resolved prior to EU entry are addressed. Croatian businessmen, entrepreneurs and industrialists are expected to find creative and effective solutions to their problems, which should not involve more of the same undesirable therapy – state aid. Nadan Vidošević, the president of the Croatian Chamber of Commerce, agrees with that view and maintains that the Croatian commercial and industrial sectors should look to their own inner motivation and resources to resolve current problems, and not necessarily regard EU accession as a quick fix for the current situation. Vidošević said, "Rest assured, no matter if we enter the EU or not, the

<sup>&</sup>lt;sup>130</sup> Emil Tadeschi, the CEO of Atlantic Group, a Croatian company operating in the EU, quoted in Robert Bajrusi, "Blocking the negotiations would be an economic catastrophe," 12 March 2008. Nacional. Available at http://www.nacional.hr/en/articles/view/43593/ (accessed 14 October 2008).

EU will not solve our main problems.<sup>311</sup> EU accession will only provide an appropriate framework for growth, where smaller entrepreneurs and industrialists alike can take the initiative to exploit their ideas and opportunities in a sustainable manner, thereby underpinning their ability to truly compete.<sup>132</sup> Along these lines, Tea Ganza, Croatian Chamber of Commerce coordinator for the EU, cautions that:

By entering the EU, Croatian companies will have an easier access to the EU market. However, that also means the increased competition as well. Therefore, our entrepreneurs should use the pre-accession period to get prepared for this kind of market competition and to accept the European standards as soon as possible. Those that would not succeed will have a hard time surviving the foreign competition.<sup>133</sup>

According to the 2008 Puls opinion poll conducted among Croatia's

entrepreneurs, only a third of them feel prepared for EU free market competition.

Croatia's businessmen's greatest fear is the entrance of EU companies into Croatia's

market. They do not really place much value on the fact that they can compete in the EU

free market environment, and many of them feel that their businesses might be

extinguished for good.134

<sup>&</sup>lt;sup>131</sup> "Vidošević: Iz krize necemo izaci jos deset godina, treba nam jaki predsjednik!" (Vidošević: We won't resolve the crisis in the next ten years, we need a strong president!). SEEBiz (5 February 2009). Available at http://www.seebiz.eu/hr/politika/vidosevic-iz-krize-necemo-jos-deset-godina%2c-treba-nam-jaki-predsjednik!,36803.html (accessed 5 February 2009).
<sup>132</sup> COM (2004) 274 final, "Fostering Structural Change: an industrial policy for an enlarged Europe,"

<sup>&</sup>lt;sup>132</sup> COM (2004) 274 final, "Fostering Structural Change: an industrial policy for an enlarged Europe," Brussels, 20.04.2004.

<sup>&</sup>lt;sup>133</sup> Interview with Tea Ganza, Croatian Chamber of Commerce coordinator for the EU in "Hrvatska" pamecu I radom na zahtjevnom europskom trzistu" (Croatia: with intelligence and work at the challenging European market) Glas Koncila, 2 July 2006. Available at http://www.glas-

koncila.hr/rubrike\_interview.html?news\_ID=7727&PHPSESSID=c7f (accessed 20 October 2008). <sup>134</sup> "Poduzetnici nisu spremni na clanstvo u EU" (Entrepreneurs not ready for EU membership), Poslovni Dnevnik, 8 May 2008. Available at http://www.poslovni.hr/78909.aspx (accessed 20 October 2008).

In order to secure their own independent existence in the much more competitive global market, Croatian industrialists and businessmen are expected to implement EUencouraged and financed business projects, which would help their successful and sustainable entry into the EU market. These EU-initiated structural reforms will improve the performance of already faltering industrial sectors, providing a stimulating and competitive environment for large corporations while facilitating the growth of young innovative enterprises, preparing them for competition in the global market. Krešimir Sever, the president of the Independent Croatian Trade Union, argues that Croatia is not seeking entry into the EU:

> ...because of the EU itself, nor have reforms been carried out because of the EU accession. Croatia is conducting reforms for its own benefit, that of its citizens and to reach the level already attained by other EU members. The real objective of these reforms is raising the quality of life for all Croatian citizens. This is a logical sequence of events leading Croatia to a place where it naturally belongs.<sup>135</sup>

## 3.3 Public Opinion of EU Accession and Influence of Media

Despite the fact that support for European Union (EU) enlargement varies greatly across European countries, European citizens are still an integral element of support for further European integration. Popular attitudes have been crucial for the successful transformation of former communist countries into democracies and free market economies. A favourable public opinion toward democracy and a market-oriented economy in these regions certainly helps the EU to be the most successful international

<sup>&</sup>lt;sup>135</sup> Krešimir Sever, the president of the biggest Croatian trade union, the Independent Croatian Trade Union, in his letter to the Prime Minister Ivo Sanader. The letter is available at http://www.sdlsn.hr/\_upload/pdf/nhs\_sanader\_zahvala.pdf (accessed 18 October 2008).

organization in the promotion of liberal democracy, among its eastern neighbours as well as globally. Such public support also eases the transition for new EU members as they embrace the latest reforms, consolidate democratic institutions and successfully integrate into the single market. Romano Prodi, former President of the European Commission, was quoted as saying:

The enlarged Europe will certainly need strong institutions. But they must be democratically legitimate institutions that operate in a transparent and accountable way and enjoy the full confidence of the citizens. People want a much more participatory, "hands-on" democracy. They will not support the European project unless they are fully involved in setting goals, making policies and evaluating progress. And they are right.<sup>136</sup>

However, since the establishment of the ECSC, national political elites have been

driving European integration at a speed and in a direction reflective of their own preferences. Consequently, the EU project favours those citizens that are wealthier, higher-educated and -skilled and who enjoy a higher standard of living overall.<sup>137</sup> The costs and benefits associated with EU membership are disproportionately distributed among sectors and peoples; a disproportion that generally favours business and political elites. Almost all post-communist transitional societies are suffering from such a winnerslosers split. Those on the losing end of the spectrum of EU integration include elderly

<sup>&</sup>lt;sup>136</sup> Romano Prodi cited in Rachel A. Cichowski, "Western dreams, Eastern realities: Support for the European Union in Central and Eastern Europe," *Comparative Political Studies* 33, 10 (December 2000): 1244.

<sup>&</sup>lt;sup>137</sup> Liesbet Hooghe, Gary Marks, "Does Identity or Economic Rationality Drive Public Opinion on European Integration?" *PS: Political Science and Politics* 37, 3 (2004): 415.

pensioners, state workers and women. Those on the winning end of the spectrum include young people, those who are highly educated and those employed in the private sector.<sup>138</sup>

Most members of the Croatian political and business establishment and a considerable number of media outlets are approaching the question of EU accession as largely a cost-benefit issue. However, a rational cost-benefit analysis of European integration by the Croatian public is currently greatly restricted. Although Prime Minister Sanader often declares that Croatian citizens are "aware of the benefits and the costs of entering the EU,"<sup>139</sup> the main problem stems from a lack of communication to the Croatian public of the most basic information regarding the EU integration. This 'information deficit' is understandable given Croatia's non-member status, but the key problem can be identified in the citizens' lack of interest in the EU,<sup>140</sup> which in turn is likely due to a lack of the basic analytical and investigative skills required for understanding such a highly abstract and complicated enterprise like the EU.<sup>141</sup>

According to the recent 2008 Eurobarometer survey of public opinion in Croatia, only 24 percent of Croatians see the EU in a positive light. Additionally, only 23 percent of Croatians see the membership of their country in the EU as a positive development, while almost 38 percent of them express a negative attitude towards EU membership.<sup>142</sup>

<sup>&</sup>lt;sup>138</sup> Joshua A. Tucker, Alexander C. Pacek, Adam J. Berinsky, "Transitional Winners and Losers: Attitudes Toward EU Membership in Post-Communist Countries," American Journal of Political Science 46, 3 (July 2002): 558.

<sup>&</sup>lt;sup>139</sup> Ivo Sanader, "Croatia in the New Millennium: Toward EU and NATO Membership," Mediterranean *Quarterly* (Winter 2005): 5. <sup>140</sup> See footnote No. 9

<sup>&</sup>lt;sup>141</sup> D. Bagić, A. Šalinović, "Analysis of benefits and harms as a factor in citizen support to Croatian accession to the European Union" in: K. Ott, ed. Croatian accession to the European Union: The challenges of participation, (Zagreb: IJF, 2002): 164-5.

<sup>&</sup>lt;sup>142</sup> Eurobarometer, Autumn 2008 - Croatia. Available at

http://ec.europa.eu/public opinion/archives/eb/eb70/eb70 hr exec.pdf (accessed 15 October 2008).

In the case of Croatia, strangely enough, despite its transitional status, the mistrust projected toward the EU might in fact reflect mistrust toward the national institutions.<sup>143</sup> As Joseph Janssen asserts, "The issue of integration may be too difficult, too abstract and not interesting enough for the average citizen to form a well thought-out attitude."<sup>144</sup> Most often than not, the information provided by the media lacks real content and relevant information. As a consequence, the popular media have failed to improve people's understanding of the EU venture and have been unsuccessful in provoking *bona fide* progressive public debate.<sup>145</sup> The reasons for sporadic surges in the negative public attitude toward EU entry are the result of provocative, mainly political motives shaped at a rather superficial level for short-term political objectives. According to Bagić and Šalinović:

...information provided by the media and politicians can be seen as being diffuse and confused. There are some media which do try to inform people about the EU (the special broadcasts of Croatian TV and Radio 101, for example, specialised pages of T-portal), but these efforts are few and far between, scattered at the end of broadcasting schedules. Special broadcasts tend to appear every two to three weeks, at non-prime times. This kind of topic is not at the centre of the media, nor does it thus reach any significant proportion of the population. On the other hand, these same media often have stories that are over-generalised, quite often the product of ignorance and error of the journalist, and often with admixtures of scandal mongering and gutter journalism...<sup>146</sup>

<sup>&</sup>lt;sup>143</sup> Vesna Roller, "Novi moto: udimo u EU sto bolje, ne udimo sto prije," 8 February 2007. Poslovni dnevnik http://www.poslovni.hr/33436.aspx (accessed 15 October 2008).

<sup>&</sup>lt;sup>144</sup> Joseph Janssen, "Postmaterialism, cognitive mobilization, and public support for European integration," British Journal of Political Science 21 (1991): 443-468., quoted in Christopher J. Anderson, "When in doubt, use proxies: Attitude Toward Domestic Politics and Support for European Integration," Comparative Political Studies 31, 5 (October 1998): 572.

<sup>&</sup>lt;sup>145</sup> Ibid., 183.

<sup>146</sup> Ibid.

According to the Autumn 2006 issue of *Eurobarometer*, overall trust in the media has shown a downward trend in Croatia. Presently, only one-third of people have trust in the Croatian media, which is considerably lower than in most EU 25 countries.<sup>147</sup> Freedom House, in its 2007 Nations in Transit study, awarded Croatia a mediocre grade of 4.00.<sup>148</sup> This is a slight improvement from the previous year, but still below par in comparison with European standards.<sup>149</sup> Even now, Croatia lacks a genuine alternative source of information,<sup>150</sup> i.e., a media outlet that can compete with the state-owned HTV (Hrvatska televizija – Croatian Television), which is currently a primary source of information for 70-90 per cent of the Croatian population.<sup>151</sup>

Political leaders, in order to conceal their incompetence in addressing absent socio-economic improvements and lagging reforms, often engage in crafty media spins. They benefit from the fact that the EU progress reports on Croatia's transition have yet to be translated into the Croatian language and made available to the general public. This outrageous omission was uncovered by the *Wall Street Journal*, which labelled Croatian

http://ec.europa.eu/public\_opinion/archives/eb/eb66/eb66\_hr\_nat.pdf (accessed 15 October 2008).

<sup>&</sup>lt;sup>147</sup> Eurobarometer, Autumn 2006 - Croatia. Available at

 <sup>&</sup>lt;sup>148</sup> The ratings are based on a scale from 1 to 7, with 1 signifying the highest possible level of democratic progress.
 <sup>149</sup> "2007 Nations in Transit - Croatia," Freedom House, 2007: pp.163. Available from

http://www.freedomhouse.hu//images/fdh\_galleries/NIT2007/nt-croatia-proof-ii.pdf (accessed 21 October 2008).

<sup>&</sup>lt;sup>150</sup> The internationally awarded Croatian newspaper Feral Tribune, well-known for its investigative journalism, has stopped publishing recently due to its inability to pay value-added tax (VAT) bills. Historically, the Croatian government had waived value-added taxes for many other, government-owned, media outlets. Yet Feral Tribune, a Croatian symbol of free press, will not get the same treatment, most likely because of its daring criticism of Croatian government and politicians regardless of their ideological standing.

See "Croatian Weekly Newspaper Stops Publication Because of VAT debt," Associate Press (AP), 14 June 2007. Available at http://biz.yahoo.com/ap/070614/croatia\_media.html?.v=1 (accessed 21 October 2008).

<sup>&</sup>lt;sup>151</sup> Ibid., 164. HTV still requires mandatory subscription on its television broadcasting from every Croatian citizen with a TV set.

politicians as "Croatian Spin Doctors."<sup>152</sup> The most blame was apportioned to Prime Minister Sanader, who, spinning the results of the European Commission's 2006 Progress Report on Croatia, reported "progress...when it comes to reforms."<sup>153</sup> However, the Progress Report was not praising the Croatian government on its reforms, but was instead highly critical of Croatia's reform strategy. The Progress Report states that Croatia still has "no overall strategic framework" and that "significant challenges lie ahead in the context of *acquis* alignment."<sup>154</sup> It has also been determined that growing popularity in Sanader's CDU is due to privately paid opinion polls, whose results were obtained without a valid representative sample. These opinion polls were undertaken in order to artificially inflate the popularity of the party.<sup>155</sup> Moreover, current statements by Sanader that "Croatian history will be written by no one but ourselves",<sup>156</sup> suggest the view that Croatian history is a question of individual or some elite group interpretation and media spin, and not of facts and rigorous historical scrutiny.

At the moment, the most pressing issues for Croatian citizens regarding EU accession are the potential massive sales of Croatian seaside property as well as the potential disappearance of traditionally produced foods. While concern regarding the sale

http://www.croatianworldwideassociation.com/site/epage/42764\_571.htm (accessed 21 October 2008). <sup>153</sup> Ibid. Ivo Sanader issued a public statement which was posted on the Croatia's government web site, but recently has been removed due to negative press regarding this issue. Not available any more at http://www.vlada.hr/default.asp?gl=200701190000004 (accessed 21 October 2008).

<sup>155</sup> "HDZ popularnost stranke pumpa na anketama" 24 Hours, 3 June 2007. Available at http://www.24sata.hr/index.php?cmd=show clanak&tekst id=19766 (accessed 22 October 2008).

<sup>&</sup>lt;sup>152</sup> "Croatian Spin Doctors" 15 November 2006. Wall Street Journal. Available at

<sup>&</sup>lt;sup>154</sup> European Commission, Croatia 2006 Progress Report. Evan today, the Progress Report is only available in English, French and German languages. Available at

http://ec.europa.eu/enlargement/pdf/key\_documents/2006/nov/hr\_sec\_1385\_en.pdf (accessed 21 October 2008).

<sup>&</sup>lt;sup>156</sup> A public statement by the Prime Minister Ivo Sanader following the visit by Carla del Ponte (the ICTY Chief War Crimes Prosecutor). Available at http://www.jutarnji.hr/dogadjaji\_dana/clanak/art-2007,7,13,Sanader\_Delponte,82090.jl (accessed 22 October 2008).

of prime Croatian property along the Adriatic Coast is to some extent understandable, the disappearance of traditionally produced foods was an issue used by some populist politicians for scoring cheap political points due to popular ignorance regarding how the EU Common Agricultural Policy (CAP) is applied in the acceding countries. The best Croatian example of superficial Euroscepticism is a rather bizarre anti-EU campaign to preserve the tradition of locally produced cheese and sour cream. Such odd political campaigns are the outcome of a rapid decline, according to some almost 30 percent, in support for EU accession.<sup>157</sup> Some farmers are sceptical about the new EU regulations because they think that the EU will force them to give up their only source of income. One of them said that:

We regularly check our cows and have been producing cream and cheese for decades. Nobody has died of it. This is healthy stuff and we don't understand why we would need to adopt any new regulations. If EU membership raises our costs, this would mean the end of small household production. Only big commercial producers would survive and they don't produce quality.<sup>158</sup>

Another example, similarly resulting in a surge of Euroscepticism, is the media hype over the extradition of several Croatian army generals to the ICTY in The Hague.<sup>159</sup> The general who drew the most media attention was former French Foreign Legion soldier and war crime suspect Ante Gotovina, who became a national hero and an

 <sup>&</sup>lt;sup>157</sup> See BBC news article at http://news.bbc.co.uk/2/hi/europe/3838795.stm (accessed 22 October 2008).
 <sup>158</sup> Marija Ivankovich quoted in "Croat cheese 'threat' spotlights Euro doubts" BBC, 29.04.2004. Available at http://news.bbc.co.uk/2/hi/europe/3838795.stm (accessed 22 October 2008).

<sup>&</sup>lt;sup>159</sup> The European Council confirmation of Croatia's candidate status in June 2004 has reversed the two year period of rising Euroscepticism and returned the public support for the EU to around 64%. See the EU public support poll by Puls agency, http://www.puls.hr/artman/uploads/cati-eu.pdf (accessed 19 October 2008).

incontrovertible symbol of the Homeland War.<sup>160</sup> A general shortage of authentic information on such issues shows that mass attitudes toward European integration can easily be manipulated by hastily improvised political crusades, reinforced by impulsive feelings and irrational judgments. Rising frustration with the ICTY, combined, to some extent, with negative attitudes toward the EU, consequently fuels ultra-nationalistic forces and readily translates into violence, hatred and xenophobia.

What is perhaps understandable in these negative mass attitudes toward Serb, Jewish and Roma populations, and the EU in general, is the underlying motivation of the Croatian people to preserve their own national identity and culture. Milovan Sibl, former Croatian Minister of Information and one of the main Croatian Eurosceptics, thinks that Croatia's new association with the EU will push the country into further turmoil. During one protest meeting against Croatia's accession into the EU, Sibl said that:

The government violated the constitutional amendment Article 141., which can lead into yet another Balkan association. Prior to the emergence of Yugoslavia, Croats lived peacefully with Serbs for 1300 years, until western powers pushed us into a common state in which about 100,000 Croats died.<sup>161</sup>

In general, Croatia's strong national identity effectively diminishes public support

for EU accession.<sup>162</sup> The most probable reasons behind the correlation of the popular

desire to preserve traditional Croatian foods and a sudden re-emergence of

Euroscepticism in Croatia following the arrest of Ante Gotovina are, to a lesser extent,

 <sup>&</sup>lt;sup>160</sup> See "Croatia honours day Serbs recall with bitterness," The Irish Times, 5 August 2005. Available at http://www.ireland.com/newspaper/world/2005/0805/1122072799809.html (accessed 21 October 2008).
 <sup>161</sup> Milovan Sibl, former Croatian Minister of Information and a leader of the Eurosceptic block "Jedino

Hrvatska" (Only Croatia – a block of 25 different parties and associations) quoted during a protest meeting in Zagreb, 12 May 2007. More information in "Desnicarima iskljucili mikrofone" (Microphones turned off for the rights activists) in Vecernji List, 12 May 2007.

<sup>&</sup>lt;sup>162</sup> Liesbet Hooghe, Gary Marks, "Does Identity or Economic Rationality Drive Public Opinion on European Integration?" PSOnline (July 2004): 416.

the EU 'carrot and stick' pressures,<sup>163</sup> but also the reality that the Croatian people wish to preserve their own national identity amid overwhelming globalization pressures. Croatian people, to some extent, value the economic consequences and growth potential of EU accession, but believe that the EU is driving an alien cultural element into the Croatian cultural mainstream. After all, an appreciation for their group identity is what keeps them together, and plays a significant role in their perceptions of and approaches to EU integration.

<sup>&</sup>lt;sup>163</sup> Croatian negotiations with the EU were at first delayed due to Croatia's supposed unwillingness to find and extradite Ante Gotovina. See http://vijesti.hrt.hr/arhiv/2005/03/16/HRT0048.html (accessed 11 October 2008).

## Summary

Since the end of the Cold War, the main political development project in Europe has been the stabilization and democratization of former communist countries. The collapse of communism brought great hopes for the future, but also great challenges for the region as well. In the Western Balkans, the Croats began to entertain the idea of Croatia's accession into the EC back in the 1980s. German recognition of Croatia's independence from the former Yugoslavia, on Christmas Day, 1991, briefly inflated their hopes of joining the EC. The newly established post-communist regime of Franjo Tudman failed to establish legitimate democratic institutions and properly transform and liberalize the formerly state-directed economy. While other East-Central European countries were rapidly advancing toward EU accession, Croatia suffered serious setbacks trying to settle the problems and failures resulting from the violent disintegration of the former Yugoslavia. The emerging country experienced a war brought about by the political elites of the former Yugoslavia, who were fighting for their own political interests. Croatia survived the war but accrued considerable costs to its people, as well as to its infrastructure and reputation. Corruption became widespread, while privatization of state enterprises failed. Many people experienced a combination of a dramatic drop in their incomes and an increase in socio-economic as well as political insecurity. Recently, however, Croatia has made great strides toward democratization and a free market economy and is now waiting next in line for potential accession into the EU. Following the Thessaloniki European Council, at which it was declared that "the future of the

Western Balkans is within the European Union,"<sup>164</sup> Croatia became the second EU candidate in the region, after Slovenia, which joined the Union in 2004. When the EU commenced accession negotiations with Croatia in 2005, the event was greatly celebrated as a "second recognition" of its sovereignty, equally significant to the official recognition of Croatia's independence on January 15, 1992.<sup>165</sup> The reforms that were put in place, due to Croatia's obligations to fulfill the Copenhagen criteria, delivered great results and placed the country on the path toward EU and NATO accession. Accession to the EU will be a historically significant opportunity for Croatia to take its permanent place in the Western world and become a more influential participant in the global community than ever before. As Ivica Račan, Croatia's late Prime Minister, once wrote:

The central focus of the government program is association with the EU and NATO. This means that we want to develop our society based on a value system of a European democracy and to show that we share the objectives of the EU. These objectives concern the maintenance and reinforcement of peace on the European continent, the achievement of economic development and growth on the basis of free economic exchange for the benefits of all Croatian citizens, and the strengthening and promotion of social security and welfare.<sup>166</sup>

The reasons for Croatia's desire to join the EU are multifaceted, but all stem from

the political, socio-economic and cultural benefits of integration. The Croatian

government is primarily interested in firmly establishing the Croatian identity within the

boundaries of Europe. With EU accession, the perpetual concern amongst Croatians

<sup>165</sup> Jović, "Croatia and the European Union": 85, 87.

<sup>&</sup>lt;sup>164</sup> European Commission, "The Thessaloniki agenda for the Western Balkans: Moving towards European Integration," Western Balkans – Council Conclusions, 16 June 2003. Available at

http://ec.europa.eu/enlargement/enlargement\_process/accession\_process/how\_does\_a\_country\_join\_the\_eu/ sap/thessaloniki\_agenda\_en.htm (accessed 11 October 2008).

<sup>&</sup>lt;sup>166</sup> Ivica Račan in Gorana Dojcinovic, What Does Croatia Gain by the Stabilization and Association Agreement (Zagreb: Ministry of European Integration, 2002): 4.

regarding a Balkan versus a preferred European identity will finally cease to exist. Croatia wants to share in European culture and values, to participate in European democracy and have a free market economy. In joining the EU, Croatia will be better protected from any political, economic and even military challenges and be in a better position to defend itself in the political and economic landscape of a world gone global. Since Croatia has a legitimate right to protect its vital public interests and strategic assets and industries, as an EU member the country will have more control and more authority to influence outcomes within its own jurisdiction. The EU collective peace structure will be Croatia's security guarantor, as long as it remains attractive to others who would like to join or do business with the EU bloc. Croatia needs secure borders and a stable economic environment to facilitate the attainment of sustainable socio-economic development to guarantee safety, and thus profitability, for foreign investors. EU membership commonly boosts investor confidence, and hence credit rankings, which consequently attracts more greenfield and brownfield<sup>167</sup> projects and a greater influx of foreign capital. Being a small country bordering the EU is a strong incentive to regard EU integration as a necessity, so as to eventually open up its borders to goods, services and investments from the bloc's 490 million people. Croatian citizens would also have an opportunity to invest their money in foreign assets, real estate and financial securities, while legal entities and businesses will be in a better position to control and direct their activities and assets. Croatia's agriculture and fisheries, among other industries, as well as its natural and human capital, will also be better developed, managed and operated when placed in a more secure environment.

<sup>&</sup>lt;sup>167</sup> Greenfield investment is usually a foreign direct investment in an operational facility where no such facility previously existed. Brownfield investment is an investment into an existing, abandoned or underused production facility to launch a new production activity.

Consumers will also benefit from a higher standard of consumer protection, as well as by healthy competition among producers and greater diversity in goods and services.<sup>168</sup> As a result, Croatian businesses and private citizens will be better able to equip themselves with the tools needed to compete effectively with other actors in the EU market as well as on the global stage.

As a final point, Croatia's non-permanent membership in the UN Security Council, its forthcoming NATO and EU memberships and the 2008 visit of American President George Bush<sup>169</sup> are just some of the acknowledgments of Croatia's recent accomplishments. Croatia will finally transform itself into a European democracy, where human and civil rights are protected and where dictatorship is a thing of the past. EU accession will enable Croatia to undergo a transformation of unprecedented social, cultural, economic and political scope, whose outcome, at the time of writing, is yet to be known.

<sup>&</sup>lt;sup>168</sup> Hrvoje Butkovic, K.A. Dujmovic, Ivona Ondelj, "Croatia in the European Union: What can the citizens expect?" *Institute for International Relations and Konrad Adenauer Foundation* (June 2007):8-9.

<sup>&</sup>lt;sup>169</sup> President George W. Bush came to Croatia on 05.04.2008 from a NATO summit in Bucharest, Romania at which Croatia was invited to join the NATO alliance.

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## THE POLITICS OF CROATIA'S EU ACCESSION

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