Croatia political briefing:
The Summary of 2023 Key Political Developments in Croatia:
Government Reshuffles and Perception of Corruption
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Summary

When looking back at political events in 2023, one might argue that nothing significantly has changed compared to the previous year, or even the year before. The ruling Croatian Democratic Union (HDZ) still remains at the top of every poll, despite continuous scandals and affairs that keep tracking its ministers and other high-ranking officials. The year 2023 offered only 4 new ministers taking office; however, the last change brought public attention due to the corruptive behavior of the special advisor of the economy minister who was involved in money extraction. Despite that, HDZ still enjoys the support of the public and it is difficult to expect that some coalition might remove it from power in upcoming parliamentary elections.

Introduction

This article will provide a year-end review of the 2023 political affairs in Croatia. Since the year was rather scarce when it comes to the formal party competition, with 2024 encompassing parliamentary, European, and presidential elections, the article will predominantly deal with the ruling Croatian Democratic Union (HDZ) and its almost effortless attempts to mitigate the challenges of the Croatian opposition. It will touch upon the manner in which Prime Minister Andrej Plenković, despite various corruption affairs that his ministers or party officials were involved in, still manages to navigate through the political arena without any real competitor from the other side of the political spectrum. Talking about HDZ’s ministers, 2023 marked the inauguration of only three new ministers: Branko Bačić and Šime Erlić who took over the roles in January 2023, and Ivan Anušić who was appointed in December 2023.

When looking at the economic developments in 2023, or at least how the ruling elite presents and comments on them, one could assume that the country is heading in the right direction. While the general direction is undoubtedly better compared to the previous years, the large systemic issues that undermine the country's economic development still prevail and remain unsolved, and unfortunately unaddressed, such as corruption and the lack of rule of law.
These are the issues that indirectly affect the Croatian population the most, decreasing their belief in state institutions and negatively impacting their economic well-being either by bringing difficulties when entering the labor market or by making them unequal before the law compared to those in power. Since this situation is inextricably linked to politics, this article will provide a general overview of the political state of affairs in 2023, rather than focusing on one event.

**HDZ During Plenković’s Presidency**

To begin with an overview of 2023 and gain an understanding of how the ruling HDZ manages to present itself as the only credible political option, one is advised to look at the process of how the party has changed from 2016 onwards when the presidency was taken by the current Prime Minister Plenković. An excellent article on this subject was written by Boško Picula, an assistant professor at the Faculty of Political Science at the University of Zagreb, who claims that before Plenković’s arrival, while HDZ was led by conservative Tomislav Karamarko, the party “increasingly resembled Hungary’s Fidesz party under Prime Minister Viktor Orbán”. However, when Plenković took over the presidency, “instead of the Western Balkan version of Orbanism with the unconvincing Karamarko at the helm, [the party] began to be perceived as a local derivate of German Christian Democrats”\(^1\). Likewise, one after the other, Plenković managed to politically eliminate or dissolve of power those who were considered Karamarko’s loyalists or too right-wing leaning for his moderate, diplomatic, and pro-European taste. This subsequently opened the door for coalitions or partnerships with parties such as the Croatian People’s Party Liberal-Democrats (HNS) and Independent Democratic Serb Party (SDSS).

Rhetorically wise, one could argue that 2023 was the culmination of Plenković's, as Picula calls it, self-praise that is often deprived of any self-reflection or critic\(^2\). Indeed, almost every public appearance or media conference with him in the spotlight looks as if Croatia is on the road to becoming one of the most developed countries in Europe, courtesy of HDZ leadership. With the entrance to the Schengen Area and the introduction of the Euro as a currency, both of

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which happened on 1 January 2023, the Prime Minister gained new momentum to heap praise on the achievements of his government, while disregarding scandals that on average happen every six months of his 7-year tenure. However, what has dramatically changed since 2016 when he became Prime Minister is his rhetoric towards the opposition and communication with the State President Zoran Milanović. Even though he claims that he changed HDZ from the inside, which he certainly did to some extent, it appears as if the political communication from 2016 onwards has balkanized instead of Europeanized³. Needless to say, the opposition did not find a way how to counter the Prime Minister; therefore, remained powerless throughout 2023.

**Government Reshuffles in 2023**

When attempting to disclose the inefficiency of Plenković’s government, the opposition often fires shots in the direction of his ministers and underlines the number of them who had to leave official positions due to their involvement in various mid- to large-level scandals, including corruptive affairs. As mentioned in the introductory chapter, 2023 was relatively quiet when it comes to government reshuffles, even though the event that happened in mid-December, just at the moment of writing this article, severely impacted what has been described as quiet. Only a couple of days ago, Minister of Economy and Sustainable Development Davor Filipović and his special adviser Jurica Lovrinčević were dismissed from their duties due to the latter’s involvement in the money extraction affair. A month ago, Minister of Defense Mario Banožić was sacked after he provoked a car accident that ended up fatally for the 40-year-old victim, a father of two, who was driving the oncoming vehicle. With the addition of Ivan Paladina, former Minister of Construction, Physical Planning and State Property, and Nataša Tramišak, former Minister of Regional Development and EU funds, the number of dismissed ministers in 2023 reaches four. In the upcoming sections, a few words shall be said about each case and the manner in which Prime Minister Plenković handled these delicate issues.

Ivan Paladina was the minister who took the construction portfolio after Darko Horvat, his predecessor, was arrested for allocating EUR 345.000 to businesses of his personal interest. However, Paladina did not manage to last a year in office; he took duty in March 2022 and was dissolved in January 2023. Unfortunately for him, the majority of his responsibility was to start

the reconstruction of the earthquake-hit Banovina, but did not leave the mark since the rumor began circulating that Prime Minister Plenković was not satisfied with the speed of the reconstruction process. Eventually, Paladina was replaced by Branko Bačić on 17 January 2023 whose promise was to accelerate the withdrawal of money from the EU Solidarity Fund from which Croatia received a total of EUR 1.3 billion (EUR 683,7 million for Zagreb-hit areas, EUR 319,1 million for Petrinja-hit areas).

Like many of his counterparts who left the government before him, Paladina expressed no anger or disappointment with his departure or conducted work, only noting that the pressure of reconstructing was too much for him and his family and that the Prime Minister knew everything 2 months before.

Out of 30 ministers who were dissolved during Plenković's 7-year term, only one took the courage to raise her voice against the decision of the Prime Minister, claiming that she did not know the reasons why she was replaced. It was Nataša Tramišak, former minister in charge of the regional development and EU funds portfolio, who was replaced in January 2023 by the incumbent minister Šime Erlić. Since her inauguration in Plenković’s II cabinet, the rumors were that the two were in perpetual conflict due to her belonging to the Osijek-Baranja branch of HDZ, which was often at odds with Plenković. Much of the information about her sacking from the Government still remains a secret, but the fact is that Tramišak took over the ministry which had two ongoing investigations by the European prosecution office at the time of her arrival. In March 2022, she claimed that she received threats over the decisions she made as a minister, which the Prime Minister called bizarre. Apparently, Tramišak found irregularities in the work of the information system e-Funds, responsible for billions of EUR worth of projects. The system was controlled by the company Omega Software with which Tramišak terminated the contract. After this, she received threats but found no protection by the Prime Minister.

Just after everyone thought that 2023 would end without any major reshuffles, especially in core ministries, HDZ proved us otherwise. In mid-November, Mario Banožić, a Minister of Defense who was frequently in a feud with President Zoran Milanović, caused a car accident by colliding with an oncoming vehicle on Saturday morning just outside his hometown in the region of Slavonija. Police authorities found hunting equipment in the minister’s car.

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some papers reported that the minister was attending celebration a the night before and was under the influence of alcohol. Subsequent blood tests showed that the minister was negative for alcohol, albeit much information is still unknown. With one person dead due to his reckless driving and having sustained serious injuries himself, the Prime Minister decided to relieve Banožić from duty. In the aftermath, the question was raised on whether Banožić was supposed to use the service of an official driver that high-ranking public servants have a right to, despite the accident happening when he was off-duty. Eventually, he was replaced by Ivan Anušić, a leader of the aforementioned Osijek-Baranja branch of HDZ, an interesting choice of Prime Minister, given that Anušić, as well as the complete branch, are often critical of Plenković's management of the party. However, with the 2024 parliamentary election to be held soon, Anušić might only be a temporary solution.

The year's end was marked by another scandal which goes under the definition of corruption. Jurica Lovrinčević, special advisor of the Minister of Economy and Sustainable Development Davor Filipović, has been accused of attempted money extraction. According to media reports, as well as audio recording evidence, Lovrinčević “offered local Zagreb television network Mreža TV the leasing of advertising space on behalf of several state-owned companies and institutions. In return, he requested that half of the agreed-upon money be paid to him in a reciprocal transaction.” Both Prime Minister and portfolio minister Filipović disregarded Lovrinčević’s actions, claiming that no one in the party rankings knew about what was going on; however, Prime Minister decided to dismiss both Lovrinčević and Filipović. The former on the accounts of money extraction and the latter due to his responsibility as a minister who was personally responsible for choosing Lovrinčević as his special advisor. Like in many other cases, the Prime Minister attempted to frame the situation as it was a planned attack by the media and opposition on the Government, but the truth still remains hidden and it is to be seen whether the public will ever find out about the scope of the scandal and all people who were involved in it.

Needless to say, the reaction of the opposition was heavy on the Government and the Prime Minister. The main opposition party, the Social Democratic Party (SDP), submitted a proposal for the dissolution of the parliament. Their statement said: “After the thirtieth minister had to leave the government, and after the pattern seen in the FIMI Media case has not been changed even after 15 years […] we believe that the conditions have been met to [restore]

citizens’ trust in the highest institutions of legislative and executive power in Croatia […] we call for an immediate dissolution of parliament and early elections.”⁷. The Bridge party (Most) was more vocal than SDP in demanding Plenković to leave, highlighting his responsibility in the latest scandal. Just like Filipović appointed Lovrinčević as his advisor, Plenković appointed Filipović; thus, the Prime Minister bears even more responsibility for not knowing what was going on in his ministry and how the public money was spent. HDZ countered this by claiming that the money extracted by Lovrinčević was paid to finance Most’s campaign against HDZ; however, if one looks at the headlines of Mreža TV, it is clear that it was highly negative about Most, and in favor of HDZ.

Perception of Corruption in 2023

Along with public trust in the state institutions, corruption was the main topic of the research conducted by the Economic Institute Zagreb at the beginning of 2023. The data was collected by survey in October and November of 2022, while the sample included 502 respondents of 16+ years of age citizens. The number one issue in Croatia, according to respondents, is expectedly corruption with 28,5%, followed by inflation (25,7%), poverty (18,5), and work of the Government (10,4%).⁸ When it comes to institutions, the highest percentage of perceived corruption is found in local self-government (4,3%), followed by government and ministries (4,3%), judiciary (4,2%), political parties (4,1%), and the parliament (4,1%)⁹. The public sees different examples of corruptive practices happening in public institutions, mostly through bribe offerings in public procurement, employing close friends or relatives, or accepting gifts for providing public service. Finally, the authors investigated citizens’ attitudes toward reporting corruption. They find that "public opinion reflects citizens' indifference on this matter, which is quite concerning, considering that the stance on reporting corruption for its suppression should be quite clear. It is also worrisome that citizens generally

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agree that anyone who reports corruption will regret it, further fueling the spread of corruption” 10.

If looking at the Freedom House indicators of corruption, the score in 2023 “declined from 3 to 2 due to systemic corruption among government ministers and officials” 11. The Freedom House report lists numerous corruption scandals that took place in 2022 and influenced the result in 2023. Among others, there are cases of Nataša Tramišak predecessor Gabrijela Žalac, former minister of Regional Development and EU Funds, who manipulated public tenders and used public funds for private purposes; Darko Horvat, former minister of construction who was arrested due to his wrongdoings; and money embezzlement related to energy giant INA. Taking everything into account, especially the involvement of many high-ranking officials in these cases, it feels almost absurd how the EU considered the country to be reformed and did not question the actions of the incumbent Government.

**Conclusion**

All in all, the political landscape of Croatia in 2023 remained heavily marked by the dominance of the ruling HDZ. While the Prime Minister argues in favor of accomplishments achieved by his Government, such as entry to the Schengen Area and the Eurozone, both of which happened in January, as well as the slight economic recovery and downward trend of inflation, the opposition remains united in its effort to bring down the Government and calls for an early elections. However, from today’s perspective, the chances of the opposition to take power and form a coalition after parliamentary elections remain low. Regardless of many scandals and generally poor perception of its work, HDZ has larger coalition potential than opposition parties, while Plenković himself is considered a much better negotiator and is able to turn the scene to his advantage. This was evident not only in relation to opposition parties, but within his party, and the manner in which many affairs that happened throughout his term left him unharmed. Likewise, he managed to exclude from the party all those who were considered too radical or he offered them positions that would keep them quiet at least until the next elections.

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10 Ekonomski institut Zagreb. 2023. Povjerenje građana u institucije i percepcija korupcije [https://eizg.hr/povjerenje-gradjana-u-institucije-i-percepcija-korupcije/6276].
In 2023, four new ministers were inaugurated, two at the beginning of the year, and two at the very end. While the usual state of affairs is that all ministers who are replaced leave without any questions asked, only one minister, Nataša Tramišak, gained the courage to argue against the Prime Minister's decision, claiming that she is unaware of the reasons why she had to leave her position in the Regional Development and EU Funds ministry. The year's end was marked by a car accident caused by Minister of Defence Mario Banožić, after which he was dissolved from his duty, and the corruption in the economy and sustainable development portfolio, which brought the term of Davor Filipović to an end. The latter is expected to be investigated in 2024 due to the possible magnitude of the case and the involvement of other people and/or government officials apart from Filipović's special advisor Jurica Lovrinčević. When the line is drawn, 2023 offered not much new compared to previous years; scandals continued to happen, while the Government successfully navigates through them. Public perception of corruption still remains high; unfortunately, with no real effort to combat it.