



Weekly Briefing

Croatia political briefing:


The Government Reshuffle 2019: maintaining the peace within the party after the Euro-parliamentary election

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Summary

In the third year of his term of office, Plenković's leadership of HDZ experienced its first political defeat in the national elections. The election for the European Parliament have proven that Prime Minister Andrej Plenković fails in managing the situation within his own party and in gaining the expected voter support. The right-wing faction of HDZ is demanding a change in power relations within the party and Plenković needs to react to the growing dissatisfaction among party members. To prevent a crisis of legitimacy within the party, Plenković, after months of intra-party conflicts and media coverage about corruption affairs of his ministries, sanctions publicly most notorious cabinet ministers, many of whom were inclined to Plenković's faction. Six high-ranking party members are replaced by relatively unknown, low-ranking party members to take their offices in Ministries, thus Plenković has bought temporary peace within the party until the next parliamentary elections.

Introduction

Following the announcement of the election results for the European Parliament in Croatia, it was inevitable that significant changes in the Government would manifest. The ruling political party Croatian Democratic Union (Hrvatska demokratska zajednica - HDZ) did not achieve the desired result in the Euro-parliamentary election. The party's goal was to secure a convincing victory over the other party's list of candidates, however, the opposite happened. In the number of seats won HDZ has tied with its rival Social Democratic Party (SDP). Both HDZ and SDP won 4 seats each in the European Parliament. Such a result is devastating for the HDZ's leadership, led by Prime Minister Andrej Plenković, which has prompted the opposition faction within HDZ to demand a change in power relations between factions in the party. Shortly after the Euro-parliamentary election, numerous affairs of the current ministers resurfaced in the media. The most serious attacks were directed at the following ministers: Minister of Public Administration Lovro Kušević and Minister of State Assets Goran Marić. Goran Marić favours the opposition faction, and Lovro Kušević was loyal to the Andrej Plenković's faction. Through the media, one faction blamed the other for criminal activities of

ministers from the opposite faction. Finally, Prime Minister Plenković had to untie the Gordian knot and make a decision towards a major cabinet reshuffle in the middle of the summer when the Parliament is not in session.

Reshuffle of six ministers: new and unknown ministers

In mid-July Prime Minister Andrej Plenković was forced to convene an extraordinary session of Parliament in order for MPs to vote on the appointment of new ministers. The cabinet reshuffle realised for seven ministries: the Ministry of Foreign and European Affairs, the Ministry of Public Administration, the Ministry of Demography, Family, Youth and Social Policy, the Ministry of Agriculture, the Ministry of Regional Development and European Union Funds, the Ministry of State Assets and the Ministry of Labour and Pension System. Such large cabinet reshuffle in public was presented as a kind of ‘refreshment’ of the Government's work.

Minister of Foreign and European Affairs Marija Pejčinović Burić, one month before the major cabinet reshuffle, was elected Secretary General of the Council of Europe. Therefore, her departure was expected and she is replaced by the Ambassador to Germany, Gordan Grlić Radman, who, several weeks after taking the office, has been already reported by the media for suspiciously acquiring real estates which are evidenced on his declaration of assets.

As the Minister of Labour and Pension System, Mario Pavić, through his lack of political communication skills, managed to upset the unions in social dialogue over the announced pension reform. The unions decided to collect needed signatures to call a referendum against the announced pension reform and they managed to collect enough signatures for calling a referendum, therefore Minister Pavić had to step down as minister. However, Pavić received a new ministerial post, replacing former Minister of Regional Development and European Union Funds Gabrijel Žalac, and Josip Aladrović, completely unknown to the public, has replaced him as new Minister of Labour and Pension System. Žalac, on the other hand, came to the centre of public attention when she caused a car accident, hitting a 10-year old girl with a car, where eventually became clear that Minister Žalac did not have a valid driver's license for years. In the meantime, the press found out that she had been driving a rented car at a very cheap price due to suspicious connections with a local businessmen, leading to a series of discoveries of suspicious acts and businesses involving Minister Žalac.

Agriculture Minister Tomislav Tolušić experienced a similar situation. When famous political weekly National reported a news of Minister Tolušić's criminal activities in the area of

prostitution and drug abuse, Prime Minister Plenković and a number of other prominent HDZ members defended Tolušić, claiming that it was fake news, propaganda of import lobbies. Following this news, numerous other affairs in which Minister Tolušić participated began to appear, such as the illegal construction of his family house. To appease the public and tensions within the HDZ, Tolušić was replaced with the then state secretary of the Ministry of Agriculture, Marija Vučković, who is more inclined towards the right-wing HDZ faction.

Like Minister Tolušić, who, besides the scandal, was criticized for his incompetence and lack of professional orientation in the field of agriculture and the work of ministry itself, Minister of Demography, Family, Youth and Social Policy Nada Murganić was also presented to the public as a person unworthy of the task of the ministerial function. Minister Murganić often made controversial statements that outraged the public, such as a statement on the proposal for a new Family Act, where she said that a family is not a family if there are no children, and did not cope in times of crisis of the welfare system. Murganić had to go to prove to the public that the cabinet reshuffle was indeed “a refreshment of the Government’s work”. The Minister's replacement is Vesna Bedeković, a HDZ’s MP who immediately continued Murganić's gaffe tradition, such as her statement that she is accountable first to the Prime Minister and only then to the citizens.

However, most media reports were related to the cases of Minister Lovro Kuščević and Minister Goran Marić, because in these cases the factional conflicts were manifested in the most aggressive forms. The media found that the Minister of Public Administration and HDZ’s political secretary Lovro Kuščević owns a large number of real estates which he acquired illegally. According to the media reports, Kuščević has grown rather rapidly from a very unsuccessful entrepreneur to the richest minister in the Government. The real estate affair quickly escalated after the election for the European Parliament and Kuščević himself was forced to resign as minister. He was succeeded by the unknown and young dean of the Šibenik Polytechnic and the expert in administrative law Ivan Malenica. At the same time, criticism and disclosure of the scandals were also directed at Minister of State Assets Goran Marić, a member of HDZ, who is very prone to the right-wing of the party and for whom, when forming the Government in 2016, Plenković literally had to invent a ministry to appease the right-wing side of HDZ. In the same way as in the case of Kuščević, the media uncovered suspicious affairs and illegally acquired real estates of Minister Goran Marić. Plenković dismissed Minister Goran Marić in the major cabinet reshuffle, replacing him with the unknown Mario Banožić.

Conclusion

Given the relative failure of Plenković's leadership in the Euro-parliamentary elections, party president Andrej Plenković had to make decisions at the expense of his own faction in favour of the intra-party opposition. Tolušić, Žalac and Kušević are part of his party faction that served as the scapegoat for the demands of the HDZ's right-wing, and the right-wing faction in the midst of struggles for power lost Goran Marić as Minister of the Ministry of State Property. Nada Murganić was replaced because of her incompetence and accumulated negative perception of her public statements, with the rest of the change in the composition of the Government, to show that it was a "refreshment of the Government's work" rather than a result of conflict between party's factions. The new faces who have taken up ministerial positions are mostly young, expert and / or lower-ranking HDZ members who have served Plenković to buy peace in the party until the next parliamentary election. How long this peace between these factions will last will depend mostly on further Plenković's concessions to the right-wing of HDZ and on the declaration of assets and past business of the new ministers, because the media will be more than happy to report again incriminating news about illegal acts of ministers, even if the news are for factional purposes.