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On the project

Euroscepticism and the European Parliament elections in 2014, the EU's Neighbourhood in light of the Ukraine crisis and power relations in the EU: The EU-28 Watch project is mapping out discourses on these issues in European policies all over Europe. Research institutes from all 28 member states as well as Iceland, Macedonia, Montenegro, Serbia and Turkey give overviews on the discourses in their respective countries.

This survey was conducted on the basis of a questionnaire that has been elaborated in March 2014. Most of the 33 reports were delivered in June 2014. This issue and all previous issues are available on the EU-28 Watch website: www.EU-28Watch.org.

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Croatia

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1. Euroscepticism and European Parliament elections

Ivona Ondelj and Hrvoje Butković

National topics and a limited debate

In Croatia the first (special) elections for the European Parliament (EP) were held in April 2013, before the country's accession to the EU. The recent May 2014 elections were the second experience for the country, this time for the full European Parliament mandate. The electoral campaign was very quiet, without sound explanations on the main goals of the frontrunners participating in the campaign. Although the media has pointed out the weaknesses of such a campaign, it was not improved.

Political parties and the candidates were mostly focused on the national and not on the European issues. The covered topics included unemployment in Croatia, economic growth, position of pensioners, protection of public goods etc. The electoral campaign, to a limited degree, discussed EU-related topics such as the post-crisis perspectives in the EU, opportunities for Croatian businesses on the EU market, balanced developments of Croatian regions etc. The analysis made by the leading NGO Gong shows that during the campaign the Croatian Prime Minister referred to an EU-related topic only once.

The media interest for the campaign was limited. Croatian public television (HRT) organized the central debates and the questioning of the electoral candidates by the citizens on Channel 4 (not a mainstream channel) too hastily. When questioning politicians at the TV debates or on the radio, citizens often expressed the worry that the small number of Croatian MEPs (11) will not be able to significantly influence the EU's policies.

In their campaigns Croatian political parties rarely referred to their affiliation with the European parties and their candidates for the President of the European Commission. The main goals of the EU-wide frontrunners were not properly explained. However, near the end of the campaign this issue was mentioned more frequently.

Euroscepticism driven by disaffection with politics

Euroscepticism in the electoral campaign was partly linked to the lack of knowledge about EU issues among the population. This led some citizens to perceive the EU as an organization which places unreasonable obligations upon Croatia, such as the excessive budget deficit procedure. Euroscepticism is to some extent also caused by the general distrust in domestic politics and the national political institutions. The Eurobarometer special survey *Europeans in 2014* shows that in Croatia the trust in EU institutions surpasses the trust in the national institutions.

Citizens openly expressed the lack of trust in electoral candidates and dissatisfaction with their campaigns, which lacked consistency. High unemployment and proceedings against some leading politicians further contributed to the growth of eurosceptic feelings. Limited understanding of the European Parliament's role within the EU's political system is also one of the causes for euroscepticism.

The EP elections in Croatia contained a strong protest element. A declared right-wing Euro-sceptic, Ruža Tomašić, who was a member of the European Conservatives and Reformists Group in her previous EP mandate, won the second largest number of preferential votes in Croatia. Some Croatian and European politicians (including the European People's Party president Joseph Daul) protested against the fact that the centre-right Croatian Democratic Union (HDZ), which is a member of the European People's Party, included Tomašić on their electoral list. Despite these protests, Tomašić was kept on their list. The eurosceptic right-wing alliance headed by the Croatian Democratic Union of Slavonia and Baranja (HDSSB) gained 6.88 percent of the total votes, almost winning one seat.

A warning to the coalition government

The EP elections in Croatia were held on 25 May 2014. The turnout was low (25.24 percent), but higher than at the EP elections held in April 2013 (20.8 percent). This could be explained by the length of the campaign (45 days) and by the fact that Croatia has been an EU member for almost one year which made EU issues more visible. The turnout could perhaps have been even better if the campaign had not coincided with the floods in Eastern Croatia, which reduced media space for the EP elections. Low turnout in comparison with other EU Member States was partly caused by outdated regulations on the media coverage of the campaign, which gave a lot of media space to previously unknown parties.

The Croatian EP elections encompassed 25 electoral lists, with eleven candidates on each list. The elections were proportional and the whole country was treated as one electoral unit. For the EP elections Croatia adopted a system of preferential voting. The application of preferential voting clearly shows deficiencies of inner party democracy in Croatia since the candidates that won the most preferential votes have often been placed very low on the party lists. Some parties nominated well-known party members who in advance announced that they would not serve as MEPs.

Although Tonino Picula, the candidate of the ruling Social Democrats (SDP), won the greatest number of preferential votes, the opposition Croatian Democratic Union HDZ won 41.42 percent of the total votes (6 out of 11 seats). The ruling Social Democrats SDP won 29.93 percent (4 out of 11 seats), while a new political party named Sustainable Development of Croatia (ORAH) and belonging to the European Greens obtained 9.42 percent (1 out of 11 seats). The forecasts for the EP elections and the actual results showed significant discrepancies. The far left Labour Party was expected to win a seat, but it endured a serious defeat (3.40 percent) and as a consequence its president and founder resigned.

The high threshold resulted in many smaller parties not succeeding in winning a seat, although some came very close. The results clearly show a dissatisfaction of the voters with the ruling coalition. The high percentage of votes for the opposition is a strong signal for the SDP-led coalition government.

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- European Commission, [Eurobarometer Special Survey no.415: Europeans in 2014](#), 14 May 2014.
- Adelina Marini, [EP2014 in Croatia: Peculiarities of Political Survival](#), 28 May 2014.

- Tim Haughton, Tereza Novotna, [The European elections in Central and Eastern Europe illustrate that the rise of Euroscepticism was far from uniform across the Europe](#), 29 May 2014.

2. The EU's Neighbourhood

Senada Šelo Šabić and Mario Pallua

Following the EU position on Russia

Croatia's relations with Russia, ever since Croatia's independence in the 1990s, have been developing slowly but steadily. This, however, with a degree of caution as Russia is perceived as an ally of Serbia, with which Croatia was at war. Economic relations, as frequently is the case, developed faster than political ones. Russia is Croatia's 5th trade partner by volume, with massive trade deficits on the Croatian side. Oil and natural gas make up 94 percent of Russian exports to Croatia. Although Russian foreign direct investment has increased in the last few years, primarily in the service sector, Russia is listed as 20th among top investors in Croatia.

Croatian conservative parties' reservations towards Russia have been explained by Russia's pan-Slavic and Orthodox links with Croatia's eastern neighbour Serbia. Liberal political circles' reservations towards Russia, on the other hand, rest on their emphasis of Russia's troubling human rights record.

The crisis in Ukraine brought back the perception of Russia as an expansionist country and an opponent to the West. As a member of the EU and NATO, Croatia shares both organizations' concerns and endorses their common positions on Russia's actions in the EU's neighbourhood. Just as in the rest of the EU, the crisis has prompted discussion on the strategic necessity to diversify the supply of oil and natural gas. In this context, two projects are of special importance: building a liquefied natural gas (LNG) terminal on the island of Krk, and participating in the proposed Trans-Adriatic Pipeline that would transport South Caucasian natural gas.

Understanding, however, the complex relationship Russia has with the European Union, and aware of Croatia's limited clout in decision-making with respect to the EU position vis-à-vis Russia, Croatian officials abstain from further comments criticising Russia. It can be expected that the Croatian government will retain this approach and support the creation of common EU positions towards Russia.

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- State Office for Trade Policy of the Republic of Croatia, [Bilateral economic relations with Russia](#), 2011.

Support for the Eastern Partnership

There is a wide consensus that Croatia should support strengthening the relations between the European Union and the six countries of the Eastern Partnership. Since the crisis in Ukraine started, a series of articles pointed to the striking similarities between the situation in Ukraine today and Croatia

in the early 1990s, when a renegade province and a self-proclaimed autonomous republic attempted to secede with the help of a neighbouring kin-state. With respect to the Eastern Partnership, liberal parties stress that it is important to shield partner countries from Russia's authoritarian influence on a normative, as well as political and economic level. Conservatives emphasize the need to deepen economic relations with these countries, if and where possible. Both sides agree that most Eastern Partnership countries are weak democracies and lack substantive freedoms, but they have a desire to integrate more deeply with the EU. No relevant political actor argues that the EU should back down and let Russia consolidate its 'zone of influence', although some seem willing to accommodate Russia to some extent.

In concurrence with the EU view, Ukraine is seen in essence to be a "western" country, just as the perception of importance and relevance of Azerbaijan has grown since the EU has decided to diversify energy supplies to reduce the dependence on Russian gas. Moldova is also seen as a country with a foreseeable EU future after it signed the Agreement on Euro-Atlantic Partnership with Croatia. In this framework, Croatia provides technical assistance on EU-accession issues to Moldova. Georgia is generally perceived as the first country that experienced Putin's regional ambitions, while the view on Armenia is not quite clear due to its mixed record of relations with Russia and the neighbouring countries. After the crisis in Ukraine, these three countries are discussed with watchful concern as the potential for instability in each of them grows. Belarus is the only country perceived in unfavourable light due to its poor human rights record.

There is a general concern of political elites that the events in Ukraine will preoccupy the EU for the foreseeable future and thus, as a consequence, further reduce the EU's capacity and will to focus on enlargement in the Western Balkans, of which Croatia is a staunch supporter.

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- European Commission, [Eastern Partnership](#), 2009.
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Support for Turkey's EU membership

The Croatian government supports Turkey's EU membership. However, it is generally expected that Turkey will remain a negotiating country for a very long time for several reasons: due to the crisis in the EU which has underscored the enlargement fatigue; due to the debates on internal reforms in the EU; and due to objections to Turkey ever becoming an EU member state based on cultural arguments. Croatia and Turkey officially started negotiations on the same day – 3 October 2005. While Croatia became a member on 1 July 2013, Turkey's path is open-ended. However, the debate in the country takes into account that, when discussing further enlargement, Croatia (or any other Western Balkan country) and Turkey are very different cases. Croatian government and academic circles follow internal debates in Turkey on its will to sustain efforts to become an EU member state. Both also follow Turkey's increasingly more visible presence in the region of the Western Balkans in the economic, political and cultural spheres. Croatian officials emphasize good relations between the two countries, not failing to mention Turkey's supportive role to Croatia during the war in ex-Yugoslavia. The 2012 Eurobarometer public opinion survey showed that 24 percent of Croatian citizens support Turkey's EU membership.

At the same time, media coverage of the Turkish government's weak human rights record and its pressure on free media, including the failed Twitter-ban, continue while the Taksim Gezi Park demonstrations were widely covered in 2013.

The main bilateral issue between Croatia and Turkey is the visa regime which was reinstated as a result of Croatia joining the EU in 2013. In an effort to strengthen relations between the EU and Turkey, which Croatia views as important, the government supports creating conditions for visa liberalization. Both bilaterally, and in the context of the EU, Turkey is perceived as an important economic partner, especially in the context of energy supply, a geopolitical ally, and a partner in finding a solution for creating a stable and functional state in Bosnia and Herzegovina.

Links:

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- European Commission, [Cecilia Malmström signs the Readmission Agreement and launches the Visa Liberalisation Dialogue with Turkey](#), 16 December 2013.
- European Commission, [Flash Eurobarometer 337: Croatia and the European Union](#), 17 February 2012.
- Ministry of Foreign Affairs of the Republic of Turkey, [Relations between Turkey and Croatia](#), 2014.
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3. Power relations in the EU

Iva Kornfein and Valentina Vučković

A generally positive view of Germany's EU leadership

The Croatian perception of Germany as the grand leader of Europe has been rather constant in the past twenty years, albeit with some occasional downturns.

The last downturn in Zagreb-Berlin relations occurred in 2013, when Croatia refused the extradition of two former secret service officials Josip Perković, suspected of murdering a Croatian émigré, and Zdravko Mustač, his superior. Croatia ultimately yielded in the spring of 2014 and extradited both Perković and Mustač, which smoothed out the tarnished bilateral relations.

Croatian journalists regularly stress German Chancellor Angela Merkel's personal qualities and leadership skills, labelling her as "the most powerful woman in the world" and "the mother of all Europeans, not only Germans", while the general public perpetuates the myth of historic patronage of Germany over Croatia.

However, the Croatian perceptions of relations with Germany and its role in the EU are far more complex. On one side, Germany, as one of Croatia's top political, trade and investment partners, remains of prime importance for its economy and politics. On the other side, however, Germany stresses EU enlargement fatigue and does not support Croatian foreign minister Pusić's proposal for fast-tracking Bosnia and Herzegovina and the rest of the Western Balkans into the EU.

On many occasions, Croatian Prime Minister Milanović expressed support for German-style austerity measures, but showed reluctance towards the future banking union. In his latest lecture given at the London School of Economics, Prime Minister Milanović quoted Wolfgang Schäuble, the German

finance minister, praising the success of countries that implemented structural reforms, thus indicating his support for Merkel's efforts at managing the euro crisis.

Croatia still sees Germany as its main partner and protector in the EU and does not want to question Berlin's EU leadership; yet on precise policy issues, Zagreb officials often do not want to formulate a clear viewpoint that either would or would not be in line with the German stance.

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- Adelina Marini, [Zoran Milanović Does Not Want More Europe](#), 3 March 2014.
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- Zoran Milinović, [Croatia's EU Membership: expectations and realities](#), 24 February 2014.

Economic crisis and the need of growth policies

The Croatian public has been very much interested in the top EU policy debate on austerity vs. growth, especially taking into consideration that Croatia and Cyprus are the only two EU member states with forecasted negative growth rates for the year 2014. Croatia is entering the sixth year of recession and significant economic reforms will have to be implemented in order to comply with the Excessive Deficit Procedures. These include the reforms of the labour market, the public companies and the pension and health care systems. Judiciary and business environment reforms are also stressed by the European Commission within the recommendations on Croatia's 2014 national reform programme. The structural reforms are seen as a priority by the Croatian government, economic analysts and opposition parties, although different views exist on the strategy and speed of their implementation. Specifically, Deputy Prime Minister Branko Grčić supports the need for further structural reforms, especially those of the pension and health care systems and the judiciary.

Part of public debate was directed also on the ability of the Croatian government to implement the necessary reforms. It seems that the Croatian government is torn between the need to cut the budget deficit and public debt and ensuring economic growth at the same time. So far it has not succeeded in either objective. Although the Croatian government is strongly committed to implementing the structural reforms, as was often reiterated by Prime Minister Zoran Milanović, economic analysts, such as Velimir Šonje and Zdeslav Šantić, often question its ability of doing so, while leading opposition party HDZ is even calling for new elections. Specifically, the analysts argue that, although the current Croatian government seemed to be a reformist, since 2013 it has been acting in a rather chaotic way, with budget revisions at least once a year and many tensions signalling potential political crisis within the government. These tensions culminated in the recent replacement of Finance Minister Slavko Linić.

Croatian media also regularly report the views coming from Brussels on economic reforms and austerity measures. A statement made by José Manuel Barroso saying that, although high on the EU agenda, austerity measures have to be politically and socially acceptable, caught particular attention. Analysts considered it a sign that Brussels is prepared to give more time to countries such as France, Spain and Italy to implement unpopular economic reforms and decrease budget deficits. Prime Minister Milanović hoped that Croatia would get the same treatment.

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- Adelina Marini, [Now EU Is Guilty for Croatia's Recession?](#), 9 May 2014.
- Adelina Marini, [Zoran Milanovic Does Not Want More Europe](#), 3 March 2014.

In favour of UK (and Scottish) continued EU membership

Considering EU affairs, the present focus of the Croatian public debate has been rather different than the one in the UK. This is understandable as Croatia has “just” joined the EU and is therefore much more absorbed with the present Brussels agenda, while in the UK, options of leaving the EU have been on the table for quite a while.

A possible UK exit from the EU as well as possible independence of Scotland from the UK, were nevertheless officially commented on by Croatian political leaders. At the latest informal EU summit in May 2014, Croatian Prime Minister Zoran Milanović stressed his wish for Britain to stay inside of the EU. On the other hand, in his recent public lecture at the London School of Economics, Milanović said that he was not overly enthusiastic of new changes to the EU Treaty towards deeper integration. Most of the mainstream media in Croatia also openly regret the possibility of a British exit and present it as a loss for Europe (both in economic and political terms), stating that it would be a direct blow to plans of further EU enlargement in the Western Balkans, one of Croatia’s foreign policy priorities.

Regarding the second UK-related issue, potential Scottish independence, the office of Croatia’s Prime Minister advocated the continued EU membership of Scotland. Relying on the continuity of British membership, it would not just automatically remain in the EU, said the spokesperson of the Croatian Prime Minister’s office. However, he also stressed that if Scotland wanted independence from the UK to be a member of the EU, it would have to go through the usual accession negotiations.

Despite some points of similarity in views and policies on the institutional and constitutional future of the EU, the present intense negotiations on the next President of the European Commission have however set UK and Croatia on different sides. While Milanović agreed that the European People’s Party candidate Jean-Claude Juncker has an initial right to be nominated as European Commission President (in line with a decision also made by European Socialists), David Cameron voiced a strong opposition to Juncker as a representative of “Brussels bureaucracy”.

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