

Left and right running neck and neck in Croatia

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ANALYSIS

On May 20, President of the Republic of Croatia Zoran Milanovic (Social Democratic Party, SDP) called the 3.7 million Croatian voters to the polls on July 5 for a snap general election, which comes six months ahead of the originally planned date (the poll was originally scheduled for December), a decision taken by the ruling party, the Democratic Union (HDZ) of Prime Minister Andrej Plenkovic, which intends to capitalise on the popularity enjoyed by the government in its handling of the coronavirus pandemic. The authorities also fear the development of a second wave of the epidemic next autumn. They fear that the coming economic crisis will undermine the current popularity of the HDZ.

Croatia registered its first case of Covid-19 at the end of February. Since then, just over 2,247 infections have been detected and 106 people have died.

The *Hrvatski Sabor*, single chamber of Parliament, was dissolved on May 18. 105 MPs voted in favour, 8 against and 4 abstained. The opposition thus gave its support to the government's decision. *"It is clearly in this government's interest to hold parliamentary elections as soon as possible. With each additional month that passes, the dissatisfaction of citizens with the economic situation (for which the government is not responsible) is increasing,"* declared the President of the Republic, Zoran Milanovic.

Croatia is led by a government formed by the HDZ of Prime Minister Andrej Plenkovic allied to the Liberal People's Democratic Party (HNS) of the Minister of Construction and Spatial Planning, Predrag Stromar. Following the previous parliamentary elections of September 11 2016, the independent Tihomir Oreskovic formed a government combining the HDZ with Bozo

Petrov's Most-Nezavisnih Lista (Independent Bridge Lists). Andrej Plenkovic became Prime Minister on October 19 2016.

The following year, the two parties in the governing coalition clashed over the issue of keeping Zdravko Maric (independent) as Finance Minister. The latter was accused of concealing information concerning the difficult financial situation of the agro-food conglomerate Agrokor, one of the most powerful Croatian companies, which was unable to pay its debts caused by mismanagement and various embezzlements. The State then put in place a rescue plan for the company and several members of its board of directors were charged. The HDZ's refusal to dismiss Zdravko Maric led to Most-Nezavisnih Lista's departure from the government coalition and the threat of a motion of censure. This was narrowly avoided (75 votes in favour, 75 against and 1 abstention) and the Prime Minister managed to regain a majority by unexpectedly allying himself with the HNS, despite the departure of some of the party's deputies opposed to this alliance.

According to the latest opinion poll by the Promocija + institute, the left-wing opposition coalition, Coalition for a New Start, led by the Social Democratic Party, is expected to come out on ahead in the parliamentary elections with 28.6% of the votes ahead of the party led by Prime Minister Andrej Plenkovic, which is due to take 26% of the votes. The Patriotic Movement (Domovinski Pokret, DPMS), a populist party founded last February by Miroslav Skoro, is expected to come third with 13.5%. Most-Nezavisnih Lista, Bozo Petrov's party, is forecast to fail with 4.1% in terms of reaching the 5% threshold of votes required to be represented in Parliament.

THE DEMOCRATIC UNION, FOUR YEARS AT CROATIA'S HELM

"We decided to call an early election because our government has achieved its main objectives. A new government with a new mandate will be able to deal with the aftermath of the unprecedented crisis caused by the coronavirus," declared outgoing Prime Minister Andrej Plenkovic. As the HDZ candidate in the country's first constituency, he wants to regain the confidence of Croats to implement measures to prevent the coming economic crisis.

The HDZ experienced a difficult period at the end of 2019. It lost the presidential elections of December 22 and January 5 last, when outgoing President Kolinda Grabar-Kitarovic (an independent candidate supported by the HDZ) was defeated by Social Democrat Zoran Milanovic (52.66% against 47.34% of the vote).

The main opposition party (SDP) then took the lead over the HDZ in opinion polls for the first time since the latter came to power. From March, the HDZ regained the upper hand on the strength of its crisis management, as the particular context helped to unite the Croats behind their government. Six Croats in ten (61%) believe that the country is moving in the right direction, according to a survey conducted by Ipsos.

The coalition led by Andrej Plenkovic has, over the last 4 years, increased the minimum wage by 1 150 kuna (HRK) or €150 and pensions by 12% (15% for the smallest) and has put public finances on a sound footing (over the last 3 years, Zagreb has recorded a budget surplus and the country's fiscal performance has improved), which has helped to improve Croatia's rating by international rating agencies. The country has been given the green light to enter the Schengen area.

However, the public sector remains oversized and the Croatian economy is still too dependent on the tourism sector, which accounts for almost one fifth of its GDP. The health crisis is expected to cause a drop in GDP and Zagreb is expected to experience a recession of around 9.4% in 2020, mainly due to the collapse of tourism. By calling on the Croats to renew their parliament early, the government is therefore hoping

to have a free hand to enable Croatia to best approach the summer tourist season as it tries to lift the many restrictions put in place to protect the population.

The HDZ's electoral programme is intended as a response to the pandemic and the health and economic crisis it caused. The party wants Croatia to become self-sufficient in several sectors, particularly in the fields of agriculture and energy. It wants to increase the efficiency of the State and public enterprises. It is proposing an increase in the minimum wage (from 6 713 to 7 600 kuna, or €1000), and a reduction in the number of ministries and the digitisation of public services as much as possible. Its programme, entitled *A Secure Croatia*, proposes to invest HRK 10 billion (€1.3 billion) to create 100 000 new jobs and HRK 3 billion (€400 million) to modernise the health system, and to reduce VAT from 24% to 20%. It is promising to offer 130,000 kuna (€17,000) to every young person who wants to set up his or her own business, to double the allowances paid to families with children, to regulate work on Sundays and to help young families access home ownership.

The HDZ is running in coalition with the same partners as in the previous elections on September 2016. It reiterates that it will absolutely not form an alliance government with the Social Democratic Party or the Patriotic Movement (Domovinski Pokret, DPMS), a right-wing populist party led by Miroslav Skoro. The head of government likes to say that he sees in Miroslav Skoro, whom he accuses of "helping" Zoran Milanovic to win the presidential election, backing to the Social Democrats.

THE OPPOSITION PARTIES

In January this year, the Social Democratic Party took the lead over the Democratic Union in opinion polls and Zoran Milanovic was elected head of State.

On May 5, the Social Democrats formed a coalition with the Peasant Party (HSS) led by Kreso Beljak, the Pensioners' Party (HSU) of Silvano Hrelja, the Civic Engagement and People's Party (Snaga) led by Goran Aleksic and the Liberal Civic Alliance (GLAS) of Anka Mrak Taritas for the elections. The alliance has adopted the name *Coalition for a New Beginning*. The Istrian

Democratic Assembly (IDS) led by Boris Miletic has just joined this coalition.

The SDP programme includes six main points; an increase in the minimum wage and an increase in tax-exempt income from 4,000 to 5,000 kuna (€660); a reduction in VAT in the tourism and catering sectors; a reduction in the number of ministries, but also in the number of municipalities by passing a law on spatial planning; the digitisation of administrative services; a reform of the health system and the return of the tax called USKOK, which focuses on tax evasion and avoidance. The SDP has promised, in the event of victory, to pass a law on the reconstruction of the part of Zagreb that suffered from the earthquake of March 22. Half of the work would be financed by the State, 30% by the municipality and the owners of the damaged buildings would pay the remaining 20%.

Finally, the left-wing coalition is fighting to improve measures to counter corruption. SDP Chair, Davor Bernardic, described the coalition led by Andrej Plenkovic on May 15 as "*the most corrupt government in the history of Croatia*", recalling that eleven of its ministers are suspected of corruption. The SDP says it will not form an alliance with Most-Nezavisnih Lista (Pont-Nezavisnih Lista), a party "*belonging to the extreme right*" according to Davor Bernardic.

THE OTHER PARTIES RUNNING

Like many of its European neighbours, Croatia now has to contend with a populist party. Miroslav Skoro, a former singer who came third in the first round of the presidential election, created his party, the Patriotic Movement (Domovinski Pokret, DPMS) at the end of February. For the legislative elections he has chosen to unite with the Coalition of Sovereignists (an alliance formed for the European elections of May 2019 by the Conservative Party (HKS), the Growth Party (Hrast), the Party of Rights-Dr Ante Starcevic (HSP-AS) and the United Patriots (UHD)) and with the Bloc for Croatia.

Miroslav Skoro's coalition wants to change the electoral law, "outlaw communism" in the country and reduce taxes, especially VAT. It refuses to adopt the euro. Miroslav Skoro sees himself as an alternative path to

that proposed by the HDZ and the SDP. Most-Nezavisnih Lista (Bridge-Independent List) on the other hand is fighting for its survival. According to opinion polls, it is not guaranteed that the party will achieve the 5% threshold of votes required to be represented in parliament.

Finally, Ivan Vilibor Sinicic's Zivi zid (Human Shield, ZZ) has formed a coalition with Change Croatia (Promijenimu Hrvatsku, PH), a party led by Ivan Lovrinovic. Both parties are positioned at the centre of the political spectrum and have declared that if they win on 5 July, their first step would be to amend the electoral law so that "small" parties are better represented in Parliament.

THE CROATIAN POLITICAL SYSTEM

Parliament has been unicameral since 2001, when the *Chamber of Comitates* was abolished. The Hrvatski Sabor has about 150 MPs. Their number varies from one legislature to another, but may not be fewer than 100 or more than 160. The MPs are elected every 4 years by proportional representation in 10 constituencies, each of which elects 14 persons.

The 11th constituency, which is made up of Croats living abroad (and who have a residence in the country), elected 3 deputies in the last general elections on September 2016. The 12th constituency covers the whole country and appoints deputies representing the 22 minorities recognised by the government: 3 seats for Serbs, 1 for Italians, 1 for Hungarians, 1 for Czechs and Slovaks, 1 for Albanians, Bosnians, Macedonians, Montenegrins and Slovenes and 1 for Austrians, Bulgarians, Germans, Jews, Poles, Roma, Romanians, Russians, Ruthenians, Ukrainians and Vlachs, i.e. 8 in total.

The nationality of voters from national minorities is registered at birth on the declaration of their parents, but this can be changed at any time up to two weeks before the parliamentary elections. Minority voters choose when they enter their polling station to vote as members of their minority, and therefore to vote in the 12th constituency, or to vote

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for the candidates of the constituency to which their polling station belongs.

A political party must obtain at least 5% of the votes to be represented in parliament. Seats are distributed according to the d'Hondt method. The MPs are appointed by multi-member proportional representation on semi-blocked lists. Voters may carry out a limited form of preferential voting for a candidate on the list for which they vote. This measure, introduced in 2015, allows candidates who have received more than 10% of the total votes allocated to their party in their constituency

to be placed at the top of the list and to be allocated a priority seat if their party obtains one. Every electoral list must include a minimum of 40% women candidates.

To be allowed to vote, independent lists must have at least 500 signatures and lists representing national minorities a minimum of 100.

Croatians elect their President of the Republic every 5 years by direct universal suffrage. On January 5 2020, Zoran Milanovic (SDP) won over the outgoing head of State Kolinda Grabar-Kitarovic.

Reminder of the results of the parliamentary elections of 11 September 2016 in Croatia

Coalition led by the Democratic Union (HDZ)	682 687	36.27	59
Coalition led by the Social Democratic Party (SPD)	636 602	33.82	54
Most-Nezavisnih Lista (Bridge-Independent Lists)	186 626	9.91	13
Zivi zid (Human Shield, ZZ)	117 208	6.23	8

Source: <https://www.izbori.hr/arhiva-izbora/index.html#/app/parlament-2016>

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