



SPECIAL REPORT

ABOUT THE REPORT

On July 14, 1998, the United States Institute of Peace conducted a meeting of its Balkans Working Group on "Croatia After Tudjman" in order to understand longer term factors that might affect regional stability. The group also met on July 8 with leaders of the Croatian opposition, and on July 24 with Kresimir Zubak, the Croat member of the Presidency of Bosnia and Herzegovina. The working group is composed of representatives from government agencies, think tanks, and nongovernmental organizations active in Balkan affairs. Chaired by the former U.S. Ambassador to Bosnia and Herzegovina John Menzies, the working group has met throughout 1997-98 to discuss implementation of the Dayton peace accords. Recognizing that Bosnia cannot exist as a viable, democratic state unless it is embedded in a region that is itself stable and democratic, the Institute has begun a Bosnia in the Balkans Initiative to explore the prospects for regional political and economic development. The recent meeting on Croatia is one component of this work, which has included separate meetings and reports on Serbia's democratic development and the crisis in Kosovo. For information on these publications, please contact the Institute at (202) 429-3828 or access its Web site, <http://www.usip.org/>.

The views expressed in this report do not necessarily reflect those of the United States Institute of Peace, which does not advocate particular policies. What follows is a summary of the working group's discussions by Senior Fellow Daniel Serwer, Program Officer Lauren Van Metre, and Research Assistant Kristine Herrmann.

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Croatia After Tudjman

Key Points

- Croatia under Franjo Tudjman has survived the break-up of the former Yugoslavia, consolidated control over its own territory and begun the process of postwar recovery.
- Even opposition leaders appreciate Croatia's newly gained independence, the strength and unity of the new Croatian state, and the emergence of elements of democracy.
- Croatia's development as a democracy and open society appears likely, although most agreed that the next stages in the transition will occur after the Tudjman regime. Until then Zagreb remains a hybrid state with an autocratic leader dominating a rudimentary and struggling democratic society.
- What comes after Tudjman? Working group participants expect a split in the ruling party, the Croatian Democratic Union (HDZ), after the upcoming parliamentary election, but before the next presidential elections. The liberal wing of the HDZ will likely join with the democratic opposition and be stronger than the more moderate HDZ nationalists. "Tudjman" nationalists—those who believe in the dismemberment of Bosnia to form a greater Croatian state—are expected to represent a minor faction in a post-Tudjman Croatia.
- The post-Tudjman regime will inherit a weak economic and democratic system. The formation of independent media, a civil society, and a multiparty system has been consistently undermined by the policies and actions of the current government. Economic reform has stalled and privatization has "gone bad," with large chunks of state property transferred to private hands without transparent or competitive procedures, allowing the HDZ and the Tudjman family to gain unfair advantage.
- Political and economic problems will likely force a successor to remain focused on internal issues, changing significantly current dynamics in the Balkan region. Croatian ambitions in Bosnia and Herzegovina will become less important. Almost any future government will raise the priority of economic and especially social issues.
- Tudjman's departure from political power will have an important impact on Bosnia's future: (1) the Mostar-Zagreb axis will likely weaken; (2) with moderate leaders such as Kresimir Zubak advocating a future within the Federation,

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Bosnian Croats will have a serious alternative to hardline nationalism; (3) Tudjman's successors will be less amenable to continued allocation of political and economic benefits to Herzeg-Bosnia. Isolated from Zagreb, economically backward, and small in population, Herzegovina may have no choice but governance by Sarajevo.

- Relations between Zagreb and Belgrade will become increasingly remote as each country embraces distinct postwar futures.
- As Zagreb turns to Europe and the West to achieve its national agenda, the United States and Europe will gain leverage on issues of democratization and open markets.
- Working group participants encouraged the United States to use its leverage to effect change in Croatia in the following areas:
 - repatriation of Serb refugees
 - establishment and tolerance of open and independent media
 - improvement of the electoral process under multiparty supervision
 - ending the Mostar-Zagreb axis, including elimination of diaspora voting and representation in the Croatian Parliament
 - adoption of measures to weaken the presidency while bolstering the parliament and judiciary
 - fostering equitable and transparent privatization programs

A Better Future Ahead

Franjo Tudjman: His Time Has Come, and Gone

The political scene of the former Yugoslavia has been dominated by two leaders whose autocratic personal styles and political strategies have appeared similar even while they have been occasional allies, sworn enemies, and now ambivalent neighbors. Yet Slobodan Milosevic and Franjo Tudjman have emerged from the war to lead their countries in different directions. While Serbia appears poised to continue aggressive moves, with disastrous results for its own political transition, Croatia has consolidated control over its own territory and begun the process of postwar recovery, opening the prospect of a very different political and economic future, provided it accepts Western human rights standards.

While Tudjman remains the dominant national politician in Croatia, preparations for transition are increasingly visible. Post-Tudjman leaders and the government they establish will face dramatically different problems from those the current regime, which is so closely identified with the Tudjman persona, has successfully resolved. Working group participants likened the regime in Zagreb today to France under de Gaulle, who, during his tenure in office, came to personify the French nation and people. They noted that such regimes are unique and often exist during times of national upheaval, following wars or political revolutions. Croatia has emerged from the breakup of the former Yugoslavia with its territorial integrity ensured and its sovereignty internationally recognized. Participants agreed that Tudjman's special brand of nationalism will not survive him because there is neither political need nor popular support for his idiosyncratic policies towards Bosnia. Croatia's future lies with Europe—a future that is best secured by establishing a democratic government and ensuring economic stability and growth, and leaving the Croats of Bosnia and Herzegovina to define their future without Zagreb's constant intervention.

What's Next?

The HDZ that Tudjman leads is a self-identified movement for Croatian independence. The HDZ is not a unified political party, having under its umbrella assorted groups of liberals, modernizers, and right-wingers, who share one interest—the establishment of a Croatian state. This goal has been achieved. The elections of 1997 demonstrated declining popular support for the HDZ; recent fractures among the elite suggest it may also be weakening from within. After Tudjman, the HDZ is expected to split, with nationalists going in one direction and democrats in another, joined by the democratic opposition. The HDZ has achieved a great deal in its short existence: an independent and internationally recognized Croatian state; control over all Croatian territory; success in the Bosnian war; and continued influence in Bosnia and Herzegovina.

Croatia now needs to focus on issues that matter more and more to citizens: social and economic security, including more secure pensions and an increased standard of living for all. Croatia today enjoys a stable currency and little inflation, but unemployment is very high and continues to rise. The social safety net has disintegrated. The strength of the economy is based on Adriatic coast tourism and remittances from the diaspora community. Economic restructuring has not taken place and the privatization process has “gone bad,” with significant chunks of state property now in private hands, including those of the HDZ and the Tudjman family.

How Big Is Croatia?

At stake in the post-Tudjman transition process is not only a smooth change of administration but a fundamental shift in national objectives. Who will lead Croatia after Tudjman, and what kind of Croatia will it be? Working group participants saw the political debate on Croatia's future apportioned in the following three ways:

Greater Greater Croatia: The nationalism of Franjo Tudjman at its most expansive envisioned a Croatia that would extend from the Dalmation coast through central Bosnia, including Banja Luka, which would be acquired by trading Tuzla to the Serbs. With half of Bosnia incorporated into Croatia proper, the new state would be ethnically heterogeneous (unless the Bosnian Muslims were to accept Tudjman's frequent assertions that they are really Croats) and dominated by Zagreb. This vision will not survive the Tudjman regime, which has been prepared to retreat from it repeatedly.

Lesser Greater Croatia: A well-known proponent of this view was Goyko Susak, who believed that over the long run Croatia is better served by controlling de facto if not de jure the Croatian regions of Bosnia, specifically Herzegovina. Proponents of this view are willing to abandon designs on Sarajevo and central Bosnia in order to ensure an ethnically homogeneous Croat state. This program will survive Tudjman and be pursued by the nationalist remnant of the HDZ.

Smaller Croatia: Proponents of this view, including the five parties of the democratic opposition, prefer a state within its currently recognized international boundaries, small and stable enough to undergo a significant political transition to achieve a functioning democracy. Irridentist sentiments are dismissed as harmful to the state. This group believes that a larger Croatia would foster regional instability and be unable to join European institutions. For them the costs of absorbing Herzeg-Bosna—an impoverished and unstable region—cannot compare to the benefits of regional and larger European integration and an assured democratic transition.

BOSNIA IN THE BALKANS INITIATIVE

The Bosnia in the Balkans Initiative (BIB) of the United States Institute of Peace uses the efforts of various Institute programs to support the peace implementation process in Bosnia. The Institute has conducted training programs for staff of international and local NGOs working in Bosnia to help them in their relief and reconciliation work in the aftermath of this intense conflict. The Institute's Religion, Ethics, and Human Rights Program has supported the efforts of top religious leaders in Bosnia to form an Inter-Religious Council to work “together to replace hostility with cooperation and respect” and to acknowledge their shared moral commitment. It is also working with other members within the religious communities to support their efforts at reconciliation. The Institute also recognizes that, if any measure of reconciliation is to occur for Bosnia, war victims, regardless of ethnic affiliation, must have access to fair hearings and due process. To support citizen participation in the justice process, the Institute's Rule of Law Program has begun to work with a variety of Bosnian officials on a number of initiatives, including establishing protection for trial witnesses, more effective police screening procedures, and programs to improve the efficiency of the International War Crimes Tribunal at The Hague. It is also helping to create a Truth and Reconciliation Commission for Bosnia in response to requests from the country's judicial officials and community leaders. The Institute's Grant Program funds a variety of scholarly investigations of the Bosnian conflict and conflict-resolution projects for NGO and other practitioners in the country. Through these and other efforts, the Institute seeks to fulfill its mandate to find and explore creative solutions to international crises and conflict.

The BIB Initiative is under the direction of Harriet Hentges, executive vice president of the Institute.

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Croatia is on the verge of entering the next phase of political transition. Working group participants thought that as support for "Greater Greater Croatia" disappears with Tudjman, future succession struggles will occur between the "Smaller Croatia" and "Lesser Greater Croatia" factions. Leaders of these factions are focused more on the need for internal reform and institution building, however, than on the nationalistic aspirations that diverted their attention in recent years and delayed constructive democracy building. Although support for a more technocratic leadership —expert in matters of economic development and efficient government—is growing, working group participants cautioned that democratic society in Croatia is still tenuous and needs much nurturing and attention before a successful transition will occur.

Democratic Consolidation

The Foundation Exists

Political life in Zagreb is not as open as it should be. Participants noted small steps in the development of independent media. Through their organization, Forum 22, mainstream journalists lobbied for an independent media after the wide-scale manipulation of media coverage during the 1997 presidential elections. Despite their efforts to expand the scope and number of independent media organizations, government resistance has effectively blocked the growth of this sector, which in turn negatively affects the electoral process. Voting in Croatia is generally free from tampering and fraud, but biased and limited media coverage of opposition candidates results in grossly unfair electoral campaigns.

An active civil society is also developing in Croatia in the form of nongovernmental organizations, citizens' groups, and human rights monitoring organizations. These organizations were seen by the working group as energetic and resourceful; they have had to be. The Croatian government openly and consistently impedes the work and development of these independent civic institutions.

In the working group discussion, many attributed the continued existence of a small civic sector to the courage of its leaders and the policies of the United States and Europe. Western pressure on the Croatian government to establish its democratic credentials for potential integration with Europe has helped to mitigate the worst inclinations of the government. Unfortunately for Croatia, government interference has created the "worst of both political worlds." As one participant described, "Croatia is not prepared to be sufficiently ruthless in the perpetuation of authoritarian power, but not sufficiently democratic to enter the community of nations."

A New Legal Framework Is Needed

Antidemocratic measures are not simply government harassment. They are codified in a body of law that prohibits criticism of Franjo Tudjman and his policies. Libel law and criminal law combine to control the media; attacks on nongovernmental organizations and democratic opposition parties supported by statutes in the criminal law help to perpetuate government control. Some participants noted that the judiciary has played a constructive role. Sentences are often light, and occasionally government cases are dismissed and judicial "decency" prevails. Everyone

agreed, however, that the courts, no matter how bold, cannot be free to administer justice if the laws are partial and biased in favor of the government. Legal and perhaps constitutional reform, therefore, are the keys to Croatia's democratic development. According to opposition candidates, the executive branch is too powerful and autocratic in its current form. Its reach must be limited and the other branches of government strengthened if two all-important components of democratic governance—political and civil society—are to grow and mature in Croatia.

The View from the Neighborhood

Croatia and Bosnia

Tudjman's departure from political power will have more of an impact on Bosnia's future than that of any leader except Milosevic. In keeping with his vision of a greater Croatia, Tudjman considers Bosnia and Herzegovina an appendage of Croatia. Although Western pressure prevents him from dismembering it, Tudjman and the HDZ have maintained de facto control of the Croatian portions of Herzeg-Bosna through political party ties, joint Croatian institutions, a shared currency,

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Predominantly Croat Areas Inside Bosnia-Herzegovina



and preexisting integrated power and telecommunications grids. Participants in the working group, however, questioned which way political power flowed between Herzeg-Bosna and Zagreb. It has become increasingly apparent that extremist Herzeg-Bosnian Croats may actually exercise control over Zagreb through monetary contributions and voting privileges. Zagreb's control of western Bosnia has also been attenuated by the death of Susak. Known as "the enforcer," Susak maintained a strong political base in Herzeg-Bosna and had significant influence over the region.

One of the pillars of dissatisfaction of the "Small Croatia" community is the disproportionate influence exercised by their "country cousins" in Bosnia. Twelve of 132 seats in the Croatian parliament are reserved ostensibly for the diaspora community worldwide, but in reality they are mostly occupied by Herzegovina politicians, who vote consistently with the HDZ. The democratic opposition and certain factions of the HDZ want the ties to Herzeg-Bosna severed and the diaspora vote eliminated. They believe that although the HDZ cannot win the majority vote in Croatia proper in the next parliamentary elections, it could form a government with the support of the 12 "diaspora" seats.

Bosnia's Croat leaders are also reevaluating relations with Zagreb. Their wartime central Bosnian leader, Kresimir Zubak, recently made public his split from the Croatian HDZ, citing serious differences over party ideology. These differences include Tudjman's policies regarding corruption and party leadership which have consistently favored Zagreb's nationalistic politics and politicians. Zubak, in his remarks at the United States Institute of Peace, indicated that his campaign for the presidency is now premised on building a future for Bosnian Croats within the Federation. Although Ante Jelavic—the nationalist whom Zagreb supports—is likely to win Zubak's seat in the Presidency of Bosnia and Herzegovina, Zubak's and his followers' defections represent a significant weakening of the HDZ in Bosnia and of the Mostar-Zagreb axis. The Bosnian Croats seem ready to recognize that their interests are not identical to Zagreb's and that they must improve relations with the Bosnian Muslims if they are to thrive in post-war Bosnia.

Croatia and Serbia

Despite the complex, intimate relations of the war period, Serb-Croatian relations today are distant and ambivalent. Although Belgrade retains an interest in acquiring previously held Serb property in Croatia, Croats have effectively, if not officially, given up their claims in Serbia. Croatian disinterest gives them the upper hand, while the Serbs resent the loss of assets and land. Having abandoned Serbs in Croatia and Bosnia, Milosevic has lost influence with these groups and is unlikely to force the issue of restitution. Croat resistance to Serbian restitution is likely to remain strong and can be overridden only with international pressure. Participants noted that the war was felt acutely in Zagreb, while citizens of Belgrade were largely shielded from its effects. As a result, intolerance remains strong in Croatia, a fact that, combined with declining leverage by Belgrade, has prevented Croatia from dealing judiciously with its former citizens of Serbian descent. Croatian opposition leaders confirmed the increasing distance at the official (Zagreb-Belgrade) level, also noting that their own ties to Serb democrats are quite weak. As they see it, Serbia remains influential in Croatia only indirectly—the Milosevic autocracy tends to reinforce Tudjman's worst tendencies.

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Working group participants predicted that relations between Zagreb and Belgrade will become increasingly remote as each country embraces distinct postwar futures. Although short-sighted, Croatia has abandoned trade relations with its eastern neighbors, setting its sights on Europe and its prospects for integration. Increasingly content to fix what is ailing on the domestic scene, rather than expanding its territorial domain, Croatia no longer needs Serbia to accomplish its national agenda. Linked together politically and economically since the end of the Austro-Hungarian Empire, Zagreb and Belgrade remain close geographically, but seem increasingly far apart in terms of national aspirations and common interests.

Croatia's Political Transition and Relations with the United States

As Croatia turns westward to fulfill its national interests in building a strong, independent state, the West enjoys increasing influence in Zagreb. Participants noted that the United States has been engaged in Croatian affairs for some time, focusing primarily on the establishment of democratic institutions and political pluralism. U.S. programs have reached out to a range of political figures in the HDZ and the opposition parties, providing guidance on political party development, campaign organization, and the establishment of independent media. In 1997, Washington pushed hard for free and fair presidential elections, lobbying for a special Organization for Security and Cooperation in Europe (OSCE) mission headed by Paul Simon to oversee the event. While voter participation was high, the campaign barely met minimal standards for fair elections. Tudjman received extensive media coverage in the days leading up to the election; his opponents received little—in effect, no—air time (60 and 16 seconds respectively for the second and third runners-up). Elements of society have since worked to establish international standards for elections and campaigns: (1) mainstream media representatives formed a lobbying group, Forum 21, for the establishment of free, independent media; (2) citizens in general are learning and promoting proper campaign and electoral norms.

Working group participants argued that pressure on the Croatian government to strengthen its commitment to democratic transition must be increased. Croatia's stated aim to join Europe offers the West substantial leverage with which to push hard for increased democracy—a key criterion for joining European institutions—and at the same time means by which to support Croatian national interests. Participants argued further that the West must use its access more effectively to seek repeal of criminal and libel laws that stifle the development of civil society, as discussed above.

Repatriation of refugees is also an issue that the West must advance more forcefully. Croatia has recently passed a reasonable program for refugee returns but has failed consistently to implement it, violating a fundamental tenet of the Dayton accords to which Croatia is a signatory. Croats must begin to understand that a successful return program guarantees a stable, peaceful future for their state. Resentment by refugees who are denied access to their homes and communities is a potent destabilizing force for the entire region. Such feelings of victimization are remembered and cultivated for generations and are the basis for further conflict. One participant noted that tensions are relieved even when refugees choose not to return home. Knowing they had the opportunity has an important healing effect. Zagreb must understand that it will not achieve a place in Europe until it provides convincing evidence of its willingness to repatriate those Croatian Serbs who want to return home.

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In the process of promoting the democratization of Croatia, the United States must accept a diminution of Zagreb's influence in Herzeg-Bosna. Western powers since the end of the war have relied on Zagreb to affect Herzeg-Bosna's compliance with Dayton—a confusing policy given the Dayton accords' goal of strengthening the central Bosnian institutions and the Federation. Croatia's democratic opposition and elements of the HDZ are willing to abandon Croatia's wartime territorial aspirations to concentrate on domestic democratic and economic reform, thereby loosening and even severing ties with Herzeg-Bosna. Working group participants speculated that Croats would come to see the loss of influence in western Bosnia as more than offset by the gains from democratization. Furthermore, Croats in western Bosnia are a relatively small community in an economically backward section of the Federation. As such, they cannot go it alone. If support from Zagreb dried up, they would be compelled to integrate more completely with the Federation.

Conclusions

Croatia is poised to complete its democratic transition. With both control over all its territory and its independence ensured, Croatia has an opportunity to become a responsible neighbor and a partner of Europe. It need only abandon designs on Bosnian territory and focus on its own political and economic development, including:

- repatriation of Serb refugees
- establishment and tolerance of open and independent media
- improvement of electoral process under multiparty supervision
- ending the Mostar-Zagreb axis, including elimination of diaspora voting and representation in the Croatian Parliament
- adoption of measures to weaken the presidency while bolstering the parliament and judiciary
- fostering equitable and transparent privatization programs

With these steps, Croatian ambitions to be regarded as Western and European will be fulfilled. In doing so, Croatia will have achieved not only independence, but a better life for all its citizens.