

Croatian parliamentary elections 2015: Expert reactions

Croatia held [parliamentary elections](#) on 8 November, with the two mainstream coalitions, headed by the centre-left SDP and centre-right HDZ, ending in a virtual dead heat. The HDZ's Patriotic coalition secured 59 seats, including 3 seats representing the Croatian diaspora, while the SDP's Croatia Grows coalition reached 56, while also being able to count on 3 seats pledged to them by a regional party, IDS. The elections also saw the rise of a strong third contender, Most Nezavisnih Lista (Bridge of Independent Lists), who secured 19 seats and could act as potential kingmakers in coalition negotiations. We asked five experts for their reactions to the result and their views on what might happen next.

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Krešimir Macan: [Over the next week, the HDZ will try everything to win over Most's candidates one by one](#)

This was a very disappointing result for the HDZ. The party wanted to believe until the very end in their own internal polling and the final outcome came as a shock to them. The SDP did the best they could under the circumstances and made up some ground in the final stages of the campaign.

Overall, the situation is now extremely complex and it is unlikely any compromise will be reached between the parties until Sunday as the central electoral committee has decided that in some polling stations the voting will have to take place again due to certain irregularities. This will buy some time for the mainstream parties to engage in further negotiations with potential partners, particularly Most who secured 19 seats.

Croatia's President, Kolinda Grabar-Kitarović, will do anything in her power to ensure the HDZ can form a government and give the mandate to the HDZ's leader, Tomislav Karamarko. However, even though the coalition led by the HDZ gained more votes than the SDP's coalition, the SDP can count on the outright support of the Istrian regional party IDS, which has 3 seats, as well as the support of some of the minority candidates. The result is therefore very balanced between the two coalitions and there is no obvious way to get around this fact.

During this week the HDZ will certainly try to win the support of individual Most candidates. This is simply the way the HDZ operates. They will do so not by attempting to reach a sincere compromise with the whole of the party, but simply by targeting individuals to build up the numbers they need to form a government.

As for Most, they now find themselves in a tricky position. The mandate they received from the electorate is not to make a coalition, but rather to push through a specific set of reforms. However Most are not a homogenous party, and there are numerous different factions with different views on the way forward. Moreover they are extremely inexperienced, with several of their candidates completely new to politics.

One of the possible scenarios is that Most will put forward one of the senior figures in the party, Drago Prgomet, as a



candidate for Prime Minister. Prgomet is a former member of the HDZ and was expelled by the party earlier this year. Should this scenario occur, it is therefore more likely that the SDP would be willing to accept Prgomet, as he has a difficult relationship with the HDZ and Karamarko. However this claim has so far been denied by Most.

Krešimir Macan – Manjgura

Krešimir Macan is a renowned Croatian political PR analyst.

Will Bartlett: Croatia's economy needs a radical change if it wants to avoid six more years of stagnation

Croatia has been hard hit by the global economic crisis and the ensuing crisis in the Eurozone since 2009, with the country stuck in a continuing recession. The first three years of the recession were managed by the HDZ under Jadranka Kosor, the next four years under the SDP government of Zoran Milanović. Both governments adopted the same conventional deflationary policies that were the recommended EU response to the crisis.



The Kosor government policy involved cuts in public expenditure accompanied by wage freezes. The Milanović government policy turned out to be more of the same despite initial announcements that it would combine fiscal consolidation with increased public investment for growth. In practice the adopted policy was to reduce public expenditure by 1 per cent per year, cut the public sector wage bill, and cut government subsidies to the economy, all driven by the priority of EU accession, which required economic policies in tune with the Eurozone austerity programme.

Not surprisingly, these policies reinforced the deflationary tendencies in the economy brought about by collapsing trade with the EU, a drying up of foreign investment, the uncompetitive economy, and weak tourism receipts. By early 2013, the foreign debt had increased to about 100 per cent of GDP, placing Croatia firmly in the league of indebted peripheral countries of the Eurozone. In a final act of compliance with EU demands, the Milanović government closed down or privatised state owned shipyards, throwing thousands of workers out of a job in the month before EU accession.

Croatia joined the EU in July 2013. As a result of the deflationary economic policies that had been adopted by both governments since 2009, the EU found that it had admitted to its ranks another indebted peripheral economy. Shortly following the accession, Croatia was placed in the Excessive Deficit Procedure in January 2014, and has since been subjected to continuing deflationary policies imposed by the “new economic governance” requirements of the Eurozone.

A series of austerity measures undertaken in January 2014 limited maximum social benefits to the level of the minimum wage and raised the statutory retirement age from 64 to 67. The National Reform and Convergence Programme submitted to Brussels in April 2014 aimed to reduce the budget deficit from 4.6 per cent of GDP to 3 per cent of GDP by 2016 in accordance with EU targets.

Not surprisingly, Croatia has underperformed her economic potential for six years. Unemployment has skyrocketed and poverty has increased. The tied election results show that neither of the main parties has a convincing solution to this crisis. Whatever the eventual composition of the new government, it seems it will make little difference to the course of economic policy which is now determined in Brussels. Without radical change, Croatia is set for a further six years of stagnation and drift.

Will Bartlett – LSE

Will Bartlett is a Senior Research Fellow at LSEE Research on South Eastern Europe, LSE European Institute.

Senada Šelo Šabić: Counter-intuitively, the refugee crisis did not benefit the centre-right coalition

The election campaign lasted for fifteen days, the shortest ever. The harsh political rhetoric employed by the mainstream parties was embodied in the personal confrontation between Tomislav Karamarko, leader of the HDZ, and Zoran Milanović, the leader of the SDP and out-going Prime Minister. Opinion polls indicated a very close contest between the two coalitions, implying that the capacity to form the next government would lie with the two blocs' ability to form post-election coalitions with the other parties managing to pass the five per cent electoral threshold.



An interesting – and counter-intuitive – development was that the refugee crisis did not benefit the centre-right camp, but instead boosted the SDP's coalition, with many citizens approving of the government's handling of the crisis. Around 335,000 refugees have passed through Croatia since mid-September and despite harsh criticism from the opposition, citizens broadly supported the relatively lenient approach pursued by Milanović.

With the two main coalitions neck and neck and neither one able to command a majority, the potential kingmakers are the [Bridge of Independent Lists](#) (Most), led by the mayor of a small coastal town on an anti-corruption programme, which secured third place with 19 seats. No other party made a major impact at the national level, although the [Istrian Democratic Assembly](#), running with two smaller parties on a programme of decentralisation, performed well in Istria, winning 3 seats.

Most is likely to be a tough negotiating partner and the prospects of either of the two main blocs forming the next government will depend on their ability to meet the party's demands. Failure to reach a deal leaves only one option – the creation of a grand coalition, an idea currently rejected by both the HDZ and the SDP. Failing this, the only remaining option would be new elections.

Senada Šelo Šabić – IRMO

Senada is a research fellow at the Institute for Development and International Relations, Zagreb.

Nina Branković: If the right-wing coalition prevails, calls for a third entity within Bosnia and Herzegovina will intensify

When it comes to Croatian Diaspora, data show that the number of registered voters in certain countries, like Germany, has significantly increased this year. Compared to 2009, the number of registered voters in Germany has gone up by 10,000.



However, the main problem the Croatian diaspora is facing is one of organisational nature, resulting in a large number of people in the diaspora not being able to fulfil their constitutional right to vote. This has been most evident in Bosnia and Herzegovina (BiH), where most of the Croatian diaspora resides.

The number of registered voters in BiH reached more than 21,000, but during the last presidential elections only 6% of BiH Croats voted. During the presidential elections only 17,000 out of the 280,000 people with Croatian citizenship who live in BiH voted. The blame for this can be partly ascribed to the small number of polling places in the country: Croatian citizens could cast their ballots in only four cities (Sarajevo, Mostar, Tuzla, Banja Luka), which significantly affected the level of participation in the elections.

However, when the political ties between Croatia and BiH are analyzed it suffices to say that the Chairman of the Presidency in BiH, President of the HDZ BiH, [Dragan Čović](#), performed his civic duty and voted at the parliamentary elections in Republic of Croatia, signifying that any elections in Croatia are important for BiH. Furthermore, another former candidate for the Presidency of BiH, [Božo Ljubić](#), has now been elected to serve in the Croatian parliament.

The current parliamentary elections are particularly important as HDZ members had already openly expressed support for the formation of a third entity in BiH. The country is currently divided into a [Federation](#), inhabited mainly by Bosniaks (Bosnian Muslims) and Croats, and [Republika Srpska](#), which is predominantly inhabited by Serbs. There is thus a feeling among Croats that they lack proper recognition through a separate entity.

The President of Croatia, Kolinda Grabar-Kitarović, stated that she supports BiH Croats' aim of achieving full equality with the two other constitutional groups, regardless of whether this includes a merger of several cantons or an introduction of a third entity.

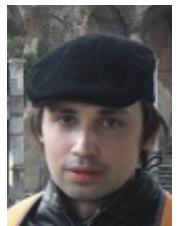
If the HDZ ends up forming the next government, it would be expected that there will be more support from Croatia for the creation of a third 'Croatian' entity in BiH. On the other hand, if the SDP prevails, this would be less likely.

Nina Branković – *University of Zagreb / LSE*

Nina Branković is a researcher with the University of Zagreb and LSE Enterprise. She is also a member of the Research Network on the Social Cohesion in the Western Balkans, led by LSEE Research on South Eastern Europe, LSE European Institute.

Nikola Mihajlović: Croats in Serbia are not represented in the Sabor

The diaspora, as expected, brought in exclusively HDZ representatives. There are 3 major groups of Croats living abroad: ethnic minorities in other European countries, Croats in Bosnia-Herzegovina and the overseas diaspora. Croats living in Vojvodina form the most sizeable minority in neighbouring Serbia. Out of the 58,000 Croats in Serbia, 47,000 live in this northern region. They thus form a rather active and vocal community, and yet the Vojvodina Croats have not so far been able to send in a representative to the Sabor.



Petar Kuntić, the head of the [Democratic Alliance of Croats in Vojvodina](#) (DSHV) and candidate on the HDZ's coalition list, said: "A deficiency of this system is that Croats from BiH will always win these 3 seats, simply because of their large number. There is, however, a willingness from the leading HDZ officials to change that, if they manage to form a government, and also to give a deputy to each representative from the diaspora." Renata Kuruc, also of the DSHV, commented that recently there has been little or no cooperation with the Croatian side regarding the implementation of the European Commission's IPA (Instrument for Pre-Accession Assistance) funds, and hopes that the collaboration will strengthen in the future.

Nikola Mihajlović – *University of Belgrade*

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