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# Croatia's accession to the European Union: thoughts on Europe at a crossroad

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## Abstract :

On July 1st next Croatia will become the 28th Member of the European Union. This event may go relatively unnoticed, eclipsed by burning European issues as disparate as budgetary crises, State debt and also the Union's institutional and political crises. However, this new enlargement, the 6th since 1950[1], brings with it several interesting elements and it also bears some beneficial messages for the political leaders of both the Union and its States. These are particularly pertinent at a time when there is great doubt about European integration. Indeed Croatia's accession confirms the Union's founding principles and quite rightly reasserts the pertinence of this, but it also reveals the dangers weighing over the process and brings them into the sharp perspective of the Western Balkans' recent past.

What a strange time this is for the European Union. Just as it seems to be questioning its very existence and is sinking into a multifaceted crisis, which is a mix of economic, budgetary, social and political problems[2], it is, at the same time, about to welcome its 28th Member State to the fold. On July 1st next Croatia will be "celebrating" its entry into the European Union. This enlargement is the first since that of 2004-2007, which saw the entry of some 12 new States and 100 million citizens. This will probably be the last for a long time to come since Iceland is undertaking a u-turn in the wake of the general elections on April 27th 2013, whilst the other Western Balkan States, although firmly established as "candidates" or "potential candidates" since the European Councils of Feira (2000) and Thessaloniki (2003), are still far from accession[3]. The picture overall is far from being a happy one and there is little chance that on July 1st next Brussels, or Zagreb will really be in a mood for "celebration". However the European Union has grown in adversity and in situations like this it has succeeded in taking decisive steps. This new phase in European integration is quite precisely the bearer of several beneficial messages. This will remind us of the vital spirit and the major benefits of this unique process of regional integration. It also reminds us of the dangers that weigh over Europe because of its hesitation and reticence. This paper presents some of the factors,

which might be useful to boost the decision-makers' confidence, citizens' faith and jump-start the engine of European integration.

## 1. CROATIA'S ACCESSION REBOOTS THE VALIDITY OF THE INITIAL EUROPEAN PROJECT

The progression of European integration, the peace and prosperity that it has given, must not distance us from the fundamental principles on which the process is based. Remembering this is a guarantee of the success of European integration. In this regard Croatia's accession offers a particularly pertinent framework.

### a. Regional integration provides pacification and stabilisation

The Founding Fathers had one central goal; peace in Europe. Thanks to the success of this enterprise the citizens and leaders of the States have mainly lost sight of the vital and immediate aspect of this ideal. This aspect of the European project is still totally valid. The pacification of the continent is vital and far from being completed. The conflicts, which tore former Yugoslavia apart 20 years ago, remind us of this quite cruelly. They stress the urgency of European integration all the more.

1. The European Commission counts the enlargements of 2004 and 2007 as one.

2. See Sébastien Richard, "Terms of Crisis" European Issue n°278, Robert Schuman Foundation, 2013 <http://www.robert-schuman.eu/en/european-issues/0278-terms-of-crisis>

3. Albania, Former Yugoslav Republic of Macedonia, Bosnia-Herzegovina, Kosovo, Montenegro, Serbia

Since then initiatives for pacification and stabilisation in the Western Balkans have been greatly achieved to the credit of the European Union. This was absolutely necessary for the political stability and the economic development of the area but there was nothing obvious about it. Between peace in 1995 and the end of the reigns of Tudjman in Croatia[4] and Milošević in the Federal Republic of Yugoslavia[5], very little progress had been made towards a rapprochement between the two and those we did see were achieved reluctantly, mainly under international pressure. It was because the European Union played a decisive role that détente and rapprochement were possible. It succeeded in seizing the opportunity of a political horizon, which seemed to be clearing with political alternation in Zagreb and Belgrade. It was at that moment that The Union took an important initiative with the Zagreb Summit on 24th November 2000 and launched the Stabilisation and Association Process (SAP).

The Zagreb Summit laid the foundations for regional rapprochement. The Stabilisation and Association Agreements (SAA) defined there comprise the backbone of this process. Each of the Western Balkan States is able to sign one, as long as the European Commission deems in its feasibility report that it is "sufficiently stable"[6]. But one of the core conditions for any rapprochement with the European Union is regional cooperation. There can be no European perspective without input by all parties in this direction. This features at the heart of the financial tools in the process: the CARDS programme (2000-2006) and the Instrument for Pre-Accession Assistance (IPA, 2007-2013). In view of this; the European Union has invested money (4.65 billion euro between 2000 and 2006 and €5.2 billion in 2007-2013), it has given encouragement and it has succeeded because it sets conditions. Moreover the acceptance of "regional stabilisation" has to be total and any reticence is sanctioned. The opening of membership negotiations with Croatia was delayed on March 16th 2005 because the ICTY deemed that Zagreb was not fully cooperating with the arrest of General Ante Gotovina, accused of crimes against humanity and of war crimes. It was only after his arrest in December 2005 that the Union consented to launching negotiations.

The European Union succeeds because it has created a community of shared destiny between States, obligatory regional solidarity – in the ilk of Croatia and Serbia who are now playing a role in appeasement. Initiatives towards presenting official apologies have been taken on both banks of the Sava. Hence on April 29th 2013, Vesna Pusic, Vice President of the Croatian government and Foreign Minister, and Aleksandar Vucic, Vice President of the Serbian government and Defence Minister discussed a joint agenda which includes the settlement of on-going issues linked to the conflict, economic cooperation after Croatia's accession and Serbia's future membership. The European Union has developed a strategic political vision of the Balkans. Croatia's accession reminds us that its initiative, the key to regional stabilisation, is working and that it is vital and that, in essence, the European project is still totally valid.

#### **b. European integration strengthens democracy**

Launched 63 years ago in opposition to the dictatorships in the Eastern Bloc, European integration is in essence democratic. This is a virtue that we should remember. Any State that wants to join the European Union has to meet the Copenhagen Criteria, including that which demands "stable institutions which guarantee the rule of law, democracy, human rights, the respect of minorities and their protection." This requirement is re-iterated in the Stabilisation Process (SPA) and is one of the *community acquis*. Some of these chapters demanded "considerable" effort on the part of Zagreb, including "fundamental and legal rights" and "justice, freedom and security". Croatia seems to have risen to the challenge. But the Union's positive influence also played a role in this.

The political alternation that the country experienced in 2000 was a fortunate surprise. After the death of Franjo Tudjman, the father of independence of an autocratic tendency, who had been in office since 1992, the strength of Croatian democracy was difficult to assess. The general and presidential elections of 2000[7] were a humiliation for Tudjman's party, the HDZ (Croatian Democratic Union), and brought two reformists to power: Ivica Račan (Social Democratic Party) as leader of the government and Stjepan Mesic (Croatian People's Party) to the Presidency of the Republic. Since

4. Died on 10th December 1999

5. Beaten in the elections of September 2000 and October 2000

6. Croatia was the second state after the Former Yugoslav Republic of Macedonia to sign an SAA on 29th October 2001, entering into force on 1st February 2005.

7. The general elections took place on 3rd January 2000, the Presidential election on 24th January and 7th February 2000.

then political developments have proven that democracy was sound. The country has experienced several alternations in power and even some smoothly run cohabitations[8]. Although the change in 2000 and the effects of this afterwards ended in a domestic opposition that had matured under Tudjman's nationalist reign, the European Union had growing influence over public debate and the policies introduced by successive governments.

Alternation and then the constitutional review, which consequently resulted, cannot be dissociated from Croatia's European integration goal. As of 2000 the new government and the new President's discourse focused on accession to the EU and very quickly it became a national political stake, which found consensus amongst the country's main political parties. All revised their approach in order to integrate this goal. Under Ivo Sanader the HDZ revised its ideology, which brought it to power once more from 2003 to 2011. A second constitutional review since alternation, undertaken in 2010, aimed to bring Croatia in line with community law (notably concerning minority rights) and was adopted by a wide trans-partisan majority[9]. All of the parties in Parliament, the Sabor, supported the "yes" vote during the referendum on membership organised on January 22nd 2012 thereby offering it a victory of 67.11%.

This development did not occur without some reticence however. The most striking example was the issue of the Generals Gotovina and Markac, deemed to be heroes in Croatia and which placed a share of the population against the European Union. Work still has to be done to counter corruption and establish the independence of the legal system but overall Croatian political leaders have accepted the rules and the demands made of them. In this the European Union has largely helped to stabilise Croatia. We hope that the same trend will occur in the rest of the Western Balkans, starting off in Serbia where the election of the nationalist candidate Tomislav Nikolic rekindled fears of a new rise in tension. The latter made the goal of joining the European Union his own, and adopted discourse in this direction, going as far as to present his apologies for the Srebrenica massacre on his "knees".

Moreover, under the guidance of the European Union, Serbia and Kosovo signed an historic agreement on April 19th 2013 to normalise their relations.

Thanks to its policy of conditionality and also because of the hope it raises, the European Union has therefore had significant influence over the political life of its candidates. The Western Balkans have illustrated the dangers of political instability and the sharpness of this risk. Again, in this, the initial project of European integration remains both valid and desirable.

### c. European integration supports economic development

The economic and social crisis, which many Member States are experiencing right now, should not mask the economic results European integration has achieved over the last 63 years. To date, in addition to the prosperity of its Member States, European integration has provided economic development to under developed States that have been able to make up for lost time in a record period. Croatia has already started to benefit from this and the process will progress after accession. The country already enjoys a relatively advanced level of development: its GDP per capita increased twofold between 1998 and 2008 and it is estimated at 63.3% of the EU's average, similar to that of Poland. It is twice that of Romania and Bulgaria. But the Croatian economy has been struck head on by the crisis (recession of 6% in 2009 and 1.8% in 2012) and is facing continuing problems including mass unemployment (20.4% in 2012), a significant trade deficit, and an inequality in the development of the different regions.

Joining the Union therefore brings hope for several reasons. Firstly it will enable the modernisation of its economy. The transposition of the *community acquis* has started this trend. Several areas have required significant effort: the free circulation of goods, workers and services, industrial and entrepreneurial policy, social and employment policy etc ... This will provide better conditions for business and investments. The institutional chapters will also help: public procurement, the fight to counter corruption, the strengthening of the legal and civil services. But one of the areas which set the greatest challenge has been competition. Between

8. Firstly with Stjepan Mesic as President (HNS-LD) and Ivo Sanader then Jadranka Kosor (HDZ) as leader of the government, then Ivo Josipovic (SDP) as leader and Jadranka Kosor

9. 131 votes in support, 4 against

2011 and 2013, the State achieved the reimbursement of subsidies paid to the steel industry (the Sisak steelworks) and it undertook the difficult privatisation of five shipyards, including that of Split.

Another advantage of the process is the development of infrastructures. Croatia was lagging behind somewhat but has already benefited from funding for important infrastructure work like the Zagreb-Split-Dubrovnik motorway for example. One of the IPA's goals is precisely to prepare for economic development and the management of structural funds to which the new Member State will have the right. Although between 2007 and 2013 Croatia received 1.07 billion euro in community loans, the total funds it will receive during the second semester of 2013 will be multiplied by 8.5. The structural funds that it will receive in 2013 will be multiplied by two in 2014 and by three in 2015. Finally its integration will foster even more trade on the part of Croatia with its leading partners (Italy, Germany, Austria etc). Regional rapprochement imposed on the Western Balkans has led to renewed trade with its neighbours. From a regulatory and infrastructural point of view Croatia will be able to take full advantage of the economic benefits of its membership. In view of the overall mood and the counter-truths that are regularly launched against European integration we have to stress what the facts really are.

## 2. CROATIA'S MEMBERSHIP REMINDS US OF THE RISKS THAT WEIGH OVER THE EUROPEAN UNION

For several reasons Croatia's accession is a success for the European Union. It is also good news for the Western Balkans; which is still bogged down in endemic problems. But this new enlargement also has to be placed in perspective: it reminds us of the dangers that exist if we do not integrate the Balkans, if we do not "make" Europe or relinquish the voluntarism required of a process like this.

### a. The demotivation of European citizens

The referendum on Croatia's membership gave a landslide victory to the "yes" vote with 67.11%. This was a relief because Croatian public opinion fluctuated greatly during the entire process. After massive support to its accession the percentage curves progressively declined to the point of reaching an opposition majority in June 2005. This episode followed the European Council's decision to delay the date of negotiation launch (due to a lack of cooperation with the ICTY<sup>[10]</sup>). Since then the share of citizens who support membership has risen but the project did not succeed in generating any further enthusiasm.

10. See page 3

11. These MEPs have only been elected for one year before the next European elections in May 2014.

The pleasing score achieved by the "yes" vote should not however mask the fact that turnout only totalled 44%. It was a sad record that Croatia beat that day with the highest abstention rate in a referendum in the history of European integration. This lack of enthusiasm is of course part of a national context of poor turnout in the most recent elections: 54.32% and 50.13% in the presidential elections of 2005 and 2010, 51% in the general election in 2011 illustrating the Croats disillusionment as far as politics is concerned. But regarding Europe its implications are disturbing: there was a 79.3% abstention rate during the first European elections on 14th April 2013<sup>[11]</sup>! This phenomenon has been seen more widely in all Member States, notably in the countries of central and Eastern Europe. But there is a major difference here: the Croats are not even members of the Union yet. Popular demotivation is affecting a new segment of the population: that of the candidate countries. Popular support to the European project is taking a singular direction and the case of Croatia illustrates the seriousness of it. The European Union should take note of the urgency of this new warning and its leaders should ask themselves some questions as a consequence. European integration will not be able to move forward without the support of the people. If the citizens turn their backs on Europe the continent might fall prey to the demons of the past.

### b. The high risks behind the people's rejection

The problem is that a democratic, stable and pacified Europe cannot afford to hesitate or make mistakes in this project. The Western Balkans reminds us of the dangers of this. The area is conducive to this: labo-rious economic development, political instability, institutional, administrative and legal weakness together with high crime rates. All of this is coupled to a lively national feeling and sensitivity about subjects like independence and State sovereignty. The countries of the Western Balkans have all been involved in bloody conflict over the last twenty years. The European Union is the only foreseeable salvation both mid and long-term, as part of a stable, economically viable future.

From this point of view Croatia has an exemplary role to play, which makes its accession strategic. However the potential stumbling blocks are multifarious. The sacrifices demanded of Croatia may seem out of proportion if the hopes raised by accession are not fully satisfied. On integration agriculture will face the Common Agricultural Policy. The privatisation of five shipyards (including Brodosplit, with the destruction of 1,600 jobs out of a total 3,300) was perceived badly in a context of high unemployment (20.4%). The ICTY's acquittal of the Generals Gotovina and Markac in November 2012

probably defused an additional motivation for national frustration, but the complaints presented by Croatia and Serbia against one another at the ICTY might, if they are not withdrawn, spark off hostilities once more. If the Croatian example fails it might take all of the Balkans with it.

The nationalist threat is not just limited to the Western Balkans but it has greater profile there. In Europe at present centrifugal forces are being expressed with increasing voice because of the economic and social crisis. The examples of nationalist discourse are growing: parties like Golden Dawn in Greece, Ataka in Bulgaria, National Front in France, Northern League in Italy etc. All are not comparable of course. But their radically anti-European discourse is a real threat to stability. If their tune found a common echo because of the failure of the European project, the consequences could be disastrous.

### c. The European Union's enlargement strategy and its regional influence brought into question

Croatia's membership is a new stage "towards a totally unified and democratic Europe" to echo the words of Catherine Ashton. However the success of the process is not guaranteed, the stake is a capital one and its effects extend beyond Croatia and the region. This enlargement will also affect the Union politically.

The European Union cannot afford to fail in the Balkans. The political, economic and diplomatic risks are far too high. The Croatian case is therefore seen as an example. But European hesitation about its enlargement strategy, notably as far as they are concerned and the excessive effort required against anticipated results, might end in the demotivation of the candidate countries. The economic and institutional difficulties it is encountering have already dissuaded some candidates<sup>[12]</sup>. The "potential candidates" had to be reassured at the EU-Balkan Summit in June 2010 in Sarajevo. Former Serbian President Boris Tadic recalled on this occasion that "the countries of the Western Balkans should not suffer the consequences<sup>[13]</sup>." This would not be in Europe's interest in any case. It cannot afford to have weak, unstable States over which it has lost its influence on its doorstep after having given them hope of joining one day. This might be to the benefit of Russia, China or Turkey.

However the European Union should not rush in either. It will have to be extremely rigorous in this rapprochement. Accusations of haste were virulent during the accession of Romania and Bulgaria. But the enlargement to Croatia will be the first since 2007. This means

that all eyes will be on the Union. The verdict will condition the continuation of integration of the other States in the region, whilst the challenges of Bosnia-Herzegovina, Albania and a fortiori Kosovo, amongst others are otherwise much greater. Štefan Füle, the European Commissioner for Enlargement said in March 2010 that "the lessons of previous enlargements had to be learnt" and believed that Europe would be particularly careful regarding the respect of the criteria. The entry of Croatia is therefore a real test.

### d. The question of the project, more urgent than ever before

The European Union is experiencing a confidence crisis and is facing the mistrust from a growing share of its citizens. Economic and social difficulties encountered by its Member States have shaken the faith that citizens had in the Union's ability to protect them and defend their interests. The question was raised in 2004-2007 in the wake of the previous enlargement to the countries in the east, which were economically underdeveloped and after the debate over social dumping ("the Polish plumber"). The Union absolutely must rise to the challenge of credibility and legitimacy. Each policy it launches conditions this capital. This is the main angle of attack used by the eurosceptic parties, together with issues of principle of sovereignty and democracy that are supposed to have been confiscated by the European institutions. The price of failure would be too high. It would break down the Union's political capital just a little more.

In response to concerns over enlargement the Union introduced a new criteria in 2006 linked to its "capacity to integrate". The question is being raised again over Croatia. It is the first since the enlargement of 2004-2007<sup>[14]</sup> which took the Union from 15 to 27 Member States and increased the population by 25% (100 million inhabitants). This caused a shockwave across the EU the effects of which are still felt today, since, amongst other things it was just as much a problem of absorption as governance. This was why the European Commission introduced this concept. For the first time since 1981 enlargement will only involve one State. The Union's capacity for integration will not be tested as much by Croatia's accession, since it "only" has a population of 4.4 million. But the question over the direction taken by the European project remains in the background.

Often the enlargement strategy has been backed by that of "deepening". In June 2007 Olli Rehn, then European Commissioner for Enlargement explained that "in fifty years of European integration the Union had

12. <http://www.presseurop.eu/fr/content/news-brief/3740301-avec-la-crise-les-candidats-l-ue-reflechissent-deux-fois>

13. [http://www.euractiv.fr/international/article20100602en-proie-aux-doutes-ue-tente-rassurer-balkans\\_68412-5014.html](http://www.euractiv.fr/international/article20100602en-proie-aux-doutes-ue-tente-rassurer-balkans_68412-5014.html)

14. <http://www.europarl.europa.eu/highlights/fr/303.html>

*achieved remarkable results thanks to a mix of political deepening and gradual enlargement [...] It has been thanks to a mix of internal deepening and its successive enlargements that Europe has been able to adapt to past changes successfully.*" The absolute pertinence of these two statements is questionable. The real question is still that of the project, which is revived with every enlargement: what is the point of enlarging if we do not have a direction?

This new enlargement is occurring without having settled either the question of the project or that of popular support. Of course enlargement is inevitable for geopolitical, economic and social reasons which we have tried to explain. But without a frank response to the urgent issue of the project it looks as though the question has been given no further thought. It increases the dangers that are weighing over European integration. Low motivation levels and the nationalist threat prove that the European project is no longer a shared ideal or that it bears a sufficient amount of hope. It is suffering from a lack of clarity and above all direction: does anyone know where Europe wants or needs to go? If its leaders; the craftsman of European integration no longer have a plan how can we ask citizens for their support?

## CONCLUSION

The role that Croatia will want to play as a Member State will be monitored. Will it be a reticent State, held back by an unenthusiastic public opinion? Will it be a European integration "stowaway"? Will it use its status

as a Member State to put pressure on neighbouring candidates in the settlement of disputes, as Slovenia did over the border conflict in the Gulf of Piran or over the Ljubljanska Banka<sup>[15]</sup>? Or will it maintain its driving role as it has seemed to do over the last few months providing technical advice and encouragement to the Balkan States including Serbia?

Of course there is no question of a having an idyllic view of European integration, which has revealed its own weaknesses. But Croatia's accession provides hope again and an idea of our responsibilities. European integration is a success. In this regard Croatia's accession is striking: in 20 years the country has emerged from two bloody conflicts, has rebuilt its economy and has strengthened democracy, to the extent that it is now integrating the European Union. The latter now finds itself at a crossroads but its decision makers and citizens are hesitating, holding back and have lost sight of this priceless opportunity for the future. The debate over the direction to give to the Union is a legitimate and healthy one. However it should not lead us to forget the immensely beneficial, vital and necessary aspects of this process. Let us hope that this enlargement and the lessons that it brings with it, will finally provide a new impetus and help us make the right choice.

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15. <http://balkans.courriers.info/article21768.html>

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