

POLITICAL AND ECONOMIC CONSEQUENCES OF CROATIA'S EU INTEGRATION

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Annotation

Regional economic cooperation is of great importance. For these countries, rapid economic development is a major concern on the path to EU integration. Economic development without cooperation is unthinkable. There are many issues in such areas as trade, energy security, transport issues and other. Because the economies of countries are fragmented regional cooperation is necessary to eliminate these problems.

We have to define the strategy of European Union with Serbia and Croatia. For the EU, regional cooperation with the Western Balkans, including Serbia and Croatia, as well as its deepening, especially between the countries of the Western Balkans, is a top priority, since such cooperation is a key factor in political stability, economic development and security.

In our opinion economical indicators give us some idea of the development dynamics of these two countries. Despite cultural, political and historical differences, Serbia will also be able to take an interest in deepening economic, cultural and political co-operation with the EU, including Croatia

Introduction

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In our opinion, economical indicators give us some idea of the development dynamics of these two countries. Despite cultural, political and historical differences, Serbia will also be able to take an interest in deepening economic, cultural and political co-operation with the EU, including Croatia.

Political and economic consequences of Croatia's EU integration

1.1. EU strategy towards Serbia and Croatia

We have to define the strategy of European Union with Serbia and Croatia. For the EU, regional cooperation with the Western Balkans, including Serbia and Croatia, as well as its deepening, especially between the countries of the Western Balkans, is a top priority, since such cooperation is a key factor in political stability, economic development and security.

The countries of the Western Balkans region are: Bosnia and Herzegovina, Albania, Croatia, Macedonia, Serbia and Montenegro, as well as Kosovo under the auspices of the UN, in accordance with **UN Security Council Resolution 1244**. It is clear to the EU and its member states that the stability of the Western Balkans is important not only for the countries in the region, but also for neighboring countries. (UN Security Council Resolution 1244)

Regional cooperation has significant political, economic and security implications. The political significance lies in the fact that regional cooperation is crucial for the stability of the region, this cooperation is a catalyst for reconciliation and the establishment of good political relations. Such cooperation helps to overcome nationalism, develops common views and promotes political dialogue between countries.

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Security is another important aspect of regional

cooperation. Countries need more coordination to deal with organized crime, illegal border crossings and other such problems, which the EU is trying to ensure in the format of regional cooperation. The EU has provided a number of assistance to these countries. For example, in 2005-2016, the EU assisted these states in issues such as building independent institutions, the judiciary, cooperating with each other, developing the private sector and infrastructure. (EU, 2016).

Much of the assistance is still ongoing to enable these countries to meet the criteria necessary for EU membership (Communities, 2005). It is interesting what "stage" of integration these states are in. Candidate countries are: Albania, Montenegro, Serbia, while Bosnia and Herzegovina, and Kosovo are potential candidates. As for Croatia, it became a member of the European Union on July 1, 2013. (EU, 2016).

1.2. Impact of Croatia's EU integration on the region

The unification of Croatia with the EU has not been met with great joy by all, especially its neighboring non-member states. When Croatia was preparing for EU membership, there were conflicting views on how this process would affect its regional neighbors. As we know, the European Union has been awarded the Nobel Peace Prize. This included the policy pursued by the European Union in the Balkan region. The role of the European Union in establishing stability and reconciliation was great. Eurosceptics, meanwhile, said the EU was not in the best shape and that there were many problems within the EU itself. Criticism also touched on the EU strategy in the Balkan region. (Bideleux & Jeffries, 2007).

The leader of one of the UK's political parties noted that instead of peace and harmony, the EU

would lead to riots and violence in the Balkans. It should also be noted that the EU had major economic problems in 2012-2013, when Croatia's integration process was quite active, which was mainly the object of criticism. (Maurice, 2016,)

Although there were positive messages to the Western Balkans, the prospect of EU integration was still unclear. For example, Angela Merkel said that she agreed with Croatia's integration into the European Union, but in no way would she agree to the accession of other states, including the states of the Balkan region. (Maurice, 2016).

Croatia stood out from all the Western Balkan countries in terms of its own economic indicators. A precondition for Croatia's membership in the EU was the transfer of the accused generals to the Hague tribunal. It was the generals who took part in the conflicts, and who committed a number of crimes against humanity. The same precondition was set for Serbia. Public attitudes towards the EU in the Western Balkans fluctuated. In addition to the benefits received from the EU, there was a danger that the economic situation of neighboring countries would deteriorate with Croatia's accession to the EU. This would even lead to a deterioration of political and trade relations. (Bideleux & Jeffries, 2007)

Croatia's accession to the European Union has had the greatest impact on Bosnia-Herzegovina's economy. The exports of this country, especially the export of agricultural products, were largely dependent on the Croatian market. With Croatia's accession to the European Union, Bosnia-Herzegovina would no longer be able to export its products to Croatia in the same quantities as before. (Zaba, 2016)

The ethnic diversity of Bosnia and Herzegovina is also a problem. 48% of the population of this

country are Muslim (so-called Bosniak), 37% are Serb and 14% are Croat. Due to frequent conflicts in the Balkans, wars and borders, many people had dual citizenship. This creates the problem that Bosnian Croats would use the privileges granted to them as citizens of Croatia as an EU Member State and take advantage of the EU market, which other citizens in Bosnia could not afford. (Zaba, 2016)

1.3. Consequences of Croatia's EU integration

Croatia's accession to the EU was not supported by neighboring countries because it would have to cancel a multilateral free trade agreement in line with EU requirements. At the regional level, trade with all non-member states would be independent of the trade agreements between these countries and the European Union. Brussels thought that this would give all candidate countries the impetus to carry out reforms faster, which would eventually lead them to EU membership. (Neag). Compare the macroeconomic indicators of Croatia and Serbia in 2013, when Croatia joined the EU, and in 2017. Determining the level of well-being of maids in both countries and the dynamics of this wearer will give us some idea of the perspective of their relationship.

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Croatia had a high-income economy. In 2013, data from the International Monetary Fund and Eurostat showed that Croatia's nominal GDP was \$ 63,842 billion, or \$ 14,457 per capita. It was equal to \$ 18,191. According to Eurostat, in 2012, Croatia's PPP GDP was equal to 61% of the EU average.

After joining the EU in 2019, or six years, GDP at purchasing power parity totaled \$ 100,006 billion and \$ 24,053 per capita. That is an increase of \$

36,164 or 36 percent, which is a very impressive growth rate. The Gini coefficient, or the difference between rich and poor, is 30.6, which is considered average, while the human development index is 0.826. It is very high and according to him Croatia ranks 45th in the world (Eurostat, 2020)

Now let's see what the picture of the Serbian data gives us in terms of similar indicators. In 2011, PPP gross domestic product totaled \$ 28.370 billion, or \$ 3,200 per capita. This is already 15 thousand dollars less than the data of Croatia in 2011.

In 2019, GDP was a total of \$ 107,131 billion, and \$ 15,321 per capita. Growth rates in this country are also very high, but in terms of GDP per capita, Serbia lags behind Croatia by almost 10 thousand dollars. The Gini coefficient is high at 38 percent.

That is, the difference between rich and poor in Serbia is much higher. The human development index in Serbia as of 2019 is 0.776. The same figure in Croatia is 0.826, or 52 points higher. (Eurostat, 2020)

We think these indicators give us some idea of the development dynamics of these two countries. Despite cultural, political and historical differences, Serbia will also be able to take an interest in deepening economic, cultural and political cooperation with the EU, including Croatia.

As for EE-Eastern Europe, it is true that the South Caucasus was not even considered a part of it at that time, but in the political agenda the countries of this subregion still appeared together with other countries of Eastern Europe (Gogolashvili, 2018) Later, the Council of Europe (1999) and later, in 2014, the record in the "Association Agreement with Georgia" that it is an "Eastern European state" has virtually minimized doubts about whether Georgia has the right to apply for EU membership under Article 49 of the Treaty establishing the European Union. (European Community, 2020)

Conclusion

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