



Weekly Briefing

Croatia political briefing:
The Outlook of 2024 Political Developments in Croatia
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The Outlook of 2024 Political Developments in Croatia

Summary

The year 2024 is a super election year since Croatian citizens will vote in national parliamentary elections, presidential elections and the European elections. The current Croatian Government, focusing on economic development, proposed a new Law on Tourism and an amendment to the Law on Foreigners, which the Croatian parliament adopted at the end of 2023. The results of the adopted laws should result in a positive development direction for Croatia's vulnerable economy, starting with the investments in tourism that were announced in the Law. The results of the super-election year will determine the new Government's priorities and show whether the new Government will continue to implement favourable policies to solve the issue of migration and the fragility of the economy to tourism.

A super-election year in Croatia

The year 2024 brings inevitable political milestones to the world. Starting with the elections that will take place in over 60 countries across Europe and the world, it is essential to mention the elections in the USA. The outcome of the elections in the USA, i.e. the victory of the Republicans or the Democrats, will significantly influence the course of events in international politics and, consequently, the political dynamics in Europe and Croatia. The issue of conflict between Israel and Palestine, Russia and Ukraine depends on whether the Democrats or the Republicans win in the 2024 elections. As for Croatia, Croatian citizens will go to the polls this year as many as three times; interestingly, this will be the first such case since the country's independence in 1991.

In 2024, Croatian voters will participate in three types of elections: parliamentary elections, elections for the European Parliament, and the first round of presidential elections. Currently, only the date of the elections for the European Parliament is specific, set for early June. It will be interesting to follow the election campaign of the ruling party HDZ (Croatian Democratic Union, a centre-right political party, a leading party in Croatia) and the relevant opposition parties SDP (Social Democratic Party of Croatia), Domovinski pokret (Homeland

movement - a nationalist and right-wing populist political party), Možemo (We can, a left-wing, green political party) and Most (The Bridge Party – a social-conservative party).

In the run up to the elections, electoral constituencies have been reshaped although their number has remained the same. The deadline for the parliamentary elections is in September 2024, and some predict that the parliamentary elections will be held before the European parliamentary elections due to the potential ambitions of Prime Minister Andrej Plenković for positions in Brussels following the results of the European elections. On the other hand, some analysts are confident that Prime Minister Plenković is going for his third term, breaking a record as the longest-serving Croatian prime minister, a title held by former Prime Minister Ivo Sanader until the beginning of Plenković's government.¹

Furthermore, the growing question is who will enter the election race with the current President, Zoran Milanović; so far, not a single future candidacy has been announced. In the election context, it is essential to note the turbulent relationship between Prime Minister Plenković and President Milanović. They differ on critical domestic and foreign policy issues, for example, the Russian-Ukrainian conflict. Plenković's position is clear: Croatia should support Ukraine, while Milanović's, as a result of his unclear statements on this topic, is more complex.² Precisely because of the different positions of the Prime Minister and the President, the election results will largely determine the direction of Croatia's position on international issues.

The European Union-level elections will be held from June 6 to June 9. Along with the elections for the European Parliament, a new Commission will also be elected, thus ending one

¹ Elvir Mešanović, Will parliamentary elections take place before the European elections due to Plenković's ambition? (title translated), N1, 27 January 2023; <https://n1info.hr/n1-komentar/hoce-li-parlamentarni-izbori-biti-prije-europskih-zbog-plenkovicevih-ambicija/>

² Adrio Milovan, Conflict between Milanović and Plenković at the worst moment: At NATO summit Croatia will be represented by disagreeing politicians (title translated), Euractiv, 7 July 2023; <https://euractiv.hr/politika/a3000/Novi-sukob-predsjednika-Milanovica-i-premijera-Plenkovica-dogadja-se-pred-summit-NATO-a-u-Vilniusu.html>

institutional cycle of the European Union and beginning a new one. Considering the authority of the EU's political institutions in the form of decision-making, for example, at the level of legislation that applies to all EU member states, the Commission and the Parliament dramatically influence the direction of Croatia's policies.³

The numbers of legal migrants are growing - is Croatia ready?

One of the more critical issues in the election campaigns will be migration and how Croatia stands with the figures for importing foreign workers. The increase in the import of foreign workers is significant. In the period from January 1 to December 31, 2023 a total of almost 173,000 work and residence permits were issued. Out of these 112,000 were work permits for foreign workers.⁴

Croatia currently has a shortage of almost 200,000 workers in all of its industries, so imported labour is needed for the Croatian economy. The need for foreign workers is caused by labour emigration of Croatian workforce and economic recovery after the pandemic period. There increased investments in infrastructure and reconstruction that also create a need for foreign workers.⁵

A growing number of foreign workers in Croatia raises fear among some citizens about the security of the country due to the presence of new immigrants. An integration policy that would facilitate and oversee integration of immigrants into the domicile society, based on a two-way approach, is direly needed. The integration of both foreign workers as well as people

³ Key information about the European Union; <https://mpu.gov.hr/istaknute-teme/drzavni-strucni-ispit-22550/primjeri-pitanja-i-odgovora-za-provjera-znanja/primjeri-pitanja-i-odgovora-za-srednju-strucnu-spremu/osnove-sustava-europske-unije/23044n>

⁴ Ministry of Interior, Government of the Republic of Croatia, statistics December 2023; <https://mup.gov.hr/UserDocsImages/statistika/2024/1/Mjesecne%20statistike%20prosinac%202023.pdf>

⁵ Gordana Gelenčer, At this moment, Croatia is in need of almost 200.000 foreign workers (title translated), 10 November 2023, Lider; <https://lidermedia.hr/biznis-i-politika/hrvatskoj-u-ovom-trenutku-nedostaje-gotovo-200-tisuca-stranik-radnika-154037>

under international protection, although their number is relatively small, is becoming one of pressing policy issues.

The society's attitude towards foreign workers or migrants in general was not positive, according to a 2012 research from the University of Zadar in cooperation with the University of Zagreb.⁶ There are very few studies analysing the attitude of citizens towards migrants. The question remains whether the perception of Croatian citizens has changed in a positive or negative direction regarding migration to Croatia 12 years after the publication of the earlier mentioned research.

Although the attitude of Croatian society towards foreign workers remains unclear and is believed to be predominantly neutral or negative, it is clear that foreign workers are a necessity for the sustainability and survival of the Croatian economy. They are needed even more so in the context of the economic development based on green transition. New workforce as taxpayers are also needed for the survival of the Croatian pension system that has been wrought with difficulties in terms of its ability to provide positive outlook for new generations of retirees in the decades to come. The Croatian tourist economy has experienced stagnation during the coronavirus crisis, but it has picked up since then. To which extent tourism, one of the most important branches of the Croatia economy, can continue to grow in a more and more insecure world and with rising temperatures remains to be seen. The new Tourism Act is adopted with the ambition to further strengthen Croatian tourism and the year 2024 will be a first test of its efficiency.

Adviser to the president of the Croatian Chamber of Commerce for Education, Petar Mišević, emphasized the importance of additional education for foreign workers in order to integrate them into the Croatian society.⁷ It is important to note that an increasing number of

⁶ Jadrnaka Čačić-Kumpes, Snežžana Gregurović and Josip Kumpes, Migration, Integration and Attitudes towards immigrants in Croatia (title translated), *Revija za sociologiju* 42(20129), 3:305-356; <https://hrcak.srce.hr/file/151784>

⁷ 200.000 foreign workers expected in 2024, they need to be further educated (title translated), *Menadžer.hr*, 14 December 2023; <https://menadzer.hr/vijesti/ocekuje-se-200000-stranah-radnika-u-2024-potrebno-ih-je-dodatno-obrazovati-3798/>

foreign workers come to Croatia from culturally very different societies, mainly Nepal and the Philippines, and that also presents a challenge for their integration into the society.⁸

The results of the research conducted in 2012 show that the majority of respondents believe that foreign workers who immigrated to Croatia should assimilate into Croatian society while neglecting their culture.⁹

However, respondents do not see the assimilation of foreign workers as a two-way process of exchanging cultural content. Furthermore, the research results showed that the majority of the local population, i.e. the Croatian citizens, see foreign workers as a threat to their employment, i.e. that those foreign workers will steal their jobs.¹⁰

Given that Croatia is now a member of the European Union, it is to be expected that society will have a more affirmative and open attitude towards migration to Croatia. However, does the recent research show that? In the European Social Survey conducted between 2018 and 2020, it is stated that the majority of Croats have a neutral attitude about whether migrants are a good solution for the wealth and culture of the country, but a neutral attitude can go into a negative or positive direction. The specific survey was conducted regarding asylum seekers and refugees, but could be used for assessing attitude towards migrants in general.¹¹

⁸ A number of foreign workers in Croatia grows, integration is lacking (title translated), SEEBiz, 1 August 2023; <https://www.seebiz.eu/drustvo/stranih-radnika-u-hrvatskoj-sve-vise-integracija-nikakva/294209/>

⁹ Jadranka Čačić-Kumpes et al, 2021, <https://hrcak.srce.hr/file/151784>

¹⁰ Ibid.

¹¹ Petar Stošić, Croatian citizens maintain predominantly neutral attitude towards asylees (title translated), ezadar, 24 December 2023; <https://ezadar.net.hr/sci-tech/4415871/hrvatski-gradjani-gaje-uglavnom-neutralne-stavove-prema-azilantima/>

It is necessary to create policies in the future that will encourage a positive attitude towards migration to Croatia, which will enable citizens to participate in the integration of migrants into society. A professor from the Faculty of Political Sciences, Vedrana Baričević, stated that integrating foreign workers into Croatian society is impossible without implementing policies related to education and the language skills, which requires a political decision. Furthermore, she points out that we must see the integration of foreign workers in Croatia as a long-term goal. It is essential to point out that society also plays a significant role in encouraging such policies through its pressure on the state.¹²

The problem of the Croatian system's unpreparedness for a large amount of imported labour also lies in the fact that Croatia did not recognize that the migration policy is a development policy.¹³

A prominent issue for foreign workers in Croatia is a lack of knowledge of the Croatian language. It should be noted that public policies aimed at integrating immigrant workers into society are insufficient. The Governor of the Croatian National Bank, Boris Vujičić, also stated that there is a need to design an immigration and demographic policy. The first report of the Ombudsman for 2022 warns of the inadequacy of measures and plans for integration policies.¹⁴ One of the problems towards the integration of foreign workers are few and inadequate Croatian language courses.¹⁵

¹² A number of foreign workers in Croatia grows, integration is lacking (title translated), SEEBiz, 1 August 2023; <https://www.seebiz.eu/drustvo/stranih-radnika-u-hrvatskoj-sve-vise-integracija-nikakva/294209/>

¹³ Hrvoje Buktović, Višnja Samardžija and Ivana Rukavina, Foreign Workers in Croatia: Challenges and Opportunities for Economic and Social Development, Institute for Development and International Relations, 2022; <https://irmo.hr/wp-content/uploads/2022/03/Strani-radnici-u-Hrvatskoj.pdf>

¹⁴ Marina Klepo, Since January, a number of foreign workers that are almost as population of Split arrived in Croatia. By 2030, they will number half a million (title translated), Jutarnji.hr, 24 November 2023; <https://novac.jutarnji.hr/novac/aktualno/u-hrvatsku-je-od-sijecnja-stiglo-stranih-radnika-skoro-koliko-stanovnika-ima-split-do-2030-bit-ce-ih-pola-milijuna-15397944>

¹⁵ Which problems foreign workers report most frequently? (title translated), Ombudsman Office, 7 September 2023; <https://www.ombudsman.hr/hr/koje-probleme-najcesce-prijavljuju-strani-radnici-u-hrvatskoj/>

Margareta Gregurović, research associate at the Institute for Migration and Nationalities in Zagreb, stated that migration policies should be adopted in the direction of highlighting the advantages of accepting migrants into society and avoiding activities that would increase perceptions of threats and negative changes in the community as a result of the migrants' staying Croatia. Gregurović also emphasizes education as one of the critical factors for preventing negative trends related to migration.¹⁶

One of the planned solutions for improving education policies for foreign workers coming to Croatia is the rulebook for the evaluation of acquired knowledge, which will prescribe the system of non-formal and informal acquired knowledge that will be implemented by adult education institutions, which will be issued at the beginning of 2024.¹⁷ It is also important to emphasize that in May 2023, an additional 100 million euros was secured through the European Social Fund for education through the voucher system, the Croatian Chamber of Commerce pointed out.¹⁸

Economic development after the pandemic

In addition to the reliance on import of foreign workers, the problems of the economy's over-reliance on tourism were particularly evident during the coronavirus pandemic. Research conducted at the Faculty of Economics of the University of Zagreb to analyze the impact of the coronavirus on the tourism sector of the Republic of Croatia showed that Croatia, along with

¹⁶ Petar Stošić, A sociologist explains how to avoid ghettoization of foreign workers in Croatia (title translated), Forbes, 22 December 2023; <https://forbes.n1info.hr/aktualno/sociologinja-objasnjava-kako-izbjeci-getoizaciju-straniradnika-u-hrvatskoj/>

¹⁷ 200.000 foreign workers expected in 2024, they need to be further educated (title translated), Menadžer.hr, 14 December 2023; <https://menadzer.hr/vijesti/ocekuje-se-200000-straniradnika-u-2024-potrebno-ih-je-dodatno-obrazovati-3798/>

¹⁸ Ibid.

the rest of Europe and the world, experienced a significant drop in tourism demand compared to the pre-coronavirus period.¹⁹

Economic analyst Ivica Brkljača presented forecasts for the Croatian economy, including wage growth in the nominal and natural flow. In addition, according to his predictions, pensions will also increase significantly, and inflation will be significantly lower compared to 2023.²⁰ The predictions of the economic analyst Brkljača follow in the same vein the predictions of the chief economists of the four largest Croatian banks, who predict growth of 2.5% for Croatia in 2024, and such predictions were also made by the European Commission.²¹

The President of the Croatian Chamber of Commerce, Luka Burilović, said that Croatia needs a strong immigration policy strategy that will consider the needs of our economy.²²

The new Law on Tourism entered into force at the beginning of the year is one of several solutions that will help the Croatian economy. The new Law on Tourism introduces a system of incentive measures. Tourism was one of the few branches of the Croatian economy that was not subsidized by the state except for small packages of aid measures. The need for further and additional investments were also expressed, and according to the official data of the Ministry

¹⁹ Lucija Benko, Karlo Krstanović and Luka Sovulj, Impact assessment of the coronavirus pandemic on tourist arrivals and night stays in the Republic of Croatia and the value of CROBEX tourist index on the Zagreb stock market (title translated), Faculty of Economy, University of Zagreb, March 2022; <https://hrcak.srce.hr/file/397392>

²⁰ Seven predictions for Croatian economy in 2024 (title translated), Lider, 1 January 2024; <https://lidermedia.hr/biznis-i-politika/brkljaca-sedam-prognoza-za-hrvatsko-gospodarstvo-u-2024-154928>

²¹ Economy in 2023: Growth faster than EU average (title translated), Lider, 27 December 2023; <https://lidermedia.hr/biznis-i-politika/gospodarstvo-u-2023-rast-brzi-od-prosjeka-eu-a-154860>

²² Luka Burilović, president of the Croatian Chamber of Commerce, How to attract and retain talented foreign workers (title translated), Jutarnji.hr, 13 December 2023; <https://novac.jutarnji.hr/novac/business-outlook-2024/luka-burilovic-predsjednik-hrvatske-gospodarske-komore-kako-privuci-i-zadrzati-kvalitetne-strane-radnike-15404650>

of Tourism and Sports for 2023, the number of investments in tourism amounted to 400 million euros including 14 new hotels, three camps and several facilities in tourist settlements.²³

Incentives for tourism will include research and development, advisory services, and investments that will support small- and medium-sized enterprises. In order to successfully finance all grants aimed at Croatian tourism, the Ministry of Tourism established the Tourism Fund, which the responsible ministry will control. Furthermore, the new Law introduces changes in tourism that will accompany the National Recovery and Resilience Plan. The plan includes strengthening competitiveness and a green transition of the economy, as well as the development of sustainable, innovative and resilient tourism.²⁴

With the new Law, Croatia will get a Council for the Management of Tourism Development, which will be in charge of supervising the implementation of measures, setting goals and monitoring results in tourism.²⁵ Also, the Government's program for this term includes adopting a new strategic marketing law plan for tourism in Croatia, which was achieved by its adoption in 2023.

The new Law on Tourism foresees ways to manage Croatian tourism better. Local self-governments will take over from the central Government's responsibility for quality management. The Law gives towns and cities greater rights to manage their tourism plan and capacities and an additional responsibility. Part of the delegation of authority to the local level is the expansion of the authority of the tourist boards of cities.²⁶

²³ Ministry of Tourism and Sports, Economy in 2023: Good tourist results, reforms and a new law (title translated), 29 December 2023; <https://mint.gov.hr/vijesti/gospodarstvo-u-2023-dobri-rezultati-turizma-reforme-i-novi-zakon/2369> 1

²⁴ Economy, National Recovery Plan, <https://planoporavka.gov.hr/o-planu/gospodarstvo/97>

²⁵ Law on Tourism, Croatian Parliament, 20 December 2023; https://narodne-novine.nn.hr/clanci/sluzbeni/2023_12_156_2382.html

²⁶ Ibid.

The reliance of the economy's most important sector on the import of foreign labour during the season does not instill security for the economy's stability. Croatia needs to continue importing foreign workers to maintain tourism as an economic branch. The Croatian Government is taking significant steps to facilitate the importation of foreign labour and work in Croatia. It is important to note that in 2023, over 40,000 work permits were issued to foreign workers to work in tourism, an increase of 10,000 permits compared to the year before. One of the steps towards more accessible employment of foreigners in Croatia is the amendment of the Law on Foreigners. Amendments to the Law will bring about the extension of the residence permit to 3 years and the extension of the permit's validity for residence and seasonal work. In addition, foreign workers will be able to change employers without applying for a new work permit.²⁷

²⁷ Croatian Chamber of Commerce, Work permits for foreigners from one to three years, for seasonal workers from six to nine months (title translated), 18 April 2023; <https://www.hgk.hr/produzuju-se-dozvole-za-strance-s-jedne-na-tri-godine-za-sezonce-sa-6-na-9-mjeseci>

Conclusion

Society's acceptance of foreign workers and other immigrants in Croatia must be satisfactory. However, education and immigration policies must generate and facilitate the creation of affirmative attitudes towards new neighbours of Croatian society, as well as educating citizens about the positive impact of immigrants on the Croatian culture, the state and the economy. In implementing such policies, the emphasis should be on the process of integration, but not in the form of blind integration into Croatian society without the possibility for immigrants to express and nurture their native culture, customs and traditions. The measures and rules adopted by the Government positively affect the immigration process of foreign workers; however, social acceptance is of crucial importance, which, as a society, we can only achieve through acceptance and tolerance towards foreign workers. The Croatian economy, although affected by the consequences of the COVID-19 pandemic, recovered from that shock in 2023. Reliance on the sustainability and growth of the economy depends too much on foreign workers and tourism as the primary economic industry. The introduction of a new Law on Tourism regulates some of the crucial issues in that sector. The amendment of the Law on Foreigners will enable faster and easier employment, which will fill gaps in the economy, mainly tourism. The results of the elections in the super-election year will determine the direction and priorities the new Government will set for Croatia.