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## Croatia: No country for the working class

*2024 in Croatia was marked by two elections, parliamentary and European, and both confirmed that the Social Democratic Party (SDP) was still on the path to establish itself as a party of and for the working people. Before that, however, SDP needs to find out whether it wants to represent people who feel (and really are) left behind. That remains the greatest challenge for this generation of social democratic leaders in a country whose current governing political class's horizon is rather narrow. Heavily dependent on the service economy, tourism and EU funding, Croatia remains underdeveloped, and its politicians have proven unable to deliver public services and organise social, political and economic life in the interest of the majority of its people. Against that backdrop, opposition Social Democrats must regroup, organise and deliver.*

“There is no democracy here. Here, people still have their say”; this is what one of the most popular Serbian vloggers was told by a resident, while filming an afforestation activity in the country’s south. It is not that difficult to imagine hearing this kind of statement elsewhere; it could have been in the Netherlands or in Greece. It is not uncommon for people to see democracy (as a concept, as a value) as being so remote and irrelevant to them that they intuitively confront it with an expression of their free will. One can witness that repeatedly every electoral cycle. We have seen that in Croatia twice in 2024, during the parliamentary and the European elections. While I write this text, preparations for presidential elections are underway, and by the time you read it, Croatia will have voted for its fifth president. In April 2024, we headed to the polls for the parliamentary elections. Two months later, we elected 12 MEPs from Croatia. In terms of voter turnout, European elections confirmed their status as elections that literally only a handful of voters care about. Slightly over 20% of Croatians voted for their European Parliament representatives, making it, by far, the lowest turnout among EU countries. On the other hand, 62% turnout in parliamentary elections was a significant increase, fuelled by the Croatian Democratic Union (HDZ) government’s abuse of power in the months leading up to the elections, especially in the case of electing the public prosecutor. However, this was not the only reason for this increased turnout –

current Croatian President (former Social Democratic Party (SDP) leader and prime minister) Zoran Milanović announced his candidacy for the prime minister post on behalf of the SDP-led coalition. That certainly gave a significant boost to the electoral prospects of SDP. But, ultimately, the outcome could be a paraphrase of Gary Lineker's famous statement "Football is a game [...] where Germany always wins": elections in Croatia are a game where the HDZ always wins.

In government since 2015, HDZ will soon have been ruling for more than a decade. First-time voters in 2024 were only third graders the last time this country was led by Social Democrats, and it would not be a surprise if a schoolkid soon posed the question, 'Mum, could anyone but Andrej Plenković become prime minister?' (as allegedly happened in Finland after the more than a decade-long presidency of Tarja Halonen). In other words, it would not be that unorthodox to claim that in Croatia a variety of stabilocracy has been implemented since 2016. Stabilocracy is a term often used in the context of the accession of the Western Balkan countries to the EU, to describe a system of governance "that provides stability externally, but domestically oscillates between democracy and autocratic tendencies".<sup>1</sup> Rather than following the existing Western Balkans stabilocracy rulebook, HDZ rewrote it, offering guidelines for a 'Captured State 2.0'. One of the most important components, obviously, is a strong leader. From a weak, unknown and colourless bureaucrat, the current prime minister evolved into a power holder able to do whatever is necessary to remain in the driving seat. And he has been rather successful so far. Right before the European elections and the European People's Party announcements of establishing the *cordon sanitaire*, a centre-right/right-wing government was inaugurated in Croatia, without much attention at the EU level from the media or decision-makers. Now it looks like a precedent for what we saw happening in the European Parliament recently. A legitimate coalition with right-wingers that openly promote discrimination against women and national minorities (Serbian, that is), advocate against diversity in culture and media, and would limit the scope of work for civil society organisations that they do not find patriotic enough.

Fortunately, none of their policy priorities have been implemented so far, but we are only roughly eight months into the mandate. Internal fights, dissolution and power plays within the junior coalition partner might be the reason for this inefficiency. The majority in parliament is stable and, unless a major scandal occurs, it will remain so throughout the mandate.

In that context, what is the perspective for Social Democrats?

Although we lost the third parliamentary election in a row, it looks like we have still not figured out what needs to be done to reverse the trend. As in many other EU countries, Social Democrats struggle with basic questions: who votes for us, who does not (or who no longer votes for us), and why?

In the 2024 elections, the SDP-led coalition was the first choice for more than half a million voters (540,000), which was half the number of votes for the SDP coalition in

1 Primatarova, A. and J. Deimel (2013) "Albanien: Demokratisch Reifetest bestanden?" *Südosteuropa Mitteilungen*, 3-4(53): 56-71.

2011, and about 100,000 votes less than in 2016. It comes as no surprise to anyone following the dynamics of Croatian society in the last decade or so. Around 400,000 people have left Croatia since 2013, migrating primarily to other EU member states. Migration is, in the majority of cases, economically driven. The median monthly net salary in Croatia in August 2024 was only €1,134. Every fifth person aged 18-64 considers themselves poor, while the number increases to every third person over the age of 65. Nearly 80% of all young adults (aged 18-34) live with their parents, a percentage significantly higher than in any other EU country. This has to do with the labour market, wage policies, childcare and education, healthcare, and housing costs – it became impossible for a young person to plan a life in a place with no affordable housing, rising costs of living and low, stagnating wages. For example, the net minimum wage in Croatia in 2025 will be increased to €970 (but still among the lowest in the EU), while the average rent for a two-bedroom flat in Zagreb is currently not less than €1,200. There is no optimistic view towards 2025, the year that will be marked by local and regional elections in May. Recently, the government proposed legislation aimed at introducing a sort of property tax that will – however – be the responsibility of local and regional governments. Ahead of the elections, one can predict a zero-response rate to that proposal from mayors (unless they wish to lose the elections, right?).

Is Croatia then a ‘country for old men’? A territory with institutions designed to favour the accumulation of capital (mostly property) and based on a rentier economy? Those who have been able to accumulate wealth (property in Zagreb or along the Adriatic coast), have lived and will live relatively well, and others can always leave for Germany.

With an 18% share of the country’s GDP, tourism is the largest economic sector. One does not need to be too imaginative to understand how easy it is (or rather it was) to live and prosper as the owner of one or two apartments in Dubrovnik or Istria, and what the consequences have been for the overall social fabric.

The Croatian variety of rentier capitalism produced inequalities on a large scale and of a great proportion. Our society is, as shown by a recent study on social stratification in Croatia, dominated by the working class (57%), with around 30% of the middle class and 12% of the upper class. The system, however, works, unsurprisingly, for the benefit of the last two, as a participant in the research herself said: “we now live in capitalism, where one has to take care of everything oneself, no more security, no more guarantees [...] capitalism is life-threatening, Socialism is not”. That is the statement no mainstream politician in a post-socialist country wants to hear. Although there is much evidence pointing at the failures of the capitalist project in Central and Eastern Europe, it is unpopular to acknowledge, especially among Social Democrats. During both SDP-led governments in Croatia (2000-2003 and 2011-2015), the party acted as an accelerator of EU integration and – in the first mandate – a promoter of structural economic reforms of the World Bank and the International Monetary Fund. Milanović’s government followed the EU austerity rulebook at the time (frankly, not much else could have been done), accessed the EU, but finished its mandate by introducing a bold policy towards banking institutions. Unfortunately, it was *too little, too late* by a Social Democratic government for voters not to divert to HDZ. Surprisingly

enough, ten years later, the only person from our camp that has learned a lesson from that defeat seems to be the current president, then Prime Minister Milanović. Rightly perceived as the leader of the opposition and the most credible contestant for the prime minister's office, Milanović managed to transform himself from an elitist into a sort of ombudsman of the people. And by 'people', I mean those members of the working and lower-middle class that predominate in our society. Precisely what SDP, as the strongest party on the centre-left, should have tried to do: to reconnect with the people the HDZ government ignores, those without a safety net when old, sick, alone and poor. A system of social, elderly, child and healthcare becomes established in which one ends up only being able to participate if, on one hand, one is loyal to the dominant political project, or, on the other hand, financially independent and benefiting from privatised services, of which healthcare is by far the most important.

Affordable housing and quality public healthcare, childcare and education, cost of living, wages and pensions – 'bread-and-butter' issues – are what Social Democrats should focus on in the next period. The truth is no one would claim otherwise, as this would mean neglecting the issues most people care about. For our party, 2025 will be the year of transformation. After a decade of soul-searching and try-and-fail exercises, after a long eight-year opposition period, there comes a period for organisational and programmatic innovations and rebuilding of the political organisation. Once a party of 35,000 members, we now face a sharp decline in active membership – only about 8,000 members voted in the leadership elections in September 2024. Belonging to a political party was never really a thing in Croatia: besides SDP, the only other mass party was (and still is) HDZ. This disinterest in active participation, however, was never addressed by the SDP leadership. Now, with an ageing population, ageing members and ageing voters, it is high time for a very traditional political organisation to transform itself into a social and political space and offer services no longer accessible to many of our people. In a small rural community, this could mean a place for a late afternoon get-together, where school children could do their homework and spend time with friends, while in a mid-size town, it could be free legal advice. This is what research data point to: our voters are interested in concrete deliverables and tangible results.

As a small EU country, with limited influence, Croatia has already proven it is not able or willing to act as an independent, self-conscious actor in both EU and international affairs.<sup>2</sup> In the next few years, this is hardly going to change: the government will continue to follow the EU's lead without any attempt to establish itself as, for example, a focal point for issues that arise in our immediate neighbourhood, armed conflicts included. The Croatian experience might be valuable for EU investments in rebuilding, reconciliation and the healing that must happen. This is especially true for civil society organisations, but also for public service professionals, be it in post-war reconstruction, peace and trust building, humanitarian assistance, post-conflict resolution, or institutionalising minority rights.

2 Knezović, S. and M. Estevec Lopes (2019) "Croatia as a small state in contemporary international relations". Hanns-Seidel-Stiftung.

As in many other peripheral EU countries, Social Democrats in Croatia must embrace the task of self-renewal more seriously. More oriented towards and overdependent on services provided by PR and communication professionals, the leadership of our party (and other sister parties alike), neglect the emotional and inclusive aspects of political organising. What can we do with those remaining members, how can we motivate them for political groundwork and what is that really in 2025? To figure out the answers will be a lifesaver not only for Croatia, but for Social Democrats in general. If we can reimagine our parties again, we might be able to reimagine our societies.

In that sense, the next year or two will be decisive: either we will alter this negative trend and put an end to a series of defeats, or we will slowly but steadily advance towards political and social irrelevance. From my point of view, three points need to be achieved: (1) transforming the party into a *tool* for political and social engagement (ranging from community activism that improves lives in our immediate neighbourhood to a forum for political education); (2) building a platform for new research on the future of our societies, with an emphasis on inclusive social and economic development; and (3) implementing progressive policy solutions locally, in communities governed by Social Democrats.

It is true that – at the moment – Social Democrats are, even at the EU level, not in a position to set the political agenda. Precisely in times like these, it is necessary to take a step back and regroup, innovate and act, and not to settle for anything less. It is about fighting, more than about winning. And if we keep on, we will win.