

Although the concerned Croatian citizen, in the light of his current living standard, might be terrified by these demands, the alternative offers even bleaker prospects, for him and even more for his children, as well as for Croatia's future in general. Anyway, things are not as black as they may seem. Just take the cases of Ireland, New Zealand and some other smaller countries, which had been vegetating for decades in economic and social stagnation and which have blossomed forth during the past ten years or so. They are living proof that, with the advent of new, competent political leaderships, open to the world, and with the adoption of appropriate macro-economic and fiscal policies, great results may be achieved. With the establishment of their own sovereign and democratic state, the Croatian people have

created the essential prerequisites for integration in the globalisation process. However, in order to actualise these prerequisites, a radical emancipation is needed, from the remnants of political conservatism and economic isolationism, but also from the traditional "peasant survivalism", characterised by a contempt for civic duties, by a tendency to corruption and to seeking profit at the cost of general public and national interests. This is also what Jeffrey Sachs has in mind in the mentioned report to the World Economic Forum when he says that widespread corruption and inadequacies of the rule of law have the effect of substantially reducing the growth rate and deterring foreign investors. And this is a shortcut - to marginalisation. ■

## **Croatia and Europe - Sharing the Common Vision\***

**Neven Madey**

No reasonable person will argue that Croatia could assume some kind of greater responsibility for the future of Europe, nor can one ignore its role in promoting the peace process in the region affected by brutal war albeit wider European security. However, every politically conscious person will note that Croatia must in a contemporary, ever more interdependent Europe, recognize the most important international values and encompass them within its own national priorities, thus seizing the opportunity to provide its constructive contribution to common European cooperation and prosperity.

With that in mind, Croatia is at this point faced with a most important challenge, i.e. its adequate po-

sitioning on the international scene. This demanding task is not only something that Croatia can improve or influence on its own, but it is also a matter of how its actions and conduct are being perceived by other actors in the international community, to the extent that prevailing international considerations affect our long term strategic goal of being further integrated into European and Transatlantic associations.

Of course, one could immediately associate these assessments with many conditions with which Croatia was confronted to date, and is still encountering in the process of institutionalizing its ties with the European organizations such as the Council of Europe, the European Union or NATO.

We are all aware that despite the growing independence of international organizations and in particular their administrative personnel, the real

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policy making still remains quite firmly in the hands of the member states of various organizations. Issues falling in the domain of foreign policy are even more attached to the notion of national sovereignty and thus usually create a great deal of reluctance towards any possible transfer of power to the supranational bodies.

Hence, the politics and interests of member states, particularly the ones with significant economic strength, in the majority of cases, act as the engines or initiators of later commonly adopted policies.

In this context, in a world of complex and interconnected multilateral and bilateral diplomacy, which always reflects particular interests, Croatia is seeking to be engaged in open and close relations with the most influential countries and organizations known today.

In this two-way process where you sometimes have to give and take, sometimes have to concede and gain, Croatia is still in the process of struggling to optimally protect its own interests and priorities, including its territorial integrity and parallelly seeks to clearly demonstrate and convince its partners that these are actually common or shared priorities.

Before entering into concrete elaboration of specific issues regarding Croatia's interests in the process of European integration, I would like to reiterate often forgotten facts, that in 1997, Croatia is still only a developing democracy, a country with an economy in transition together with all those inherent problems that notion includes. Also, when the situation in our region is addressed nowadays, people tend to overlook that Croatia suffered a brutal Serbian aggression in which 13,000 people lost their lives and around 40000 were injured, not to mention the total direct war damage of approximately 27.1 billion USD and in the most critical times around 800,000 refugees and 720,000 displaced persons, along with 3.5 million mines still scattered across Croatia. Nevertheless, despite these objectively difficult circumstances Croatia managed to maintain its economy in relatively good condition and its macroeconomic performances are in some aspects better than of some of the "normal countries in transition".

**Croatia does not have any alternative but to pursue its commitments towards democratic reform and the protection of human rights**

Back in 1990, in the context of the dissolution of the former SFRY, when Croatia was striving for

independence, the realization of highest democratic principles and values were declared as goals of Croatia's newly elected leaders. At that time the Croatian people, as like almost every other Central and Eastern European nation after years of communism, wanted to live in a free and democratic society in which there was respect for human dignity and cultural diversity. Furthermore, one of the objectives was the swift road to Europe. However, the reality was, for many unexpectedly, less bright and far more disturbing. The war broke out and Europe appeared sometimes to be even further away than before. The reasons for such a flow of events, as we all know, were numerous often treated in a contradictory manner by different analysts.

However, those unwanted developments have never managed to change the most solid political orientation of Croatia.

The internal aims of Croatia policy throughout this period remained at: strengthening of democracy, protection of human and minority rights, smooth transition to market economy, legal reforms and the rule of law. In the foreign policy area the objectives were: peace and stability in the region, cooperation with all neighbors, clear orientation of gradual inclusion into the European integrations and Central European associations, development of close relations with the big powers in Europe and in the World.

All of these aims are truly shared by every European country as well as the international organizations. Sometimes, unfortunately, practice has proved that there are shortcomings or obstacles in implementing of all of the above mentioned principles. However, Croatia does not have any alternative but to pursue its commitments towards democratic reform and the protection of human rights.

Croatia is, and always has been, a part of Europe and is fully aware of the interests which link us, but at the same time it is not blindly entering the process of European integration. On the contrary, the crisis management in this region clearly demonstrated that the mechanisms in Europe are still not functioning efficiently inside and effectively for the outside. In this respect Croatia is closely following the dynamics of the European integration process and will try to identify its needs and interests and adapt them in accordance with ongoing European trends.

It is not possible to discuss relations between Croatia and Europe without making reference to, in certain aspects, the dubious stance held by a part of Croatian public opinion towards Europe. Namely, every relationship must be cultivated and nourished,

no matter if it is among the people or among international subjects. In this respect, one could arrive at the conclusion that Croatia has not always felt that Europe is caring enough about it, despite its tremendous Euro-enthusiasm at the beginning of its independence. The politics of double standards, that was often applied in Croatia's case, has left Croatian public opinion with mixed feelings and therefore it should not be a big surprise that some opinion polls demonstrate that the average Croat cares more about our relations with the United States than with the European Union.

In 1996, Croatia became the member of the Council of Europe. This event came after long years of efforts and severe unprecedented scrutiny, but it was a very significant step that confirmed Croatia's belonging to the European family of nations. One can certainly recall that Croatia has agreed to implement and work on the list of commitments intended for further strengthening the democratic process and the protection of human rights. This was followed by the serious engagement of all Governmental institutions and now there is tangible progress in all aspects concerned.

### **An active member of European institutions**

Today Croatia is an active member of European institutions, like the Council of Europe, OSCE and Central European Initiative, and it will do its utmost to be even further integrated in the core of European integration that is the European Union.

Some words on the future of the European Union. New members will make the Union more complex but also more attractive by bringing their contributions to the common development. Croatia will carefully analyze the experiences of other Central European countries and hopefully learn from their possible mistakes and difficulties in order to undergo, in due time, a similar kind of accession procedure with the least possible difficulties.

As Jean Monnet once said "One must genuinely create Europe", Croatia hopes that the European Union will develop to the benefit of its present and potential future members. An enlarged Union will be more capable and better equipped for maintaining the peace and stability in Europe and that the big powers will have a leading but more consistent role in undertaking decisive and carefully planned actions. The economic benefits of membership in the EU are very obvious in the long run, but in a short

term, we know that a lot of sacrifice and concessions will be required until living standards are substantially improved on the microeconomic level.

The economic trend of global free trade is not by passing Croatia. The Government policy is clear - Croatia want to conclude free trade agreements, and to enter CEFTA, and to become a member of World Trade Organization. Croatia's opening its market, convinced that healthy competition in a larger market will contribute to the growth of production, higher quality and better competitiveness of Croatian goods and services. Such an orientation, together with a stable currency, low inflation, continued restructuring and privatisation are key elements for Croatia's brighter economic future that will increasingly attract foreign investors.

Though all the positive political and economic elements of European integration are unambiguously predominant, it should be said that Croatia is moving towards Europe conscious that its national and cultural identity will be an asset for European diversity, but on the other hand determined that it intends to preserve its particularities even if faced with more dominant cultures and technologies. Modern Europe is not a melting pot like the United States was during its history. Europe is very special, purely due to the fact that it is so full of cultural differences.

Theorists say that after the end of Cold War we are living in an unipolar World with only the United States as a super power. During this century the role of big powers has changed significantly and that is particularly characteristic for the big European states. However, all of them still have their own interests around the World and consequently in this part of Europe. The crucial difference today is that these states are continuously exchanging information and consulting each other before undertaking the joint actions or adopting the common positions. In that respect the possibilities for individual initiatives are becoming increasingly limited and confined to virtually traditional bilateral relations.

Some data about the relations between Croatia and the European Union.

It is well known that EU is Croatia's biggest trading partner. The figures for 1996 show that 51% of Croatian exports were directed to the EU, and that 59.4% of imports came from the EU.

Out of the total numbers of our exports, to Italy went 21%, to Germany 18.6%, France 1.9% and to United Kingdom 1.6%. As far as the imports are concerned from Germany came 20.6%, Italy 18.2%, United Kingdom 2.9% and France 2.6%.

When it comes to the ten largest privatisation investments in Croatia, five of them came from the EU countries (Sweden, Austria, Belgium and the Netherlands) while the others were from Switzerland and the United States.

Tourism is one of Croatia's main industries and in 1996 Croatia had 3.9 million tourists out of which 2.6 million were foreigners. Again Italian and Germans were in the lead with 467,051 and 448,672 respectively.

A large number of concluded bilateral agreements, with many being prepared for the near future, is another sign of positive trends in the political, economic and cultural relations between Croatia and big European countries.

In the April 1997 Conclusions of the EU Council of Ministers, the Ministers repeated their goals for the consolidation of peace and stability in this region stressing the EU's intention to "Develop bilateral relations with the countries of the region within a framework which promotes democracy, the rule of law, higher standards of human and minority rights, transformation towards market economies and greater cooperation between those countries".

Therefore, it will not come as surprise to you, that Croatia is committed to pursue identical objectives and would like to see the same occur in its neighborhood, so, that in this regard, one can say that Croatia and the EU share a common vision and we can agree on similarity and commonality of our goals - to promote stability, peace and prosperity.

The EU has set out specific conditions for the development of contractual relations with Croatia which include: continuation of the peaceful reintegration of the Croatian Danubian area, opening the border between Croatia and Republika Srpska, influence on the Bosnian Croats regarding the functioning of the Federation and Mostar as well as further cooperation with the ICTY.

Croatia is already fulfilling most of these conditions. After successfully carrying out the elections in the Croatian Danubian area in April 1997, the operational agreement on the return of refugees was signed on 23 April by Croatian Government, UNTAES and UNHCR. We shall do our utmost to assist the successful completion of the peaceful reintegration and full establishment of newly elected representative bodies in the area. The return of refugees remains high on Croatian priority agenda, as agreed in the operational agreement.

Since independence, Croatia have signed bilateral agreements with many European countries and

almost half of those with neighbors and continuously furthering cooperation. It should also be noted that so far the Croatian government has a positive record in cooperation with the ICTY.

In the course of the last two years during which the EU was preparing and shaping its, often extensively debated and outspoken here, regional approach policy, Croatia has, ever since its commencement, expressed its reservations and criticism. In May 1997 after the policy has been endorsed by all the EU institutions (i.e. Commission's Strategy paper, Council's Conclusions and Parliament's Resolution), what remains visible and concrete is, that in all that time, the states envisaged by the regional approach have been more or less put on an even level of relations with the EU. In order to support this thesis, it could be added, that for example Croatia and FRY are still not beneficiaries of the PHARE program, neither have they concluded the Cooperation Agreement as a first step of contractual relations with the EU. The only thing that both countries have been given, although within a different time-frame, is the unilateral Council decision to extend the autonomous trade preferences. From Croatia's of view such a policy of equalization of countries is neither just nor fair, because it does not really take into account substantial differences in cooperativeness and contribution made towards the Peace process, and, least of all, the sole responsibility for the ensuing war.

As a Central European country being a part of the Western civilization's tradition and culture, Croatia can not, after its bitter historical experience, welcome many of the currently circulating projects in the international fora, which are aimed towards institutionalizing of relations between the states in the South Eastern Europe. Croatia favor far more, the road to Europe, that closest croatian neighbor Slovenia was offered, rather than being pushed into new complex relationships that might slow down dear orientation of becoming fully integrated within Western European structures. At the same time, Croatia acknowledges the need for regional cooperation and already strengthening ties with all neighbors through continuous and open bilateral dialogue.

The Croatian desire to be a part of wider Europe is also an attempt to consolidate its position and responsibility for the future of the Peace process in the region, because Croatia is convinced that only a European Croatia can adequately assist the stability and functioning of Bosnia and Herzegovina. Moreover with its feet firmly on European soil and embraced by the European institutions, Croatia will

facilitate the overall normalization processes in the region more easily.

Croatia is seeking active participation in the process of European integration because it feels it can contribute to the overall development of the European society. For Croatia, Europe is a symbol of a stable system, of a regulated framework of societal relations, market economy and progressive development and growth.

It is true that Croatia has been somewhat hindered in its development by the aggression which it suffered. That is all behind us now and Croatia is focusing its efforts to join other countries in transition.

Croatian support of the Dayton peace process and the successful reintegration of the Croatian Danubian and full implementation of the April Agreement concluded by the Croatian Government, UNTAES and UNHCR regarding the return of refugees, are crucial for boosting Croatia's reputation as a stabilizing force in the region and a country that stands for the values of Europe.

In saying this it is important to reiterate that the interests of the European Union and Croatia in this part of the world must coincide, because only through agreement and understanding will we achieve positive mutually beneficial results. ■

## **A Real Player “International Community”**

**Charles Redman**

A general question that often came to me as I worked on the Bosnian negotiations: is there really such a thing as an “international community” which can be a real player on the international scene? One would certainly think so, as often as we appeal to the values and virtues of this mysterious entity. In theory, at least, this “community” would seem to exercise considerable influence, not so much by its acts, but mainly through the invocation of its name and its “will”.

Throughout the Balkan crisis, there were numerous appeals, threats and promises from this “international community”. Many believed that a solution to the conflict could be achieved if only this community, in the form of the major powers, would pull together in bringing sufficient pressure to bear on the warring parties. The idea seemed to be that these smaller actors in the Balkans could be coerced

by the combined moral and political pressures of a group of outside states. And indeed, there is some basis in international politics for this belief in the persuasive powers of the international community. Unfortunately, the success stories are usually in cases where the parties to the conflict are exhausted and ready for any solution whatsoever, or in cases where something less than vital national interests are at stake. In the Balkans, neither condition was present.

To the contrary, the Balkan case would seem to be a classic example of conflict resolution where diplomatic and political tools must be supplemented by a dose of military muscle. This is not a new lesson, but it is almost always a hard lesson to apply. The military component requires resources which are not at the disposal of every mediator, as well as a level of commitment to put lives on the line that few nations or organizations are willing to make.