26 June 2013

Country No. 28: Croatia Joins the EU

Bogdan Scurtu

On July 1, 2013, the European Union will add a new member state, Croatia. The latest enlargement comes at a time when the EU is battling its worst economic recession and some political factions in member states such as the UK are debating leaving the bloc.

In a much quoted interview with Agence France-Presse, Croatian president Ivo Josipovic stressed reasons beyond economic ones to join the union: “EU was originally a project to maintain peace ... and for us as a country which practically emerged from a war this component means a lot.” Unlike other EU members, war in Croatia ended only 18 years ago. The bloody Operation Storm from 1995 is still in the memory of most citizens.

The Path to EU Membership

Have you ever wondered what it takes to become a member of the EU? Well, it is involved. Becoming an EU country is a multistage process that requires adoption of all the accumulated EU legislation and court decisions, also known as *aquis communautaire*. And in the end, all EU Institutions and member states have to consent formally for the candidate country to join.
**Copenhagen criteria:** Stability of institutions guaranteeing democracy, the rule of law, human rights, respect and protection of minorities; functioning market economy capable of competition within the EU; acceptance of the community acquis (ability to fulfill membership obligations, adherence to the aims of political, economic, and monetary union).

**The 33 Chapters for negotiation:** Free movement of goods; Freedom of movement of workers; Right of establishment and freedom to provide services; Free movement of capital; Public procurement; Company law; Intellectual property law; Competition policy; Financial services; Information society and media; Agriculture and rural development; Food safety, veterinary and phytosanitary policy; Fisheries; Transport policy; Energy; Taxation; Economic and monetary union; Statistics; Social policy and employment; Enterprise and industrial policy; Trans-European Networks; Regional policy and coordination of structural instruments; Judiciary and fundamental rights; Justice, freedom and security; Science and research; Education and culture; Environment; Consumer and health protection; Customs union; External relations; Foreign, security and defence policy; Financial control; Financial and budgetary provisions.

The long accession process took Croatia 10 years to finalize. The start of negotiations was preconditioned by the country’s cooperation with the International Criminal Tribunal for the Former Yugoslavia (ICTY). Croatia had to extradite generals hailed as heroes at home (for restoring almost a quarter of its territory during Operation Storm) but considered war criminals (responsible for ethnic cleansing of Serbs) by the Hague Tribunal. Neighboring EU member Slovenia blocked Croatia’s negotiations in 2009 because of a border dispute.
Public support for joining the EU diminished in Croatia, from 85% when the country first submitted its official EU membership application in 2003, to 66% at the 2012 referendum, and only 50% in the latest poll in May 2013. Enthusiasm has weakened, since most Croatians learned in the last decade that the EU is not the answer to all problems.

With a GNI of $18,780 per capita, Croatia is qualified as a high-income economy according to the World Bank. However, the recent economic meltdown stopped the relative economic boom of the early 2000s. The country has now a staggering 20.9% unemployment rate, not far from Greece’s 26.8%. In a May 2013 interview with CNN, Croatian president Josipovic invited foreign investors to help exploit the oil and gas reserves from the Adriatic Sea, a potential revenue stream to help reduce national debt.

Croatia's Prospects

The country will take a few years to join the Schengen area according to Mario Nubilo, Croatia’s ambassador to Brussels, and at least six years to join the Eurozone area, according to Reuters.

Despite reforms, Croatia still has a backlogged judicial system, ineffective public administration, and one of the highest corruption rates in the EU. Brain drain, migration, and a low birth rate are expected to shrink the population by 3% by 2051 (according to the country’s Bureau of Statistics.) Many of the country’s shipyards are losing money and will have to be restructured, resulting in even more unemployment.

Croatia is the second country from the former Yugoslavia to become an EU member, after Slovenia joined in 2004. Neighboring Macedonia, Montenegro, and Serbia are also official candidates for EU membership, while Bosnia-Herzegovina and Kosovo are potential candidates.

As a pro-EU leader, Josepovic hopes for continued EU enlargement. He promised help and expertise to former enemies from the recent Balkan wars: “We will advocate EU’s enlargement policy and we are going to support them politically, they need our experience, our technical assistance … we are here and ready to help.”

Europoint: The EU continues to grow and bring peace and security to the Balkans ravaged by war not too long ago.