



**European Parties Elections
and Referendums Network**

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THE CROATIAN PARLIAMENTARY ELECTIONS OF NOVEMBER 2007

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KEY POINTS

- The elections were held at schedule after the Croatian Democratic Union (HDZ) minority government of Prime Minister Ivo Sanader passed through its four year term without any major difficulties in pushing through its legislative agenda.
- The elections were characterized by a marked shift toward a two party system with two major parties winning 122 out of total 153 seats. Competition in the electoral campaign predominantly emphasized rivalry between the two largest parties. However, smaller centrist parties were still crucial for the formation of government.
- While governing the Croatian Democratic Union managed to hang on to the same number of seats (66) while the Social Democratic Party (SDP) markedly increased its number of seats from 34 to 56.
- A number of smaller parties suffered serious losses in votes and seats with nationalist the Croatian Party of Rights (HSP) being the largest victim with number of MPs being reduced from eight to one.
- The Croatian Democratic Union and left bloc composed of the Social Democratic Party, The Croatian People Party (HNS) and the Istrian Democratic Assembly (IDS) gained equal numbers of parliamentary seats. The formation of new government will depend on the support from centrist agrarian/liberal coalition composed from the agrarian Croatian Peasant Party (HSS) and the liberal Croatian Social Liberal Party (HSLS) and mostly likely the Serbian minority party, the Independent Democratic Serbian Party (SDSS).
- The elections brought electoral consolidation of the party system toward two blocs, but the political centre, though smaller, still has the key role in the formation of functioning governing majority.
- After being one of the most prominent political issues during government term in office, EU and NATO membership almost completely vanished from public discussion during the electoral campaign.

BACKGROUND/CONTEXT

The elections in Croatia on 25th November were held on schedule after the Croatian Democratic Union (HDZ) minority government completed its four year term in office. The government relied on the support of eight minority MPs and MPs from the Croatian Pensioners Party (HSU), the Croatian Social Liberal Party (HSLS) and Democratic Centre (DC). This provided additional 14 MPs to the Croatian Democratic Union's 66, giving it a stable and workable majority. The government support was based on separate agreements with these parties who did not enter the cabinet, but did get a number of posts below ministerial level. The agreement with the Croatian Pensioners Party concerned the return of government debt to pensioners. With the Independent Democratic Serbian Party, the agreement was over the return of ethnic Serb refugees, reconstruction of their homes and reestablishment of property and social rights. The Social Liberal Party got a number of managerial positions in the publicly owned companies and senior positions in public administration. Five other minority representatives also had agreements of some form with the Croatian Democratic Union. Tacit support for the government was also provided by nationalist Croatian Party of Rights (HSP).

The only major challenge to government stability happened in the middle of the term when three MPs from eastern region of Slavonia split from the Croatian Democratic Union and formed a new parliamentary group named Croatian Democratic Assembly of Slavonia and Baranja (HDSSB). The reason for the split was personal conflict between regional the Croatian Democratic Union leader Branimir Glavaš and prime minister Ivo Sanader over war crime investigations against Glavaš. Glavaš was formerly a close ally of prime minister and was instrumental in his victory in the Croatian Democratic Union leadership contest over nationalist hardliner Ivić Pašalić after elections in 2000. Glavaš' position in the party became untenable as he became the target of an investigation for war crimes committed in the eastern city of Osijek in 1991. The split resulted in Glavaš quitting the party with two other MPs from the Osijek region and forming a separate faction within the parliament. While this split did not undermine the Croatian Democratic Union hold over government, it did result in the loss of control over the city of Osijek and Osijek county assembly to coalition of Croatian Democratic Assembly of Slavonia and Baranja and the Croatian Party of Rights.

The government main policy agenda was to move forward with the process of EU accession and bring the country closer to NATO membership. The prime minister identified himself closely with these objectives and during most of the term, these were the government's most frequently mentioned policy priorities. During the term, the government started the accession talks with the EU and made serious efforts to gain an invitation for NATO membership by boosting Croatian participation in the NATO mission in Afghanistan, despite not overly enthusiastic public opinion, and by hosting numerous collaborative military exercises. In the process the government managed to overcome the main political obstacle, the cooperation with the Hague tribunal, when Croatian police actively participated in the arrest of a fugitive general Ante Gotovina in Spain. The move was heavily criticized by the Croatian Party of Rights and veteran organizations, normally close to the Croatian Democratic Union,

and was very much in discord with the Croatian Democratic Union rhetoric before the 2003 elections. However, in the long term it seems that the move did not cause any visible damage to the popularity of the Croatian Democratic Union or Prime Minister Ivo Sanader.

The Croatian Democratic Union won the elections in 2003 by criticizing performance of previous the Social Democratic Party-led coalition government and by presenting itself as the efficient alternative to a squabbling coalition. The party also emphasized break with the previous period of the Croatian Democratic Union government in 1990s associated with crony capitalism, corrupt privatization, politicization of public services, pressure on media and similar instances of authoritarian behaviour.

However, from the very beginning of the new government term in office, some members of the cabinet and high officials appointed by the government were involved in numerous cases of what appeared to be corrupt and clientelistic behaviour. To an extent, the party also reverted to its governance practice of 1990s by targeting selected groups of voters with targeted particularistic spending policies. The opposition was not able to respond to these developments with a credible challenge mainly because opposition parties were inferior to the Croatian Democratic Union in terms of organizational resources and abilities to mount a coherent and sustained political campaign.

Eventually, public criticism and accusations of conflict of interest and corruption involving government ministers and high government and the Croatian Democratic Union officials forced the government to reverse several controversial privatization and public investment decisions and to remove some officials from office. The frequency of such events in the first half of the term started to erode government credibility. In the attempt to limit the damage in one such instance, Sanader was forced to drop one of his closest allies, foreign minister Miomir Žužul. Even apparent government success in the fight against corruption, such as busting of a network of corrupt officials in the privatization fund late in the term, backfired after questions of oversight and political accountability were raised when it became clear that supervisory board composed of several government ministers failed to notice any wrongdoing. After all this the Croatian Democratic Union entered the election year as a party that, according to most opinion polls, was less trusted and perceived to be less competent on a number of policy dimensions than their main opposition rival the Social Democratic Party.

To boost his support Sanader initiated several very visible policy measures. The government gave significant concessions to the Croatian Pensioners Party on the issue of pension increases and equalization of incomes of pensioners retiring before and after the pension reform. The government also embarked on the sale of state owned shares in oil and telecom companies to Croatian citizens under preferential conditions, in effect organizing the sale in such a way that it guaranteed high returns on purchased shares. This measure was intended, with some success, to remove the image of the Croatian Democratic Union as the party which initiated privatization that channelled public assets into the hands of party cronies. The Croatian Democratic Union also tried very hard to emphasize high economic growth, declining unemployment and completion of a number of developmental and infrastructure

projects as successes of its government. Overall, the party tried very hard to build a reputation for competence, toning down substantially anything that might resemble nationalist rhetoric party used in 1990s.

After the election defeat in 2003, due mainly to the demobilization of left voters, the opposition Social Democratic Party embarked on a process of reinvention. Party leader Ivica Račan initiated a policy of attracting individuals with high public profile and policy competence into the party. He also initiated a process of long term development of policy proposals that would serve as a backbone for the future election campaign. Given that left voters put much more emphasis on the competence and performance than right voters and were more likely to stay at home if not satisfied with either, this was a very sound long-term strategy. During this process the Social Democratic Party kept pressuring the Croatian Democratic Union on domestic politics and tried to portray it as a corrupt party running corrupt government. But at the same time the Social Democratic Party actively cooperated with the government over the issues related to the EU accession and joining of NATO. Two parties and Račan and Sanader showed a high degree of cooperation on this issue, though Račan occasionally complained that Sanader was not doing as much as he is saying in preparing the country for membership of both organizations.

Račan was diagnosed with cancer in January of 2007. The advanced illness removed him from active politics and left the party in a state of uncertainty about the composition of leadership that would lead the party in the forthcoming elections. During this process, the chief economic strategist of the Social Democratic Party and former economics minister Ljubo Jurčić, who at this time was not yet a party member, emerged as a likely prime ministerial candidate. In early polls public opinion favoured Jurčić over Sanader solidifying his position as a candidate for the post. After three months in hospital, Račan died in April of 2007 leaving the party leadership position vacant and the name of the candidate for prime minister unknown. The new party leadership contest involved four contenders, deputy party leader Željka Antunović, mayor of Zagreb Milan Bandić, former foreign minister Tonino Picula and Zoran Milanović who, apart from being a party spokesman for a while, did not hold any high party or government position but was well known as a fresh face in the Social Democratic Party. The issue of support for Jurčić candidacy for prime ministerial position became one of the most important in the leadership race. While Antunović and Bandić were ambiguous about supporting Jurčić, Milanović did not hesitate and gave his support from the start, and even managed to turn the support for Jurčić candidacy into a question of legitimacy of other candidates.

A combination of a fresh face, a modern appearance and support for Jurčić candidacy allowed Milanović to win the party leadership contest over his more experienced competitors. After the election of Milanović as a new party leader and the publication of party economic programme, support for the Social Democratic Party soared and surpassed the Croatian Democratic Union in opinion polls for most of the spring and summer. A new economic programme, in which introduction of capital gains tax aimed in large part at incomes from wealth acquired in dubious privatisations of 1990s featured prominently, became the largest asset of the Social Democratic Party during that period. Sanader was trailing Jurčić as a most favoured candidate for prime minister during most of the spring and summer.

In addition to the new economic programme, the Social Democratic Party adopted several additional popular policy positions. Apart from capital gains tax, the Social Democratic Party proposed a constitutional law that would overturn the statue of limitations and allow prosecution of crimes committed in the privatisation in the 1990s. It argued that the decision to join NATO should be made at the referendum which the government was keen to avoid, and demanded that Croatian citizens who do not live in the country permanently be excluded from voting for the elections for Croatian parliament and president.

On all of these issues 60% or more of the population supported the Social Democratic Party position. However, the fact that the party did not have a political machine as developed and as effective as that of their main rival the Croatian Democratic Union, meant that large number of voters could not very easily identify these policies with the Social Democratic Party. While this was the most obvious deficiency of the Social Democratic Party in comparison to their main rival, the new party leader did preciously little to address this issue.

While positions he was advocating were in agreement with the public opinion at large, Jurčić was not well accepted by some segments of the political and media establishment. This brought him a lot of negative publicity and lot of criticism of his economic programme which was not always based on proper understanding of his intentions. At the same time problems related to defining the role of Jurčić and Milanović started to appear, as it was not certain what would be the division of labour and decision-making power between the party leader and the party candidate for prime minister.

As the elections got closer smaller parties also started to make moves to prepare themselves for the forthcoming contest. After suffering constant haemorrhage of voters the liberal bloc containing four parties started to consolidate when mergers between two pairs of liberal parties happened. At first, the Croatian People Party (HNS) merged with the LIBRA, small splinter party from Croatian Social Liberal Party (HSLS) which split in 2001 over the division within the Croatian Social Liberal Party on the issue of participation in the Social Democratic Party-led coalition government. Then the Croatian Social Liberal Party itself merged with the Liberal Party (LS), another splinter from the Croatian Social Liberal Party. The Liberal Party split from the Croatian Social Liberal Party in 1998 because leadership claims of Dražen Budiša and Vlado Gotovac, two prominent liberal dissidents, could not be reconciled. While in the 1990s liberals were the second political force in country, at this point the merger of liberal parties became more a matter of survival than of strengthening their electoral appeal.

Upon incorporation of LIBRA, the Croatian People Party embarked on a lengthy campaign aimed at profiling Radimir Čačić, former minister of infrastructure and public works in the Social Democratic Party-led government, into a candidate of the left for the prime minister. After initially managing to boost Čačić standing the attempt failed after the Social Democratic Party completed their election of Milanović as party leader and put forward Jurčić as a candidate for prime minister. Worse still, the ascendancy of the Social Democratic Party started to squeeze the Croatian People Party's support.

The leadership of nationalist Croatian Party of Rights (HSP) also started manoeuvring to make the party more acceptable as the coalition partner for the Croatian Democratic Union in the eyes of European observers. During this process the party dropped occasional veiled expressions of sympathy for the Ustaša regime and anti-Serbian pronouncements. Instead the party put emphasis on the necessity to create an exclusive economic zone in the Adriatic and on restrictions on foreign ownership of land. The Croatian Party of Rights also used the fact that it was the only party which did not participate in government to present itself as the only truly honest party.

The long spell in opposition made the party very sensitive to opportunities to gain at least some power. To this end, and to maintain the Croatian Party of Rights' nationalist credentials in order to rally nationalist voters, party leader Anto Đapić moved in to defend Glavaš, who by now was already arrested and started a hunger strike in prison. In coalition with the Croatian Democratic Assembly of Slavonia and Baranja Đapić became the mayor of Osijek and shared power with the Croatian Democratic Assembly of Slavonia and Baranja in Osijek county. His long term aim might have been to lure more nationalist voters from the Croatian Democratic Union by opposing government over prosecution of war crimes and accusing Sanader of pursuing personal vendetta against Glavaš. Such a stance did boost support for the Croatian Party of Rights making it the third strongest party in opinion polls.

The Croatian Peasant Party (HSS) suffered heavy losses in the 2003 elections. The party changed leadership and during most of the parliamentary term it tried to boost its support by pushing hard for the setting up of an exclusive economic zone in the Adriatic, for increasing subsidies to small family farms and for restrictions on foreign ownership of land and long transition periods after Croatia's EU accession. The party had more or less stable support between two elections and entered the election campaign competing for the fourth place in the opinion polls with the Croatian People Party.

ELECTION CAMPAIGN

The electoral campaign for 2007 parliamentary election was one of the least interesting in modern Croatian history. The media coverage was relatively sparse and, barring a large number of the Croatian Democratic Union television ads and posters on the streets, an ordinary observer would have a hard time figuring out that a serious political contest was taking place.

The most of the competition in the campaign took place between two largest parties, the Social Democratic Party and the Croatian Democratic Union. The role of other parties in the campaign could be quite accurately described as marginal. Issues dominating the campaign were economic issues and governing competence. The Croatian Democratic Union campaign was very personalized and focused heavily on the party leader Ivo Sanader who was portrayed as a competent and strong leader. Party campaigning emphasized the Croatian Democratic Union record in government pointing out high economic growth, declining unemployment, investments in infrastructure, return of debt to pensioners and educational reforms. European Union

and NATO did not play a very important role in the election campaign of the Croatian Democratic Union.

The Croatian Democratic Union was also trying to discredit the economic policy of the Social Democratic Party as a tax-increasing state interventionist adventure that would increase the costs of living and taxes for ordinary citizens and strangle the nascent capital market. The party was also challenging the dual leadership of the Social Democratic Party pointing out that the role of party leader Zoran Milanović in the potential left government was not clear and questioning the weight and autonomy of the Social Democratic Party candidate for prime minister Ljubo Jurčić. Finally, the Croatian Democratic Union was trying to boost turnout among Croats living abroad, especially in Bosnia and Herzegovina, by advertising the opposition of the Social Democratic Party to their participation in parliamentary elections in Croatia and running a campaign in Bosnia very similar in intensity to the one it ran in Croatia. While trailing the Social Democratic Party in the polls by 5-7 % for most of the spring and summer, the Croatian Democratic Union manage to close the gap in September and October.

In contrast to highly personalized campaign of the Croatian Democratic Union, the Social Democratic Party put forward a concept of a team of highly competent individuals. The Social Democratic Party entered the campaign from a position of strength. For months party was ahead of the Croatian Democratic Union in the polls, it had a popular leader and relatively popular candidate for prime minister and potentially larger number of coalition partners than the Croatian Democratic Union. The main issues of the Social Democratic Party in the campaign were the introduction of capital gains tax, referendum for NATO membership and the limitation of rights of Croats living out of the country to vote in the elections and referendums in Croatia. To highlight its point, the Social Democratic Party refused to run candidates in the 12th electoral district comprising citizens with permanent residence out of Croatia.

On most of these issues public opinion was in agreement with the Social Democratic Party, but given a lacklustre campaign, less informed voters had difficulties actually identifying the Social Democratic Party with these positions. Very weak presentation of the Social Democratic Party policy proposals was particularly evident in the presentation its economic programme which called for improvements in competitiveness of the Croatian economy by pushing up the value added and technology chain.

Weak presentation allowed the Croatian Democratic Union to portray this program solely through the prism of capital gain tax which would strangle emerging capital markets, take away the earnings of small shareholders and introduce socialist planning in the economy.

While the Social Democratic Party put forward several additional policies, because of very unremarkable campaign the message and objectives of these policies were almost invisible to voters. The Social Democratic Party also aimed to portray the Croatian Democratic Union as a corrupt party with a corrupt and authoritarian leader. Milanović especially took aim at Sanader spending almost all his airtime on national TV programmes attacking the Croatian Democratic Union leader and his actions.

Given that left voters in Croatia already have strong negative opinion about the probity of the Croatian Democratic Union and its leader, but are not reacting well to negative message and political squabbling, this was not a very successful strategy. The Social Democratic Party was also trying to boost support by calling voters in Croatia to turn out and prevent votes from abroad in deciding who would govern the country.

In October, after the start of campaign, the visibility of Jurčić declined substantially while Milanović took centre stage. While Jurčić was supposed to be a future leader of government, in the campaign he was just another member of the team. This damaged his leadership credibility substantially. In fact, since he was chosen as the Social Democratic Party candidate for prime minister, Jurčić was subject to heavy criticism by political analysts, media and elements of left wing establishment as not being political enough, for not being ideologically rooted on the left and for having the wrong kind of economic programme. The attacks were particularly forceful in the newspapers of the leading media conglomerate, Europa Press Holding. However, while not being in agreement with the media and political establishment, Jurčić was in agreement with public opinion. As long as he maintained his public visibility, Jurčić poll numbers held steady. In September his poll ratings were still higher than those of Sanader. But with the start of the campaign his public visibility was much lower than that of the party leader, the criticism continued, his poll numbers started to decline and the idea that he was a liability for the Social Democratic Party started to take hold.

Even though the electoral campaign was rather uninteresting, the Croatian Democratic Union and its leader did a much better job in getting across its message than the Social Democratic Party. This was a reflection of the significantly better campaign abilities of Sanader and the stronger party organization and discipline of the Croatian Democratic Union.

On the margins of the contest between the Croatian Democratic Union and the Social Democratic Party was weaker campaign of the Croatian People Party to position Radimir Čačić as the leading candidate of the left for prime minister. After a lengthy campaign, starting almost a year before the election Čačić failed to assert himself. The Croatian People Party was forced to accept the growing strength of the Social Democratic Party and the party committed itself to the coalition with the Social Democratic Party well before the peak of the campaign.

After the start of the campaign, the leader of the Croatian Party of Rights Đapić tried to bridge the gap between the Croatian Party of Rights and the Croatian Democratic Union in order to make his party acceptable coalition partner. His poll ratings at the beginning of the campaign, with the Croatian Party of Rights being the third strongest party, gave him a solid reason to hope that his party would finally be able to participate in government. The repositioning of the Croatian Party of Rights included a forced break up of the coalition with the Croatian Democratic Assembly of Slavonia and Baranja in Osijek city and Osijek county. However, such manoeuvring and some previous actions of similar character resulted in the split within the party when two prominent and respectable MPs, Miroslav Rožić and Tonči Tadić, quit the party shortly before the elections accusing Đapić of inconsistency, political opportunism and a dictatorial style of leadership. It seems that general public took the

same view and this lead to a rapid loss of credibility of the Croatian Party of Rights and Đapić which resulted in a drastic drop of support for the Croatian Party of Rights in opinion polls just before the elections. At the same time when Đapić's problems started, Sanader saw the opportunity and launched oligopolistic strategy aimed at eliminating the Croatian Party of Rights as a competitor on the right and taking over segments of its electorate. In this period the Croatian Party of Rights was subjected to a sustained attack from the Croatian Democratic Union based on the argument that in a truly bipolar competition vote for the Croatian Party of Rights helped split the right and played into the hands of the Social Democratic Party. In the process a number of local organizations of the Croatian Party of Rights joined the Croatian Democratic Union. It is interesting that Sanader did not have to use nationalistic rhetoric to bring this strategy to successful completion. As a result of all this, just before the elections it became very uncertain if the Croatian Party of Rights would win any seat in the new parliament.

The electoral campaign of other parties, including the coalition of the Croatian Peasant Party and the Croatian Social Liberal Party was quite unremarkable and did not produce any significant events. The coalition was mainly emphasizing the Croatian Peasant Party's favourite issues; full implementation of exclusive economic zone and the subsidies to small family farmers, social group that formed the main bloc of the Croatian Peasant Party electorate.

THE IMPACT OF EUROPE

The issue of EU membership or NATO membership did not play a very important role in the campaign. While EU and NATO membership were most important policy goals of the Croatian Democratic Union government and the government maintained high profile of all measures it undertook in this direction, the issue of NATO and the EU all but disappeared from public debate in the year before the elections.

One of the reasons might be because after 2003 elections support for the EU, and even more so for NATO, declined. In 2002 support for EU membership was close or at 70%, and support for NATO was not very far. However, as a consequence of the conflict of first the Social Democratic Party led coalition and than the Croatian Democratic Union government with the international tribunal for war crimes in former Yugoslavia and frustration with the pressure from European commission this conflict generated, support for the EU started to decline. Within this period the support fell down to 50% and support for NATO even further down to 40%. Also, high profile of EU related issues since the Croatian Democratic Union government came to power produced fatigue among the voters who wanted more focus on domestic and economic topics and less talk about the EU.

It became clear that if support is to recover, the political prominence of EU issue needs to be toned down. It also became clear that emphasizing the importance of EU membership in the campaign might not only fail to bring any benefits, but it could also bring electoral costs.

Most parties, even those more critical of the government efforts to speed up the accession process at the expense of certain domestic interests, namely the Croatian Peasant Party and the Croatian Party of Rights, came to a conclusion that competition over the EU and NATO can damage long term interests of the country. Only occasionally did the Croatian Peasant Party and the Croatian Party of Rights bring forward their demands that an exclusive economic zone in Adriatic has to be declared even if EU opposes it and that foreign land ownership, especially of agricultural land, needs to be curtailed. The Social Democratic Party criticized the government over the speed of the accession talks and over the insufficiency of some measures needed to improve conditions in the judiciary and public administration. But even this criticism was quite infrequent.

The support for EU was more or less evenly split between the main parties and no party, bar the Croatian Peasant Party and the Croatian Party of Rights could hope to win votes by pressing on with this issue. The Croatian Party of Rights and the Croatian Peasant Party on the other hand were afraid that more pronounced scepticism toward the EU might tie their hands after the election and reduce their coalition potential. Therefore both parties decided mostly to stay clear of the European issue. The Croatian Democratic Union also did not need to emphasize the issue at the time when last thing it wanted was to alienate more nationalistic voters it wanted to turn away from the Croatian Party of Rights. The result was at best marginal role of European issue in the elections.

RESULTS

The Croatian electoral system uses proportional representation formula in ten electoral districts, each numbering between around 350 000 and 400 000 voters with equal district magnitude of 14 seats. Seats are allocated on the basis of d'Hondt formula to parties who pass the threshold of representation of 5% of votes cast in the district. Apart from 140 seats allocated in this way, the parliament includes 8 seats reserved for national minorities, of which three belong to Serbian national minority and five to other minorities. Members of minorities can choose whether to vote in one of the ten regular districts or in their respective minority district encompassing the whole country. The number of votes that can be cast in minority districts is corresponding to a number of MPs elected but no cumulation of votes is allowed. The candidate who wins the relative majority is elected. An additional electoral district is reserved for Croatian citizens who do not have residence in Croatia. This district is a controversial issue in Croatian politics. It was introduced by the Croatian Democratic Union government in 1995 elections in order to allow the Croatian Democratic Union supporting Croats from Bosnia and Herzegovina to vote in Croatian elections. Since 2000 election a fixed district magnitude of 12 seats was replaced with the rule that the number of seats awarded to each party in this district is decided by dividing the number of votes of individual party with the average number of votes needed to win a seat in ten regular electoral districts in Croatia. The district, as well as voting rights for Croats living in Bosnia and Herzegovina, became an issue in 2007 election when most parties voiced their opposition to separate representation for this particular group in Croatian parliament. Most of parties on the left and in the centre refused to field candidates in this district.

The election results on the 25th of November were somewhat surprising. Although in most opinion polls, including exit polls on the election day, the Social Democratic Party was in the lead and it was expected it will win several seats more than the

Croatian Democratic Union, it was the Croatian Democratic Union that emerged as the relative victor of the elections keeping the same number of seats it won in the last elections. The Social Democratic Party increased its votes and seats shares substantially in a result which was a huge improvement for the party compared to 2003 elections. The results, shown in Tables 1 and 2, show two major parties winning more than 65% of votes and 80% of seats. The result reflect bipolar dynamic of party competition visible in the campaign and for the whole year preceding elections. Given different coalition arrangements in 2003 and 2007 the results are not exactly comparable but winners such as the Social Democratic Party and losers among smaller centrist parties and the Croatian Party of Rights can be clearly recognized.

Given that the Social Democratic Party in 2003 had joint lists with three other parties, including the Istrian Democratic Assembly, regional party from Istria that won close to 40 000 votes this time, we can safely say that the Social Democratic Party increased its support by more than 250 000 votes compared to 2003 elections. The Croatian Democratic Union also visibly increased its support. The biggest losers were centrist parties and the Croatian Party of Rights. The Croatian Peasant Party won less in coalition with the Croatian Social Liberal Party than in 2003, and the same thing happened to the Croatian Social Liberal Party which accounted for the largest share of 100 000 votes won by the Croatian Social Liberal Party-Democratic Centre coalition in 2003. The Croatian People Party also suffered the loss of 30 000 votes, but still remained the third largest party. The Croatian Party of Rights took a particularly heavy beating, losing half of its electorate and all but one of its seats.

Table 1. Election results in 2003 and 2007 parliamentary elections.

| 2003 | | | 2007 | | |
|------------------|-----------|---------|----------|---------|---------|
| party | votes | % votes | party | votes | % votes |
| HDZ* | 800 503 | 32,29% | HDZ* | 833 829 | 33,30% |
| SDP/IDS/LS/LIBRA | 560 593 | 22,61% | SDP | 776 425 | 31,01% |
| HNS | 198 781 | 8,02% | HNS | 168 420 | 6,73% |
| HSS | 177 359 | 7,51% | HSS/HSLS | 161 802 | 6,46% |
| HSLS/DC | 100 335 | 4,05% | HSP | 86 846 | 3,47% |
| HSP | 158 073 | 6,38% | HSU | 101 084 | 4,04% |
| HSU | 98 537 | 3,97% | IDS | 38 266 | 1,53% |
| Turnout | 2 503 349 | 68% | HDSSB | 31 795 | 1,27% |
| Turnout | 2 545 164 | 62% | | | |

*Including votes of citizens living abroad cast in the XII electoral district the Croatian Democratic Union (HDZ) won 840692 votes or 33,91% in 2003 and 907242 votes or 36,24% in 2007.

The results clearly show that the Social Democratic Party sucked in a large share of voters who previously supported an array of smaller left and liberal parties. The Croatian Democratic Union, despite their splinter the Croatian Democratic Assembly of Slavonia and Baranja picking up a share of its voters in Slavonia, was quite successful in squeezing the Croatian Party of Rights and taking a significant share of its voters. The Croatian Pensioners Party despite winning slightly more votes lost two of its three seats in the parliament. In addition to getting 35 000 more votes in Croatia, the Croatian Democratic Union also managed to mobilize around 30 000 more votes in the XII electoral district where Croatian citizens permanently residing aboard vote.

The elections did not produce a clear winner. The Croatian Democratic Union did win a relative majority and 66 seats. But the Social Democratic Party together with the Croatian People Party and the Istrian Democratic Assembly, both of which committed to a coalition with the Social Democratic Party before the elections, also had 66 seats. The key to government lay in the hands of coalition between agrarian the Croatian Peasant Party and liberal the Croatian Social Liberal Party controlling the total of eight seats. At this point bi-polar pattern of competition which prevailed in the campaign was replaced with tri-polar pattern of competition where the coalition of the Croatian Peasant Party and the Croatian Social Liberal Party was a pivotal actor and had bargaining power much bigger than their actual election result would justify. Leaders of the coalition added to their bargaining power by keeping both options open in the early days after the elections. Another important actor was Serbian minority party the Independent Democratic Serbian Party, hitherto in coalition with the Croatian Democratic Union but hinting at this point that it might be willing to go into a coalition with the Social Democratic Party and its partners.

Table 2. Distribution of seats in 2003 and 2007 parliamentary elections.

| Year | 2003 | 2007 |
|-------------------------|--------------------------|------|
| HDZ | 66 | 66 |
| SDP | 34 | 56 |
| HNS | 11 | 7 |
| HSS | 9 | 6 |
| HSP | 8 | 1 |
| HSLS | 2 | 2 |
| HSU | 3 | 1 |
| IDS | 4 | 3 |
| SDSS | 3 | 3 |
| HDSSB | (3 after split with HDZ) | 3 |
| LS (merged with HSLS) | 2 | - |
| DC | 1 | - |
| LIBRA (merged with HNS) | 3 | - |
| Others | 1 | - |
| Minorities | 5 | 5 |
| Total | 152 | 153 |

POST ELECTION DEVELOPMENTS

Given the inconclusive results of the elections, it fell upon the president of the republic to give the mandate for a formation of government to a leader of one of two largest parties. President Mesić, in accordance with constitutional provisions, proclaimed on the election night that he would give a mandate after finishing consultations to a leader who could assemble an overall majority of MPs. Some commentators interpreted the president's behaviour as a refusal to give the mandate to the Croatian Democratic Union, and as a move in which the president sided with the Social Democratic Party. While the president's intentions with respect to the Social Democratic Party remained unclear, after the first round of consultation it was evident that neither the Croatian Democratic Union nor the Social Democratic Party had the

majority, and that the president intended to stick to his word to give a mandate to a side that secured the support of majority of MPs.

In the meantime, in a rather unexpected move Milanović replaced Jurčić with himself as the candidate for prime minister. After a lengthy negative campaign Jurčić's public standing was badly damaged and most commentators got to view him as a liability for the party. His much weaker presence in the public eye during the campaign caused his poll ratings to fall below those of Milanović, and substantial share of public opinion got to view him in the similar light. It might have been expected in the Social Democratic Party that the replacement of Jurčić with Milanović would boost the chances of the Social Democratic Party of forming a government, especially when leaders of the Croatian Peasant Party Josip Friščić, and the Croatian Social Liberal Party Đurđa Adlešić gave some statements that could be interpreted in such a way. However, two days after Jurčić was dropped the events showed that this action did not get the Social Democratic Party and Milanović any closer to forming a government. However, it did result in Milanović being labelled as an inconsistent politician making a serious error of judgment. Milanović was the first contender for the Social Democratic Party leadership who firmly endorsed Jurčić's candidacy and maintained his public support for him throughout the period. While most commentators did not question the rationale of this decision, they did question Milanović's judgment in the selection of timing and method.

While Josip Friščić, leader of the Croatian Peasant Party and Đurđa Adlešić, the leader of the Croatian Social Liberal Party most likely intended to strengthen their hand by negotiating exclusively with holder of the mandate, president's decision to keep waiting until a majority emerged forced their hand. A week after the elections they decided to open the talks with the Croatian Democratic Union as the relative winner of the elections. After several days of negotiations newspaper reports suggested two parties coming close to clinching a deal with the Croatian Democratic Union. While the final outcome and the details of the deal are still not clear, it seems more likely by the day that Ivo Sanader will win another term as the prime minister, this time running a majority government composed of the Croatian Democratic Union, the Croatian Peasant Party, the Croatian Social Liberal Party and the Independent Democratic Serbian Party, and very likely being supported by at least four other minority representatives.

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