

Racan's High-Risk Strategy

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Croatian Prime Minister, Ivica Racan, may call a snap election to extricate his government from his troublesome six-party coalition. The strategy could prove disastrous.

Six months into Croatia's new government and Marko Boskovic, a 64-year-old pensioner, is still waiting for the promised improvement in his living standards. Before the election, Prime Minister Ivica Racan's Social Democratic Party, SDP, assured voters they would deliver pension arrears accumulated under the previous administration. But Boskovic is still struggling to get by on his 1,500 kunas (390 German marks) a month.

Racan's government faces an up-hill battle to meet the high expectations of voters. The state treasury is empty, the economy is in crisis and unemployment is just shy of 20 per cent.

To make any headway in turning Croatia around, Racan has had to introduce a series of unpopular measures - reducing police and army budgets, enabling the return of Croatian Serb refugees, co-operating with The Hague Tribunal, delaying the repayment of debts to pensioners and postponing promised tax cuts. As a result, SDP popularity has plummeted since the January elections.

Racan's administration is made up of six parties and although the SDP holds the majority of senior posts, ministers from the smaller coalition members - the Liberal Party, the Croatian Peoples Party of President Stipe Mesic and the Istra Democratic Federation - are increasingly critical of government policy. Aware of the administration's growing unpopularity, these parties are trying to distance themselves from Racan's more controversial policies.

To govern with an increasingly fragmented six-party coalition - with different political agendas and divergent programmes - could prove impossible. And in a recent newspaper interview, Zdravko Tomac, a close party colleague of Racan and vice president of the Croatian parliament, warned that new general elections were not out of the question.

Some believe a snap poll would strengthen Racan's hand. With the former ruling Croatian Democratic Union, HDZ, in the midst of political crisis and the increasing popularity of Mesic's party, the ballot could deliver a stonger two-party, SDP and People's Party, HNS, coalition. Such an arrangement would also enable Racan and Mesic to agree on a new division of political power and help resolve their differences.

To call early elections is, however, fraught with risks. After ten years of declining living standards, people want to see and feel rapid improvements.

Racan's successes - joining the Partnership for Peace, imminent membership of the World Trade Organisation and the European Union - are unlikely to produce any genuine and immediate material benefits for the likes of pensioner Marko Boskovic.

Having made rash promises to create 200,000 new jobs, the government is confronted with the reality of large employers going to the wall, shedding thousands of workers. The Zagreb warehouse chain, NAMA, is expected to close within the next few days. The Djura Djakovic factory in Slavonski Brod is to shut with the loss of several hundred jobs.

Worse still, the once prosperous DIOKOM factory in Split is to close. Prior to the break-up of former

Yugoslavia, DIOKOM, then known as Jugoplastika, was so successful it sponsored one of the country's top basketball teams. The factory had provided components for the Zastava car factory in Kragujevac in present day Serbia.

Some analysts believe the right-wing in Croatia could seize the opportunity of an early election to foment social unrest. HDZ internal turmoil has triggered a re-alignment on the right. It is a distinct possibility that party radicals will unite with the extreme right-wing Croatian Party of Rights to produce a new and potentially powerful political force.

Politicians from the Croatian right are well known for promising quick fixes and voters disillusioned with Racan's failure to deliver tangible improvements could easily give their votes to them.

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