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## Western Balkan Countries in Transition. EU Democracy Promotion in Croatia.

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### Introduction

The EU democracy promotion in Central and Eastern Europe represents a success story in the EU's foreign policy history since European rules, values and norms have been successfully exported. A new wave of enlargement in Western Balkans and Turkey was expected to replicate these successes.

However, an overview of these cases shows mixed results (Gordon 2010) since only Croatia was able to join the EU in 2013. Despite this achievement, even Croatia shows lights and shadows since it established just a 'semi-consolidated democracy' after the 2000 transition (Figure 1). The main goal of this paper is to investigate the role played by the EU in the consolidation of a low-quality democracy in Croatia.

Figure 1: Nation in Transit Democracy Index, Croatia (1999-2017)

There is international consensus among scholars that democratic transitions are multicausal processes in which both internal and international variables are involved (Whitehead 1996; Grilli di Cortona 2009). The international dimension may play a role in three different ways: when domestic actors freely adopt the democratic model without any direct external influence we have democratic 'Emulation'; on the contrary, democratic 'Imposition' consists of the use by international actors of coercive strategies to implant democracy in a target state (Grilli di Cortona 2009). In this paper, we focus on democracy 'Promotion,' which, according to Schmitter and Brouwer, consists of "all overt and voluntary activities adopted, supported, and (directly or indirectly) implemented by (public or private) foreign actors explicitly designed to contribute to the political liberalization of autocratic regimes, democratization of autocratic regimes, or consolidation of democracy in specific recipient countries" (1999, 14). In particular, within the parameters of this broad concept we focus on 'democratic conditionality' and 'democracy assistance.' The former occurs when international actors link the threat or imposition of sanctions, as well as the promise of or granting of rewards, to specific democratic standards in order to protect or promote democracy abroad (Burnell 2000). The latter is related to activities like advice and consultation on drafting constitutions and establishing democratic judicial systems, training for state employees, monitoring elections, financial assistance, etc. (ibid.).

### EU Conditionality Pushing Croatian Democratization after 2000

The death of Tuđman and the 2000 elections marked the beginning of a new era in Croatia. To favor democratic consolidation, international actors, particularly the EU, employed extensive political and financial resources.

In 2000 the European Commission (EC) launched the *Stabilization and Association Process* (SAP), which had two goals: supporting domestic democratic and economic transition, and enhancing regional stabilization. It represented the process whereby Former Yugoslav countries gradually prepare themselves for a perspective of incorporation into the EU. The WB path toward the EU is based on positive conditionality and consists of several phases that develop one after the other through a *strategy of gate-keeping* (Vachudova 2006). Every stage provides a set of conditions and countries move up when they comply with the EU requests; otherwise they remain in the same position or even slip back. This approach was reinforced in 2003: conditions and monitoring mechanisms were strengthened since full cooperation with the ICTY was imperatively required and a new verification tool, the *European Partnership*, was adopted (Gori 2007).

According to the literature, conditionality brings about substantial domestic reforms if expected political costs of compliance with requirements do not exceed the benefits of incentives (Schimmelfennig and Sedelmeier 2005). The EU conditionality works at its best when it is linked with a credible perspective for membership.

Croatia has been the most advanced WB country in the path toward EU accession since the early 2000s. Tuđman's death represented a turning point in Croatia's relations with Brussels marked by the March 2000 establishment of an EU permanent delegation in Zagreb. Even more significant was the EU decision to open negotiations for the Stabilization and Association Agreement (SAA) with Croatia, which was signed in 2001 and came into effect in 2005.<sup>[1]</sup> The association status ensured rights and obligations between the parties (EC 2004). On the economic front, trade and economic relations were expanded; on the political side, a framework for political dialogue was created to engage domestic officers in coordination activities with their EU counterparts; additionally Croatia's participation in regional cooperation was enhanced.

On February 21, 2003, Croatia presented its application for the EU membership. The EC handed over a 4,560-item questionnaire, which the government returned just before the November 2003 elections. Five months later, the EC released a positive opinion on Croatia's membership application insofar as it found that the country was by that time a functioning democracy respectful of the Copenhagen criteria. Furthermore, according to the ICTY Chief Prosecutor, Carla Del Ponte, Croatia was fully cooperating with The Hague (EC 2004). In June 2004, the European Council granted Croatia the candidate status and announced that formal negotiations would be opened in the near future. Due to start by March 2005, they were postponed owing to Del Ponte's negative statement about Croatia's insufficient commitment to Gotovina's capture. Croatia eventually began negotiations on EU accession in the following October, immediately after a positive evaluation from the ICTY. Therefore, the Croatian path toward the EU followed the trend of Del Ponte's assessments on Croatian cooperation with The Hague (Gori 2007).

Following the entry into effect of the SAA (February 2005), first meetings of the Stabilization and Association Council, Stabilization and Association Committee and EU-Croatia Joint Parliamentary Committee were held between March and July 2005 (EC 2005). During recent years, these institutional *fora* have served as opportunities for technical discussions on the main challenges faced by Croatia under the SAA implementation process. However, despite the gratifying sense

of inclusion, Croatian politicians have scarcely influenced European decisions (Bartlett 2008). To support the reform process, the EU constantly guided and monitored Croatia's SAA implementation through two-year Accession Partnerships and annual Progress Reports. Since the SAA was signed, Croatia has intensely worked to align its legislation to the *acquis* and to address most of the issues identified by EU reports. In order to implement the SAA, in the early 2000s a Ministry for European Integration was established and European Integration Coordinators were appointed in all state administration bodies. Moreover, throughout the years Croatia has adopted several implementation plans disposing goals, tasks and strategies with a view to meeting both EU political and economic criteria, bringing Croatian legal framework into line with EU legislation, enhancing administrative capacity and informing the Croatian public. Thanks to all these efforts, Croatia became the first WB country to enter the EU after Slovenia.

This case demonstrated the effectiveness of the EU enlargement policy. In early 2000, several threats menaced the Croatian democratization process: strong presence of nationalist pressures, minority integration, collaboration with the ICTY and regional cooperation; a weak judicial system and resulting shortage in law enforcement; problematic functioning of public administration; and inadequate fight against corruption. To support Croatian democratization, Brussels used its strong attractive power conditioning EU integration to domestic progress in the most problematic areas. The outcome has been positive despite many issues were not completely solved and still condition the quality of Croatian democracy. For reasons of space we will go through just a few of the most problematic dimensions.

The rule of law has always been the weakest dimension of Croatian democracy; thus, reaching good level of conformity with EU requests on judiciary, public administration and fight against corruption required enormous efforts. In regard to the judicial sector, the EU asked for the adoption of a comprehensive reform regulating reorganization of the court system, training of judges and prosecutors, full execution of court ruling and reduction of extensive backlog of pending cases. The Croatian government passed a reform of the judicial system in 2002 but its implementation was very slow and only by 2007 has begun to produce positive outcomes. In the last years, important new laws were approved on nomination and promotion of judges and prosecutors, legal aid and judicial ethic. In 2005 the establishment of the Judicial Academy improved the professionalization of the Judiciary. Croatia dealt with the serious problem of backlog since the early 2000s and pending cases have progressively been reduced as result of an efficient redistribution of lawsuits among courts. A new Judicial Reform Strategy (2013-2018) has been adopted by the Parliament in 2012. Despite positive compliance with EU demands, significant challenges remain, in particular the excessive length of proceedings, the enforcement of court decisions and the judiciary independence from political influence (NIT 2016).

Regarding the public administration, Brussels asked for the adoption of new measures on recruitment, promotion and training of personnel, and the enhancement of human resource management in all administrative bodies. In 2005, the Croatian government adopted a law on civil service and activated a training center for the public administration. Successively, new provisions have been adopted, namely the State Administration Reform Strategy (2008-2011) and the Civil Service Human Resource Development Strategy (2010-2013). Therefore, Croatia has positively answered to EU requests, but tangible results need to be strengthened (EC 2012). The same situation occurs with the issue of fight against corruption. Croatia fulfilled the EU requests on adopting an anticorruption strategy, strengthening its legal framework and establishing specific agencies committed to the problem. Despite relevant improvements, recent events, as

for example the release of former Prime Minister Sanader, at the center of a corruption scandal, showed the inadequacy of the Croatian anti-corruption policy in tackling and solving the problem (NIT 2016).

### **The Considerable EU Democracy Assistance after 2000**

Beyond other initiatives which included the EU as a partner, like the *Stability Pact for South-Eastern Europe*, Croatia received considerable funds directly from the EU (Table 1 and 2).

European assistance instruments addressed to Croatia have changed over time (Bache and Tomšić 2010). By 2001, the OBNOVA program was replaced by a more structured approach, the *Community Assistance for Restructuration, Development and Stabilization* (CARDS), which was addressed to five main fields: democratic stabilization; justice and home affairs; administrative capacity building; economic and social development; and environmental and natural resources (Szeamlér 2008). Croatia received CARDS assistance until 2004, and after obtaining the candidate status, became eligible for the pre-accession programs *PHARE, Instrument for Structural Policies for Pre-Accession* (ISPA) and *Special Accession Programme for Agriculture and Rural Development* (SEPARD). PHARE was clearly the most involved in both democracy assistance and preparation of candidate countries to join the EU. It provided support to three main macro-sectors: democratic institution-building; economic and social cohesion; and cross-border cooperation. ISPA and SEPARD were devoted to issue connected with economic growth, which became soon the sector receiving the greater part of EU funds.

This trend accelerated when, in 2007, Croatia started to receive EU funding through the *Instrument for Pre-Accession Assistance* (IPA). IPA was established in 2006 as a single integrated instrument for pre-accession aid during the period 2007-2013, thus replacing all programs described above. One of its main features was flexibility as far as assistance depended not only on the needs of beneficiary countries, but also on the progress made to meet EU standards (Uvalić 2010). The IPA program offered financial aid to five components: transition assistance and institution-building; cross-border cooperation; regional development; human resources development; and rural development (Szeamlér 2008). In Croatia, the *Center Office for Development Strategy and Coordination of EU Funds* (CODEF) was established in 2006. CODEF was a governmental agency in charge of the administration of EU funds, independent of any government department and accountable directly to the Prime Minister. The autonomy from department control guaranteed CODEF's flexibility in responding to EU demands, but this also determined the political weakness of the agency insofar as it was generally omitted from strategic governmental decisions (Bache and Tomšić 2010).

After the IPA program expired, Croatia's new status as full EU member allowed the access to the European Structural and Investment Funds (ESIF). By the end of 2014, the Croatian government and the European Commission adopted a Partnership Agreement setting down the strategy for the optimal use of ESIF. The allocation for the period 2014-2020 was about €10.74 billion, divided in six programs almost exclusively related to the economic dimension (Figure 2). In this context, as part of the 2015 national reform program, the Croatian government adopted, among others, the Strategy for Education, Science and Technology 2014-20, the Active Labour Market Policy 2015-17, and the Strategy for Development of Public Administration 2015-20 (EC 2015, 2016a).

Figure 2: ESI Funds Budget for Croatia, 2014-2020.

From the analysis of the EU assistance to Croatia after 2000, it emerges that its main focus evolved. In the first half of 2000s, Brussels addressed the majority of its aid to pro-democratic programs, reaching the peak in 2004 when a third of the total allocation was devoted to them (Table 3). Afterwards, a gradual decline in the EU pro-democracy aid was balanced with an exponential raise in economic growth assistance. The turning point corresponded to the beginning of Croatia's participation in the pre-accession financial programs. The explanation is that once Croatia attained the candidate status, European institutions evaluated its political system as stable, so they reduced democracy assistance grants and increased the financial support to promote development in order to facilitate Croatian compliance with the EU economic criteria. Since Croatia joined the EU, the financial aid has been almost exclusively devoted to economic growth programs.

Analyzing EU official documents, it emerges that European programs on democracy assistance helped the Croatian ruling class in the creation of a coherent and consistent democratic legal framework. In fact, the EU pressured Croatia to develop legal and institutional capacities to adopt and implement the *acquis communautaire*.

With regard to local government, the EU acted to achieve two main goals: restoration of balance between the strong central government and weak local entities, and establishment of a transparent and accountable decentralized democracy. The EU gave a crucial contribution in preparing the 2001 local government reform, defining a new fiscal decentralization plan, implementing a national procurement policy conformed to EU standards, and drafting a set of laws on local government which were finally adopted in 2007. The commitment of the EU substantially helped Croatian decentralization, but political, administrative and financial autonomy of local units is still limited due to the central government's reticence to make ample concessions on the matter. On its recommendations over the 2016 national reform program of Croatia, the European Council states that "The allocation of decentralized administrative functions is not in line with the fiscal capacity of the local units in charge. This makes the local units strongly reliant on central government transfers while leaving considerable regional disparities in the provision of public services" (EC 2016b, 5).

The judicial system has constantly received remarkable assistance from the EU. External aid was directed to the accomplishment of three main goals: enhancement of judicial professionalization, reduction of backlog and improvement of law enforcement. On the first point, the EU provided training for judges, state attorney and judicial advisors. Specific programs were conducted to develop Croatia's investigative, prosecutorial and judicial capacity to manage war crimes cases. In order to curtail the overload of pending cases, European programs assisted the Ministry of Justice to develop a case management system, improve the organization and structure of the court system, and strengthen the efficiency of judicial procedures. Furthermore, the EU supported the enhancement of mediation as an alternative to court-based dispute resolution thereby reducing the backlog of cases at courts (EC 2006). Finally, in order to intensify Croatian law enforcement the EU offered technical guidance and material support to the Enforcement Courts of Zagreb, State Attorney's Office and Office to Combat Organized Crime and Corruption. In general, the EU assistance programs positively influenced the development of the Croatian judicial system. In the last years, the backlog of pending cases has been

significantly reduced and some progress has been made on professionalization and modernization of the judicial sector. However, the EU efforts were insufficient to substantially improve law enforcement and minimize corruption which correspond to the most serious threats to Croatian democratic rule of law.

With regard to public administration, European projects aimed for the development of an overall civil service reform, and the enhancement of administrative capacity in view of future adoption of the EU acquis (EC 2001b; 2002). Over time, Croatian authorities were assisted in the drafting and implementation of a new legal framework as well as in the development of training programs for civil servants. Moreover, the EU strongly contributed to strengthen administrative capacity through the provision of policy advice, organization of training, information and screening seminars, and supplying technical and material assistance. European support was extremely useful for the gradual reform of Croatian public administration and the consequential improvement of its functioning in line with democratic requirements. Nevertheless, some aspects should be revisited such as the promotion and remuneration system of civil servants and anticorruption measures in the administration.

With respect to Croatian security forces, the EU supported the Ministry of Interior to develop a complete reorganization of the sector, improve personal management and standard operating procedures, and establish a Police Academy responsible for professional training. Additionally, the EU assisted Croatian authorities in developing a proactive Central Intelligence System tailored to combat global security challenges such as transnational organized crime, illegal immigration, terrorism, money laundering and smuggling (EC 2002b; 2003). Finally, the EU provided both material and technical assistance, supplied computers and set up administrative procedures (EC 2007). Throughout the years, the EU assistance produced positive results insofar as the Croatian police was successfully reformed and in general its professionalization improved.

EU democracy assistance to political parties, independent media and civil society organizations has always been marginal.

## Conclusions

The analysis has shown the relevance of EU conditionality and democracy assistance activities in strengthening the Croatian democratization process. The EU membership has represented a powerful incentive for the adoption of many reforms able to soften the relevance and impact of many structural shortcomings present at the beginning of the 2000s. All these efforts have been acknowledged and rewarded in 2013, when Croatia became officially an EU member. However, many shortcomings remain and their impact is responsible for the low-quality of Croatian democracy (Figure 1). Several factors should be taken into account in order to explain this outcome, the first being the legacies of the past, in particular those of the Tudman regime which were able to pass, to a great extent, through the 2000 transition and still haunts Croatian democracy. The EU was partially effective in counter-balancing and mitigating the impact of those legacies. However, despite this crucial contribution in keeping Croatia above the democratic threshold, the full membership granted in 2013 while many shortcomings were still present underlines a greater focus of the EU on formal rather than substantive democratic sectors. In fact, once the candidate status was granted the majority of EU funds and oversights were directed to economic rather than democracy-related sectors. Finally, it is fair to assume

that the situation will hardly improve in the foreseeable future, because the recent crisis of European institutions and the main reward (full membership) being already granted weakened the impact of EU conditionality.

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[1] An Interim Agreement on trade-related provisions entered into force in January 2002 (EC 2002a).

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