Croatian Strategy of EU Integration 2000–2007 –
A Comparative Study

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Summary

Since the European Council established that Croatia met the conditions for becoming a potential candidate for EU membership in June 2000, the integration process directed towards candidature and full EU membership was the fundamental Croatian “national strategy” and foreign policy objective. In the period from 2000 to 2007 the process developed with “varying velocity” and varying levels of success. Our research objective is to identify and describe the strategic activity of the main external and internal collective actors involved in the process (the Croatian governments and the EU). Furthermore, we aim to evaluate the accomplished integrative results of their interaction in the observed eight-year period. Our analysis is based on the theoretical approach of actor-centred institutionalism and the game theory model. The result of the analysis shows that Dr Ivo Sanader’s one-party government (2003–2007) was more successful than Ivica Račan’s coalition government (2000–2003) in managing the integration process aimed at the accession of Croatia to the European Union. The impact and quality of EU support to the process was ambivalent, quite in accordance with the European Union’s ambiguous and complex structure and policy.

Key words: actors, collective actors, actor-centered institutionalism, game theory, strategic activity, Croatian government, integration process, European Union.

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1. Introduction: research objective and approach

The relationship between the European Union\(^1\) and the Republic of Croatia begins on January 15th, 1992, with the international recognition of the Republic of Croatia as an independent and sovereign state. Similar to other post-communist countries of Central and East Europe, Croatia made the “return to Europe” the long-term strategic objective of its state policy. During the period of war and aggression against Croatia (1991-1995) and after 1997, when the European Union adopted the so-called “regional policy approach”, the relations between Croatia and the EU were stagnant. After the outbreak of the “Kosovo crisis” in June 1999, the European Council accepted and launched the Stability and Association Pact – a project adapted for the countries of South-East Europe\(^2\). The Pact’s objective has been to facilitate and support these countries’ accession to the EU, and to foster regional cooperation among them. The Pact contains the main EU strategy of enlargement to the Southeast Europe.

After the 2000 parliamentary elections, HDZ\(^3\), which had ruled uninterrupted from 1991, became oppositional, while the opposition led by the electoral coalition SDP-HSLS\(^4\) came into power and formed a new six-member left-centre coalition government with Ivica Račan (SDP) as Prime Minister. The new government brought new dynamism into the Croatia-EU relations.

At the session held in Santa Maria da Feira in June 2000, the European Council decided that all five countries of South-East Europe met the requirements for potential candidates. This marked the beginning of an intensified political dialogue between the EU and Croatia. It was also the start of a process of change and adjustment of Croatian policies, institutions and actors’ behaviour in accordance with European requirements and conditions.

1 In this essay, the general term European Union (EU) refers to the integration as a whole, i.e. both to single policies with legal personality under the first pillar (European Community) and to common and coordinated policies under the second (Common Foreign and Security Policy) and third pillars (Collaboration in Justice and Home Affairs).

2 Namely, Albania, Bosnia and Herzegovina, Croatia, Macedonia, and Serbia and Montenegro.

3 HDZ (Hrvatska demokratska zajednica – Croatian Democratic Union) was established in 1989 under the leadership of Franjo Tuđman. In the first democratic and multi-party elections (1990), and in the 1992 and 1995 parliamentary elections HDZ won the majority in Parliament and set up a single-party government.

4 SDP (Socijaldemokratska partija – Social Democratic Party) is a reformed communist party led by Ivica Račan until he died in 2007. Now its president is Zoran Milanović. HSLS (Hrvatska socijalno liberalna stranka – Croatian Social Liberal Party) is a liberal party that was led by Dražen Budiša who was a student dissident leader and served time in prison in 1971 (after the “Croatian Spring”). Now its president is Đurđa Adlešić.
During the last eight years, Croatia’s strategic objective has been to acquire as soon as possible the candidate status, to enter into accession-related negotiations, and subsequently to become a full member of the EU and NATO. This objective has been realized with different levels of success.

The public opinion and other interpretations largely differ in the way they evaluate the contributions of individual external and internal (collective) actors to the success of the integration process. It seems that evaluations often depend on previously chosen pro-European or Euro-sceptic attitudes of the appraisers and on their currently ruling or oppositional position, rather than on a theory-based and empirically affirmed facts derived from a complex analysis of the integration process. As opposed to that, our research is empirical and analytical, and we intend to evaluate the process on such a basis. We are interested in the interaction between the principal institutions and actors involved. Our attention is devoted to two principal actors: the government of Croatia – as an internal actor, and the European Union (Commission) – as an external actor, as well as to the political and institutional context of their action and interaction. This necessary analytical reduction of the number of actors, which is accomplished by “raising the level of abstraction” (Lindenberg 1991), enables a better evaluation of the contribution of individual institutions and actors to the success (or lack of it) in achieving the ultimate common strategic objective – accession to the EU.

Our research follows the neoinstitutional approach, drawing upon actor-centred institutionalism and an analytical game theory model.

In view of the subject described above, the research objective and assignment of this paper is the following:

1. to identify and describe the strategic activity of the principal internal and external actors, and;

2. to evaluate and explain the achieved result of interaction between the principal actors (the Croatian government and the EU, (i.e. the European Commission), and their respective contributions during the observed period.

2. Theoretical guidelines and analytical framework

The questions asked and the sought answers necessitate a more precise illustration of the chosen theoretical guidelines – namely, the actor-centred institutionalism and game theory – and of the research design in general.
2.1. Actor-centred institutionalism

The actor-centred institutionalism approach has been theoretically defined in the work of Fritz Scharpf and Renate Mayntz\(^5\). This approach focuses on the influence of institutions on individual and collective actors, and on their preferences, views and abilities in various forms of interaction. It provides explanation for past political decisions, but it also enables a systemic insight which can be helpful in a practical search for adequate institutions that support the formulation and implementation of policies aiming at the common good (Scharpf, 2000: 65). The actor-centred institutional approach can be represented in a diagram (Figure 1).

**Figure 1. Actor-centred institutionalism model**

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   INSTITUTIONAL CONTEXT
       ↓       ↓
     Problem ● Actors ● Relations between actors ● Forms of interaction ● Political decisions

POLITICAL ENVIRONMENT
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Source: (Scharpf, 2000: 85)

2.1.1. Actors

The actor-centred approach starts from the assumption that social and political phenomena, which result from an intentional activity of individual, collective and corporate actors\(^6\), can and must be explained only through that activity. The Actors are characterized by certain abilities, views and preferences.

*Abilities* are very important in explaining behaviour and are associated to personal, material, technological, information-related, institutional and other operational resources.

\(^5\) The approach is developing since the 1970s in the work of both authors from the Max Planck Institute in Köln.

\(^6\) *Collective actors* are characterised by the fact that their preferences, objectives and operational control depend upon the members, while *corporative actors* have a high degree of autonomy with regard to its memebers (Scharpf, 2000).
Preferences and views (perceptions) of the actors can be characterized as action orientations, and they can either be stable or changed through learning and argumentation.

Politics refers to the intentional activity of individual and complex (collective and corporative) actors with the aim of realizing a particular interest.

Collective actors vary with regard to their operational resources (abilities), which can be individual or common, and with regard to their action orientations (preferences and views), which can also be individual or common.

If one combines the two possibilities (individual or common resources; individual or common action orientation), one gets four typological models of collective actors: coalitions, movements, clubs and alliances (Scharpf, 2000: 102).

For the purpose of this paper it is particularly important to point out the features of coalitions and alliances, since, in the observed period, the internal actor in the integration process (the Croatian government) had the characteristics of a coalition, while the external actor (European Union) had the typological characteristic of an alliance.

Coalitions are relatively continuous engagements among actors who, in the context of jointly arranged policies, pursue individual objectives and apply individual resources in a context of coordinated strategy. Therefore, coalitions behave according to agreement and agreed strategies, which all members find useful. Although coalitions are regarded as single actors, the implementation of a coalition’s strategy often depends on its individual members.

Alliances (unions) are based on common resources and common action orientations. They are “agents”, and they serve the interests of their “principals” – the alliance members. (Scharpf, 2000: 104). Regardless of the fact that activity resources are in the hands of the members, actual control of the spending of those resources are in the hands of the alliance’s leadership (in this case the EU Council).

Beside collective actors, there are corporate actors as typical “top-down” organisations controlled by a hierarchical leadership. They have an identity, define objectives and dispose of abilities that are independent of the interests and preferences of the group (members) which they should serve.

The Croatian governmental coalitions are primarily coalitions formed in order to hold the post-electoral majority in Parliament and be able to put together a government. For this reason, in spite of much internal heterogeneity, they have managed to maintain power. Both coalition-based governments had to deal with parties stepping out (HSLS and DC, respectively), but the governments still remained “stable” throughout their mandate.
do not influence the choice of options and strategies of the collective actor (leadership); they only have the power of recall (choice).

Corporate actors have the advantage of a high level of efficiency and highly successful leadership. This could not be achieved if preferences of all members were taken in consideration. On the negative side, there is an increasing aspiration and need of actors who are not accountable to anyone to gain control over the processes.

2.1.2. Ability of actors to act strategically

*Strategic activity* refers to a situation in which an actor reacts to opportunities and risks that appear in any constellation of actors. The reaction is based on observed facts and sufficient information, and on expected maximization of total benefit (Scharpf, 2000: 107). If the actors operate in conditions of incomplete or asymmetrical information, the benefit can be maximized only through a significant increase of their capacity to process the information, which can hardly be expected from any real actor. When evaluating the strategic activity of collective actors, which is a really important aspect of research, one should take in consideration their cognitive and evaluative dimension. The *cognitive dimension* points to the focus of collective actors on interpersonal processing of information and on communication. The *evaluative dimension* presupposes the ability of preference integration.

So, the ability to act strategically depends on convergence or divergence of preferences between members of a collective actor and on the ability to solve conflicts within a collective unit. If we start from this assigned conflict level, the strategic activity of complex actors also depends on the institutional context, which either facilitates or makes more difficult the solving of problems within a collective actor. For example, actors who have to rely on negotiations when solving conflicts are less efficacious than those who have other interaction patterns at their disposal (one-sidedness, hierarchical leadership etc.) According to the theory of rational choice, it would be right to conclude that only an individual rational action is possible in pursuit of an aim. At present, however, there are many types of collective actors in the field of empirical research.

*Preference integration* has an inter-temporal, an inter-sectoral and an interpersonal dimension. The first dimension refers to the ability to give up an instantly attainable priority for the benefit of a later bigger profit. The second means to replace one interest with another that is more important. The third means to sacrifice the interest of single members for the advantage of the whole community (Scharpf, 2000: 108).
This apparent discrepancy is overcome by the fact that individual actors operate not only for themselves, but on behalf of larger units which many identify themselves with – families, groups, nations, political parties, ministries, states etc. In that sense, it is fully warranted to use a state or one of its organisations (government) as a collective actor; provided that it represents the action orientation of other actors (Scharpf, 2000: 112).

2.1.3. Relation (constellation) of actors and patterns of their interaction

Solutions to a particular political problem can be reached by interdependent decisions of several actors with specific capabilities and action orientation regarding an expected result. Since decisions are interdependent, they are not reached by a single actor. The decisive factors are the constellation of actors and the pattern of their interaction (see Figure 1).

A constellation describes players who participate in a game, their strategic options and the related results, as well as the players’ preferences regarding the expected results.

The constellation of actors concept has two important analytical functions:

1. By means of game theory, extremely different actual relations can be described and mutually compared at a high level of abstraction and with a high degree of accuracy.

2. By means of game theory, the level and types of conflicts between actors can be compared. This makes it possible to formulate hypotheses and thus evaluate the conflict-solving capacity in the context of various political problems.

A social constellation connected to some problem is, in and of itself, not a game which is played in a political process, but it can be projected onto a relation between the principal actors connected to the material-political objective (Scharpf, 2000: 80).

Consequently, in addition to the actors themselves, institutional design with its rules and values can also have an impact on efficient problem-solving. The type of constitutional solution (parliamentary or presidential system), of the decision-making process (majority or consensual), the largeness of parliamentary majority etc. are not irrelevant factors. In those diverse contexts, actors can choose between various possibilities and patterns of interaction and strategic options.
2.2. The basics of game theory

Game theory\(^9\) seems to be appropriate for reduction of complex social problems to ideal type characteristics of a relation between two actors with two options each. Basically, the theory of games relies on the relation between three factors in the game: *player*, *strategy* and *pay off*\(^{10}\). The *game* takes place when options (strategies) are interdependent, i.e. when the achieved result is conditioned by both (or more) players.

At the heart of game theory is the fact that the individual and collective pay offs of a player can be derived mathematically, in accordance with their interests and actions. Initial preferences of players, their choices, and individual and collective optimum behaviour are taken in consideration.

The most common form of mathematical presentation is the matrix form\(^{11}\) of pay offs, in which the strategies of one player are shown in matrix lines, and those of the other are laid out in the columns.

There are four possible results of interaction, which show that the collectively rational result can be “missed” if both players follow their own rational choice (Wagner, 2005: 255).

In international relations, the theory of games is applied for analysis of conflict situations with the aim of making the best possible political decisions wherewith the opposing side can be successfully countered (Vukadinović, 1998: 309).

There are two types of games: cooperative and non-cooperative. In a *cooperative game* (a non-zero sum game)\(^{12}\) the players can reach binding agreements before each of them reaches a decision. In a *non-cooperative game* (a zero-sum game) nothing agreed before the game is binding, but both players are well informed about the other players and about their possible strategies. In the moment of their decision, the only thing they do not know is what strategy the opposing side will take. In the cooperative game, the

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\(^9\) The theory was founded in the USA in 1944 by the mathematician John Neumann and the economist Oskar von Morgenstern. It is a purposeful normative theory of rational-strategic activity.

\(^{10}\) A *player* is each individual or complex actor capable of choosing the goal-oriented mode of activity among the various possible modes. *Strategies* are activity options (or parts of options) available to a player. *Profitability* refers to the possibility to evaluate all possible results on the basis of the players’ preferences (Scharpf, 2000: 27).

\(^{11}\) The game can also be presented in an extensive or a characteristic form. The choice of form depends on the type of game and its static or dynamic nature.

\(^{12}\) In the zero-sum game, the sum of both players’ pay off is zero. One player’s profit equals the other player’s loss. In the non-zero-sum game, both players make some profit.
players can communicate and reach an agreement prior to the game regarding the chosen strategies. In the non-cooperative game, such an agreement is impossible.

Another important distinction is the one between simultaneous and sequential non-cooperative games. In a simultaneous game, each player chooses his move without knowledge of the other player’s move, while in a sequential game the players make their moves in succession, and the latter player is aware of the former player’s move. These types of games can (but do not necessarily) influence the final result of non-cooperative game.

The theory of games comprises two more analytical concepts: strategic interaction and equilibrium result. The first concept has to do with each player’s knowledge of the strategy of the other. In a non-cooperative game, this can lead to indefinite postponement of a strategic decision. However, such an outcome is not possible in games with a single or multiple equilibrium solutions.¹³ An equilibrium solution (Nash equilibrium, for example) is a situation in which none of the players can achieve a better result for themselves through one-sided alteration of his strategy.

Empirically pure cases of cooperative and non-cooperative games are rare. Usually, there is a change of relation within the collective actors themselves, or a change of options and payoffs between players. Such games are termed mixed games,¹⁴ in which players have both options – cooperative and a non-cooperative. Strategically, mixed games are very interesting, because they are non-zero-sum games, and the players’ interests are partly identical and partly opposed.

We will model the Croatian strategy of EU integration as a Battle of the Sexes game. It is important to point out that in this case we are dealing with three contextual levels: the international system (Croatia-EU), internal policy (coalition governments) and decision-makers (the governments of I. Račan and I. Sanader – European Commission).

We will now describe the “Battle of the Sexes” game more extensively (Figure 2).

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¹³ According to the Nash theorem, each game with a limited set of strategies has at least one equilibrium solution in the pure or modelled strategies. Since simple games can also have several equilibrium solutions, the Nash equilibrium cannot anticipate a quite specific solution to the game.

¹⁴ There are four most familiar types of games: Battle of the Sexes, Prisoner’s Dilemma, Assurance and Chicken.
The constellation of the *Battle of the Sexes* is as follows: two actors (a man and a woman) want to spend an evening together. He wants to go to a boxing match, and she wants to go to the opera. This relation results with a conflict that needs to be solved. The basic characteristic of the *Battle of the Sexes* game is the fact that the dominant preference of both actors is to “stay together”, to realise their common aim. The second interest or preference is related to the option of dissimilar activity (“different ways to reach the goal”). According to the matrix (Figure 2), one can distinguish four possible solutions of cooperation and non-cooperation, with a corresponding individual payoffs for each player. The four payoffs for each actor are denoted numerically, 4 being the highest and 1 the lowest payoff.

The outcomes with highest payoffs (4, 3) and (3, 4), are the outcomes in which one actor does cooperate and the other does not. In this way, the dominant common preference (that the players stay together) is realised (Nash equilibrium).

The second best solution for both players is one in which neither cooperates (2, 2). The situation in which they both cooperate (1, 1) has the lowest payoff for both actors, because in that case neither the first nor the second preference is realised (“they are not together, because she goes to the boxing match and he goes to the opera”).

2.3. Analytical-methodological context of research

The previously described research perspectives must be shaped in such a way as to elaborate and demonstrate a concrete analytical context, which would lead to an effective application of the chosen methods and to discovering relevant answers to two research problems put forward in the introduction:
1. To identify and describe the strategic activity of the principal internal and external actors (Croatian governments and the European Union) in the process of EU integration;

2. To evaluate and explain the obtained result of the principal actors’ interaction (management of Croatia and the EU\textsuperscript{15}) in the process, and their individual contributions in the observed eight-year period.

In our description of the actors’ constellation and strategies, we make use of the theory of games, which is very convenient for a reduction of complex social and political phenomena to ideal typal models with two actors and two activity options (Bieling/Lerch, 2005: 254).

If constellations of actors are connected with some form of interaction, one obtains analytical indications of a conceptual scheme, which “presents itself” as a possibility of analytical problem-solving in different systems of interaction. Such a systematic research provides us with an extremely successful tool for explaining the result of a particular political action. What is more, there is a possibility of obtaining practical and useful guidelines as to how different types of political problems can be solved by means of different institutional structures.

In our research, the above is illustrated by our choice of methodological procedure:

1. Firstly, we empirically identify the collective actors and describe the implementation result (positive and negative) of the Croatian integration strategy and the integration strategy of the EU with regard to Croatia in the 2000-2007 period, and project the problem to the actors’ relation and patterns of activity.

2. Secondly, we define the strategic activity and profitability, wherewith both actors evaluate their choice of strategy and profitability considering the success of the integration process.

3. Thirdly, we evaluate and explain the successfulness of strategic activity of the Croatian governments, as internal factors, and of the European Union, as the external factor.

4. Finally, we discuss the correlation between institutional conditions and the actors’ behaviour.

\textsuperscript{15} A group of German authors (Merkel, Puhle, Sandschneider etc.) brought together in Bertelsmann Stiftung and cooperating on the “System Development and Transformation” project explored the dimensions of contribution of external and internal actors to the transformation and integration process. They defined and operationalised the “management or process-managing” dimension as an analytical level divided into two coherent subgroups of factors: “internal management” and “management of external support” (Weidenfeld, 2001: 59).
The entire procedure is realised in a clearly defined analytical framework of identification and description of empirical facts.

In this paper we analyse the work and conduct of two Croatian governments: the multi-party coalition government of Ivica Račan (2000-2003) and the quasi-single-party government of Ivo Sanader (2003-2007).

The European Union concept implies the totality of strategies (of the European Commission, and of member states and other agencies) connected to Croatian integration process, ultimately articulated by the decisions of the European Council.

This also defines the relation within collective actors, which is important for the capability of strategic activity, in which “Račan’s government” represents a form of wide coalition, while “Sanader’s government” represents a form of narrow coalition with elements of a one-party system (even with corporate leadership), while the EU is a form of alliance, with the European Commission as an executive body and the European Council as a management body.

The relation and interaction of those actors are projected onto the “Battle of the Sexes” model game, because the said model corresponds to the actors’ essential relation and preference. There is a reciprocal preference for Croatia’s accession to the EU, but there are also separate preferences that have to do with the conditions and speed of accession.

In defining the basic Croatian strategic preference, we choose as our starting point the programmes of both Croatian governments, i.e. from the prioritized policy of Croatia’s entry into the EU.

The second preference is prompt entry with as few “accession costs” as possible. This refers to the choice of strategies that ensure political stability, economic growth, social peace and the probability of re-election of one’s own ruling policy.

In principle, the EU integration strategy towards Croatia has been consistent (at least since 2000). The dominant preference is expressed in the commitment to Croatia’s entry into the EU, while the second preference has to do with meeting high and broadly determined conditions and criteria (regional cooperation, return of refugees, judicial reforms, fight against corruption, minority rights, solving of problems with neighbours, meeting of requests connected with The Hague Tribunal indictments etc.), and comprises no definite entry date.

In such a relation of strategies, actors can (but do not have to) take matters into their own hands in order to maximize their own profitability. But such behaviour is not socially effective, because the other rational actor is
bound to simultaneously pursue his own interest, and this would result in a stalemate.

Since *status quo* is unsuitable for both sides, it is necessary to act strategically in such a way as to anticipate the reactions of the other actor. Anticipation then leads to the establishment of a *stable balance result* between actors.

The *institutional context* should also be included in the analysis, as part of observation focusing on the method and promptness of decision-making, on party relations in the government, on party relations in the Parliament, on relations between State President and Prime Minister etc.

The complex influence of political environment will be taken in consideration with regard to (lack of) support of public opinion and financial help programs.

As far as the other actor (EU) is concerned, we will also take into account the attitude and influence of individual member states, the influence of individual agencies (The Hague Tribunal) and of other simultaneous and relevant integration processes, the provided assistance, the influence of public opinion, the candidacy of Turkey etc. The design of analysis outlined above will enable us to gradually approach the final analysis of the research case.


3.1. The integration process in Croatia

*Račan’s coalition government* was inaugurated in late January 2000, after the parliamentary elections. It was formed out of six parties (SDP, HSLS, HSS, IDS, LS)\(^\text{16}\). Portfolios were allocated in accordance with the election result, and relying on their support in the Parliament.

The key strategic political decisions were reached by consensus at the *Government-Party Coordination*\(^\text{17}\) sessions. Limited possibilities of immediate communication and informing often resulted in postponement of government sessions and delayed decision-making.

\(^{16}\) HSS (Hrvatska seljačka stranka – Croatian Peasant Party), HNS (Hrvatska narodna stranka – Croatian People’s Party), IDS (Istarski demokratski sabor, regionalna stranka – Istrian Democratic Assembly, regional party), LS (Liberalna stranka – Liberal Party).

\(^{17}\) *Government-Party Coordination* was an institute derived from an inter-party agreement regarding the establishment of parliamentary majority and government. It consisted of six party leaders. The Prime Minister suggested the agenda and chaired the sessions, while the final decisions were reached by consensus. The Coordination convened to discuss all important issues and just before the governmental or parliamentary sessions.
During the mandate, two parties left the government: IDS left in 2001 (but remained as parliamentary support), and next year it was followed by HSLS, which split into two factions – one faction (LIBRA) remained supportive of the government, while the other (and larger) faction joined the opposition.

This “reshuffling of political cards” additionally increased the impact of the opposition in the Parliament. The opposition’s standing up to the government was most manifest in its criticism of the latter’s “indulgence towards Europe”, as well as in procedural obstruction of the adoption of reform laws in the Parliament.

Resistance to the government’s integration policy also came from diverse extra-parliamentary formal and informal groups.

In the 2000-2003 period, the support of public opinion regarding Croatia’s entry into the EU declined from 77% to 73%, while the number of those opposed to the entry redoubled (more specifically, it increased from 10% to 20%) (Sošić, 2005: 183).

In such circumstances, Račan’s government was only partly successful in meeting the requests and pressures coming from the EU.

In early 2000, after the death of Dr Franjo Tudman, a new President – Stjepan Mesić was elected. He was not a coalition candidate, but he belonged to the same “political family”. Relations with the government were not always coordinated and cooperative, inter alia regarding some political issues that had to do with Croatia-EU relations. In 2001, Račan’s coalition government implemented a constitutional redraft, transforming the former semi-presidential system into a parliamentary system of government.

At the meeting of EU member states’ presidents and prime ministers held in November 2000 in Zagreb, Croatia was given a stimulus to begin preparations for EU membership. The Stabilisation and Association Agreement (SAA) and the Interim Agreement were reached and signed in October 2001, and subsequently confirmed by the Croatian and European Parliaments. The latter agreement came into force on March 1, 2002. In early 2002, all EU member states (15 of them) initiated the ratification of SAA in their parliaments. That process was not completed until the end of 2004. At the Copenhagen meeting in December 2002, the European Council confirmed the “European perspective” of the states included in the Process of Stabilisation and Association. Immediately after that, the Croatian Parliament accepted the Resolution on Croatia’s accession to the EU. In February 2003, Croatia submitted a formal request for full EU membership. In July 2003, the European Commission responded with a Questionnaire for the purpose of creating an Opinion regarding Croatia’s request, and already in October of the
same year the government provided the Commission with a comprehensive reply.

Parliamentary elections were held in November 2003, and a shift of power took place in Croatia. The EU and its members exerted strong pressure on the Croatian government (The Hague Tribunal’s indictment of several Croatian generals), especially in the final part of the mandate. This resulted, on the one hand, in deceleration of the convergence process (ratification of SAA was delayed); on the other hand, it lead to instability of government (HSLS left the coalition) and to social instability (protests of Croatian homeland war veterans’ associations, strikes). Euro-scepticism among Croatian citizens grew and was even redoubled. According to research of public opinion, the percentage of Euro-sceptics increased from approximately 8.3% in 2000 to 16.3% at the end of 2003 (Sošić, 2005: 183).

At the end of 2003, a new centre-right government was inaugurated, namely the government of Dr Ivo Sanader. It was supported by several parties in the parliament (HDZ, DC, HSLS, HSU)18, as well as by some minority representatives and independent parliament members. With the exception of one woman minister (DC), his was a single-party (HDZ) government. As such, it was able to reach fast political decisions that were adopted in the Parliament efficiently and without stalling. It opted for an active strategy of Croatia’s convergence towards the EU. To that purpose, an agreement was reached with all parliamentary parties to form an “Alliance for Europe” and to support the government’s pro-European policy.

In April 2004, the European Commission expressed a positive opinion regarding Croatia’s candidacy. On June 18th, at the session held in Brussels, the European Council gave Croatia the status of candidate for full EU membership. Croatia was requested to keep fulfilling the following conditions: cooperation with The Hague Tribunal, return and accommodation of Serbian refugees, protection of minorities, the rule of law and democratization. Early in 2005, the Croatian President was re-elected. The cooperation between the government and the President was good. Although it was a sort of cohabitation, it never caused a political crisis.

Throughout 2004 and in early 2005, Croatia did not manage to get a close and exact date from the European Council for the beginning of negotiations. The process came to a halt. The EU emphasized the lack of “full cooperation” with The Hague Tribunal in tracking down and handing over General Ante Gotovina to The Hague.

In the Union itself, the member states (25) were divided in their evaluations of “full cooperation”. As a consequence of EU insistence and forceful-

18 DC (Democratic Centre), HSU (Croatian Party of Pensioners)
ness on that point, the support of Croatian public decreased to less than 50% – the lowest percentage ever.

Early in 2005, secretly and without the influence of the body politic, the Croatian government put together the *Action Plan* for full cooperation with the EU and The Hague Tribunal. The Action Plan was coordinated and arranged with the EU and its agencies, and it involved a number of common operative measures for tracking down General Gotovina and sending several generals from the Croatian War of Independence to The Hague.

At the meeting of the European Council held on October 3, 2005, the negotiation process with Croatia was finally set in motion, although it was still conditioned by further full cooperation with The Hague Prosecutor’s Office and the Tribunal and with the meeting of some other criteria.

General Gotovina was caught early in 2006. Three other accused generals were handed over to the Tribunal. In this way, the Croatian government completely fulfilled the criteria of full cooperation.

The negotiation process on 35 chapters of the *acquis* was launched in 2006 and lasts to this day. New chapters are opened successively, starting with the least demanding ones. In 2007 the process was slowed down, primarily due to the European Commission’s discontent with the overall situation and insufficient reforms in judicature, and with a high level of corruption in the Croatian society.

At the very end of the government’s mandate, the EU exerted very large pressure on Croatia (especially the neighbouring countries of Slovenia and Italy) regarding the planned implementation (scheduled for January 1, 2008) of regulation related to the Protected Ecological and Fishery Zone (ZERP) in the Adriatic. Requests were voiced for the said regulation not to apply to EU member states. Croatia was reluctant to acquiesce, and the EU responded by slowing down the negotiation process.

In the parliamentary elections held on November 25, 2007, HDZ (Croatian Democratic Union) won the same number of parliament mandates, thus remaining the most powerful political party in Croatia. The party’s head Dr Ivo Sanader received a new four-year mandate and formed a somewhat more inclusive coalition government. In addition to coalition partners from the previous government, the centre-right coalition was joined by the Croatian Peasant Party.

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19 Since 2000, the Ministry of Foreign Affairs and European Integration conducts public opinion polls on a semi-annual basis regarding support (or lack of support) to Croatia’s entry into the EU. The results are regularly published on the Ministry’s web page (www.mvpei.hr).
3.2. EU attitude during the integration process

After the shift of power in Croatia in January 2000, the European Union accepted a proactive policy of the Croatian government with respect to future EU membership. The above-mentioned facts testify to a certain progress of the process and to the EU’s significant material pre-accession support to Croatia20.

In the end phase of the “great enlargement” to the East, the strategy of the EU regarding active enlargement towards Croatia (and South-East Europe) started to “lose momentum”, as it became increasingly focused on internal institutional reforms, especially on the work of the Convention in drawing up the Constitution Contract Reform for Europe.

Consequently, from 2002 on the “Croatian path” to Europe was conditioned by additional, non-Copenhagen criteria (e.g. Hague indictments based on “command responsibility”, requests to hand over the Croatian generals and to speed up the return of Serbian refugees and the rebuilding. Moreover, the neighbouring candidate and member states (Slovenia, Italy) made additional political requests (borders, annulment of ZERP – Protected Ecological and Fishery Zone) which conditioned support to Croatia’s EU accession. An example of such individual pressure and conditioning is the process of SSA ratification, which stalled for more than two years.

Individual member states of the EU were clearly divided in their attitude towards Croatia. The countries which had previously supported the expansion advocated the speeding up of the process, while others obstructed it.21

The EU commended and supported Sanader’s new government along its “path towards Europe”, which culminated when Croatia was given candidate status (June 18, 2004). Immediately after that, however, the EU opted for a “hard line”, requested fulfilment of various demands and criteria, and postponed its decision regarding the beginning of negotiations (for a period of 15 months). At first, the EU put pressure on Croatia to “hand over Gotovina to The Hague”. Still, negotiations were set to begin on October 3, 2005, and Croatia was given favourable judgment regarding the “continuation of full cooperation”.

It should be pointed out that Turkey acquired the status of participant in the negotiations at the same session of the European Council, and that the

20 Since 2001, Croatia has been a direct beneficiary of the European Union’s CARDS program, which is intended for states who sign the SSA, and which amounted to 257 million € for the period from 2001 to 2004.

21 The chief advocators of EU enlargement strategy are Great Britain, Denmark, Sweden, Finland, Austria and Germany. The principal opponents are France, Greece, Italy, Spain, Portugal, Ireland, Belgium, the Netherlands and Luxembourg. (Schimmelfennig, 2003: 546).
“positive” solution for Croatia was not the result of objective evaluation that Croatia met the relevant criteria, but of the lobbying of Austria and several other member states, and of an encompassing and compromise-based negotiation-beginning “package” for both Croatia and Turkey.

The described attitude of actors and the result of their interaction can be presented most adequately in a table, thus providing a fine basis for further analysis (Table 1)

Table 1. Evaluation of (un)successfulness of the integration strategy of Croatia and the EU

<table>
<thead>
<tr>
<th>CROATIA Actors</th>
<th>Positive achievements of the integration process</th>
<th>Result of internal support (+ or -)</th>
<th>EUROPEAN UNION Result of support (+ or -)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coalition government of Ivica Račan</td>
<td>2000. – Zagreb Summit; beginning of negotiations regarding the Stabilisation and Association Agreement (SAA). – EU Council adopts the CARDS support program</td>
<td>Initiation and stimulation of the integration process (+) Public support (+/-) Parliamentary and non-parliamentary opposition to politics of regional cooperation with The Hague (-)</td>
<td>Initial support to governments in their Pro-European integration Policy (+) Slow notification of SAA (2002–2004) (-) Demands for Croatia’s full cooperation with The Hague Tribunal (-)</td>
</tr>
<tr>
<td></td>
<td>2001. – SAA and Interim Agreement are signed – Croatian Parliament and European Parliament (EP) accept SAA</td>
<td>Internal division regarding cooperation with The Hague and other issues related to cooperation with the EU (-)</td>
<td>Assigning the role of veto-actor to The Hague Prosecutor’s Office (C. Del Ponte) (-)</td>
</tr>
<tr>
<td></td>
<td>2003. – Croatia makes a request for EU membership</td>
<td>Hague indictment of Croatian generals (-) Parliamentary elections with a realistic possibility of a shift of power (-)</td>
<td>Insistence on regional cooperation (-) Giving up of conditioning of Croatia’s accession through bilateral relations with Croatia (-)</td>
</tr>
</tbody>
</table>
### CROATIA

**Actors**

#### Government of Ivo Sanader

**2004.**
- Croatia receives a positive evaluation from the European Commission
- European Council gives Croatia the membership candidate status

**2005.**
- European Council declares the beginning of negotiations with Croatia regarding full EU membership
- The screening begins

**2006./2007.**
- The beginning and continuation of the *acquis* chapter
- Electoral victory and the new mandate

<table>
<thead>
<tr>
<th>CROATIA Actors</th>
<th>Positive achievements of the integration process</th>
<th>Result of internal support (+ or -)</th>
<th>EUROPEAN UNION Result of support (+ or -)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Forming of a pro-European government (+)</td>
<td>Request for a full, but imprecise cooperation with the Hague Tribunal (-)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Forming of the “Council for Europe” in the Parliament (+)</td>
<td>Division among member states (25) regarding the beginning of Croatia’s negotiations (-)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Cooperation between government and President (+/-)</td>
<td>Correlation of the Croatian issue with Turkey (+/-)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Public support (-/+), Incomplete cooperation (-)</td>
<td>Appreciation of the Action plan as a form of full cooperation with EU (+)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Operational plan of cooperation (+)</td>
<td>Insistence on judicature reform, anticorruption (-)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Handing over of Gotovina (+) Reform halt (-) The beginning of the pre-election year (-) Government of pro-European coalition (+)</td>
<td>Negative context of neighboring states’ interest (Slovenia, Italy) regarding borders and ZERP (-)</td>
</tr>
</tbody>
</table>

### 3.3. Results of Strategic Activity and Evaluation of Profitability

As pointed out in the methodological procedure, the second analytical step is connected to a projection of relations between internal and external actors on the “Battle of the Sexes” game (Figure 3).

On the basis of the illustrated model and previously defined preferences, we can establish the results of activity and profitability for each of the four combinations of chosen strategies:

1. The (C,C) result means that Croatia and the EU cooperate in such a way that Croatia accepts the second preference of the EU (meeting of all high criteria), and the EU accepts Croatia’s second preference (prompt entry).

2. The (N,N) result means that Croatia and the EU do not cooperate, and that both stick to their preferences.
3. The (N,C) result means that Croatia does not cooperate with the EU, but the EU does cooperate with Croatia. In such a situation the EU would accept Croatia’s preferences.

4. The (C,N) result means that Croatia cooperates with the EU, but the EU does not cooperate with Croatia. In such a situation Croatia would accept both preferences of the EU.

Figure 3. Matrix of Croatia-EU relations

<table>
<thead>
<tr>
<th></th>
<th>EUROPEAN UNION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(Cooperation-C)</td>
</tr>
<tr>
<td>CROATIA</td>
<td></td>
</tr>
<tr>
<td>(Cooperation-C)</td>
<td>1</td>
</tr>
<tr>
<td>(N,C)</td>
<td>3</td>
</tr>
<tr>
<td>(Non-cooperation-N)</td>
<td>4</td>
</tr>
<tr>
<td>(C,C)</td>
<td>1</td>
</tr>
</tbody>
</table>

Now we need to answer the following question: what is the profitability of a particular actor in each combination of chosen strategies, and how does their choice affect the course and successful outcome of the integration process?

The (C,C) combination, i.e. the reciprocal cooperation game (each player accepts preferences of the other), is least profitable to both actors. In this case, the game does not even ensure the realisation of basic preferences, i.e. continued involvement in the integration process, because it is contradictory in its essence (Prittwitz, 1994: 149).

The second worst option, for both actors and for the process as a whole, is to end up in the reciprocal non-cooperative game (N, N). This means that each actor sticks to his preferences, the problem is not solved, and status quo persists. But the integration process is still “included in the agenda”, and it is made operational only if one of the actors changes his strategy.

The (N, C) result is the most profitable for Croatia, because it would mean that the EU accepts Croatia’s preference (prompt entry). The (C, N) result is the most profitable for the EU, for it would mean Croatia’s acceptance of EU preferences (meeting of high and “inconvenient” conditions).

Both (C, N) and (N, C) results represent the Nash equilibrium solution, in which the preferences of actors in the non-cooperative game are not equally directed. In order to find himself in such a balance position, one of the play-
ers must first decide to give up the (N, N) position and accept the cooperative game. Actors are required to find a strategic solution.

In the example of the EU and Croatia, this occurs when the first player (with greater resources) plays the non-cooperative game and strives to achieve the result most profitable for himself. Accordingly, it is the other player’s vital interest to choose the same result through the cooperative (sequential) game. Namely, after the second player (Croatia) opts for that other solution (C, N), which is the most profitable for him in a long-lasting interactive relationship (“to sit at the table”), he might come up with an even better solution (for example, a deal to use alternately the solutions acceptable for each side). Such solutions would be a prerequisite for a more lasting, more reliable, and mutually beneficial cooperation.

The described development is important, for without it, the resulting growing dissatisfaction could incite the permanently injured party to a new interrelation, with a significantly altered essence of mutual cooperation. There is a number of other complex equilibrium solutions to the non-cooperative game (dominance, maximin, Bayesian, Nash equilibrium...) and the cooperative game (stable set, core, compromise solution...), but in our case, the adoption of Croatia to the (C,N) balance situation seems to be a rather plausible solution.


To perform successful strategic action means to rely upon credible information and one’s own processing capacity and to react to risk or opportunities that can emerge in a certain relation between actors, in such a way that ultimate benefits are maximized (Scharpf, 2000: 107). Based on the analysis of the relationship between Croatia and the EU conducted thus far (Table 1), it is possible to illustrate (Table 2) the positive and negative elements of strategic activity. Then we can make an overall evaluation of the successfulness of internal management of Račan’s and Sanader’s governments and of the external support of the European Union to the conducting and the results of the integration process.

Based on the emphasized elements and evaluations presented in Table 2, we can put forward the final, lapidary analysis in this study from the standpoint of each individual actor involved in the integration process.
Table 2. Elements of (un)successfulness of actors in Croatia’s Euro-integration process

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Relations within the collective actor</td>
<td>Wide coalition of six parties (-)</td>
<td>One-party government (+)</td>
<td>Multi-level decision-making (-) (Council, Commission, member states, agencies)</td>
</tr>
<tr>
<td></td>
<td>Poor communication and low level of information (-)</td>
<td>Good communication and high level of information. (+)</td>
<td>Divergence of preferences (-)</td>
</tr>
<tr>
<td></td>
<td>Divergence of preferences (-)</td>
<td>Convergence of preferences (+)</td>
<td>Slow decision-making (-)</td>
</tr>
<tr>
<td></td>
<td>Slow decision-making (-)</td>
<td>Fast decision-making (+)</td>
<td></td>
</tr>
<tr>
<td>Institutional context</td>
<td>Parliamentary support (+/-)</td>
<td>Parliamentary support (+)</td>
<td>Positive attitude towards democratic changes (+)</td>
</tr>
<tr>
<td></td>
<td>Non-cooperative opposition (-)</td>
<td>“Alliance for Europe” (+)</td>
<td>Admission of new members and institutional-constitutional reforms (-)</td>
</tr>
<tr>
<td></td>
<td>Cooperation with the President of the (-/+) Republic of Croatia</td>
<td>Cooperation with the President of the (-/+) Republic of Croatia</td>
<td>Member states in favour of expansion (Austria, Germany, Finland, Denmark, UK, Sweden) (+)</td>
</tr>
<tr>
<td></td>
<td>Coordination of parties and consensus in decision making (-)</td>
<td>Wide and unified parliamentary majority (+)</td>
<td>Member states opposed to expansion (Belgium, Luxembourg, the Netherlands, France, Greece, Ireland, Italy, Portugal, Spain (-)</td>
</tr>
<tr>
<td>Relation to the EU</td>
<td>Partial meeting of requests (+/-)</td>
<td>Good meeting of requests (+/-)</td>
<td>PHARE, CARDS programmes (+)</td>
</tr>
<tr>
<td></td>
<td>Slow meeting of criteria (reforms) (+/-)</td>
<td>Prompt meeting of criteria (reforms) (+/-)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Non-cooperation (-)</td>
<td>Tendency to cooperate (+/-)</td>
<td></td>
</tr>
</tbody>
</table>

This government gave impetus to the EU-integration process, which until then had been stagnant. Its greatest achievements were Croatia’s candidacy for EU membership and the submission of the Questionnaire to the European Commission in order to get the Opinion of the European Council. Its mandate expired before the EU declared its positive opinion regarding Croatia’s candidacy, but its contribution to it was considerable. The strategic goal set in the beginning of the mandate was to acquire the candidate status and to enter negotiations, but Račan’s coalition government failed to realise this goal.

As shown in the empirical analysis, the reasons for this government’s failure to realise its own program and to meet the citizens’ expectations in the EU accession process can be summarized by the following three statements:

1. The government’s too wide (six-party) coalition structure. The strategic integration-oriented action of the coalition was obstructed by the difference in particular interests of the parties, in their socio-political identities, and in the lack of a single firm and regulated coalition agreement. Through its specific way of decision-making (party coordination), its slow mode of operation (consensus), and its particular interests and distrust, this government achieved only a divergence of strategic prefer-
ences, rather than a convergence which was absolutely essential to fruitful interaction with EU bodies.

2. The unaccomplished minimal “functional unity” with the oppositional parliamentary groups regarding the program of support to the government’s integration strategy, and the above-mentioned strategic lack of coordination with the President of the Republic, also contributed to its lack of success.

3. Finally, the government’s insistence on a strategy of incomplete cooperation with the EU, i.e. of preserving status quo as the second and least profitable result (N, N) in the “Battle of the Sexes” model, and its expectation of a certain change in EU strategy (to occur sooner or later) based on “comprehension of the circumstances, position and importance of Croatia”, were completely non-realistic, both analytically and in practice.

4.2. The government of Ivo Sanader (2003-2007)

Upon evaluation of this government’s four-year mandate, one can conclude that it was more successful than the previous government and that it achieved more concrete positive results in the integration process. Its greatest achievement was the acquisition of the candidate status and the initiation of the negotiation process. The success of strategic activity in interaction with the EU can be illustrated by the following points:

1. A strong one-party government (up to 2006, just one minister from another party) with a strong Prime Minister (simultaneously president of the strongest party in the Parliament). It sometimes acts as a corporative actor and uses it’s capability to set goals independent of preferences of the group it should serve (HDZ). This enables the leadership to be efficient and successful, although elements of “autocratic danger” are involved, associated with the mastering of political processes which does not have to be accounted for.

2. Realization of the all-party “Alliance for Europe” and cooperation with the President of the Republic, whereby a wide parliamentary and political support to the government’s convergent strategic preference of relations to the European Union was secured.

3. Through its “Action plan”, the government has done an important turn towards a more complete cooperation with the EU. Viewed in the theory of games context, the government has thus achieved the Nash equilibrium, i.e. the second best strategic result (C,N) which Croatia could achieve in an interactive game with the European Union.
4.3. The European Union

The attitude of the EU towards the policy and strategy of both governments was positive and promising (in particular in the beginning of their respective mandates). Later on, in moments when important decisions were expected, relations became strained due to the imposition of new requirements, which either reached beyond the content of the Copenhagen criteria or else were imposed by particular member states. In principle, it can be said that neither of the governments received preferential treatment from the EU. On the basis of general analytical insight into the attitude of the EU (Table 2), we can draw the following conclusions:

1. Croatia’s integration process was negatively influenced by the fact that some member states hindered the expansion, others had special “political interests” (Italy), while still others were historically “prejudiced” towards Croatia (e.g. Great Britain).

2. In addition to that, it was negatively influenced by a slow, inert and complicated system of important decision-making in the EU, as well as by the fact that, before it was decided to begin negotiations, Croatia was considered as a single candidacy case.

3. Croatia’s integration process was positively influenced by consistent support of the EU given to Croatia on its way towards accession, and by objective encouragement of its democratic consolidation.

4. It was also positively influenced by material help through various programs (CARDS, INTERREG), and by stimulation of social reform.

5. Conclusion

In respect of the final analysis and the proposed answers, we believe that this paper has fulfilled the objective of research. Our research methods actor-centred institutionalism and game theory, have proven to be useful tools for the analysis. The model game (Battle of the Sexes) with two collective actors, which are very complex, enabled us to come much closer methodologically to a projection of objective reality than it would have been possible by the use of other partial theories. Objectively speaking, it is clear that to narrow down observation to coalition governments as collective players in this theoretical game entails an analytical limitation. In our case, however, the limitation has been largely reduced, if not altogether removed, by the fact that, formally, none other than the governments of countries acceding to the EU and the European Commission are the principal (one could almost say, the only) decision-making actors in the process. Parliamentary decisions (or, in the case of Croatia, a referendum) on the accession contract can be
reached only after the negotiations are successfully completed and the accession contract signed.

The mentioned remarks and restrictions notwithstanding, the analysis proved to be a fine contribution to the scientific inquiry into certain more or less complex political processes or developments, which are otherwise relatively frequently and readily dispatched to the field of trivial analysis and estimations, and of “very inventive”, but more often than not erroneous prognoses.

We have deliberately omitted an interesting methodological and theoretical possibility, namely to make use of obtained evaluations of the actors’ interaction in order to formulate some institutional solutions that would lead to optimization of their results, for it would exceed the scope of this paper. We have also refrained from discussing in great detail the actors’ institutional relation with the political environment on various levels (USA, globalisation), for the very same reason.

Having compared the strategic attitude of the EU towards each government, we have found it to have been neutral, with an equal share of positive and negative elements in its support to the internal management of the process. The same could be said with regard to the political environment, which has treated both governments with equal (lack of) favouritism, and to the unchanged institutional context. The three mentioned factors can therefore be considered constant in regard of internal management of the integration process. Empirically evidenced differences in the success of Croatia’s Euro-integration process are caused by inner management, i.e. by differences in the capability for strategic activity. Sanader’s one-party centre-right government was more successful than Račan’s wide-coalition centre-left government.

The parliamentary elections held in November 2007, in which the Croatian Democratic Union (HDZ) and the government of Ivo Sanader won another four-year mandate, confirmed our analytical evaluation of their successfulness.

Translated by
Bojana Bajić
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