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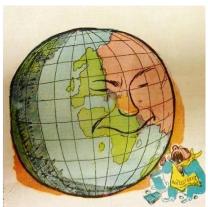




Perspectives of Croatia's Africa relations as impending member of the Eurozone

Dirk Kohnert 1

Tito's view on Africa, imperialism and the Wall Street



Source: Blazsetin, 2019²;

Abstract: In July 2020 the EU parliament voted in favour to Croatia's bid to become the newest member of the eurozone from 1 January 2023. It fulfilled all the criteria for adopting the euro, despite the backdrop of the COVID-19 pandemic, high inflation, and the impact of Russia's invasion of Ukraine. Croatia's accession to the euro will be the first significant positive step in the European integration process since Brexit. It may depict perspectives for further enlargement of the eurozone in the Balkans. The admission will also impact EU Africa relations. Alongside its close foreign relations with South Africa, Zagreb established diplomatic relations with South Sudan, Somalia, and the Central African Republic in 2020. Yet, regarding Croatia's long-established African relations it would be decisive to take account of the lessons learned from its multifaceted African relations history. Croatian explorers like Dragutin Lerman, mostly unknown outside their home country, had been active in exploring Sub-Saharan African countries in the early 20th century. During the Cold War, political and economic relations between Yugoslavia (including Croatia) and the African nonaligned countries improved significantly in the period between 1973 and 1981. Mutual economic cooperation between nonaligned countries was encouraged to fight 'underdevelopment' in Africa. Thus, within the framework of industrial cooperation, two Yugoslav-Ghanaian joint ventures were formed in 1971, for example for forest exploitation and wood processing and a joint factory for the production of motorcycles and pumps in Ghana. Moreover, Yugoslavia was the only non-African country which participated in the funding of the Liberation Committee of the Organisation of African Unity (OAU), although Zagreb preferred bilateral relations with individual liberation movements. Yet, during the process of transition, both Croatia and South Africa experienced difficulties with the illicit arms trade due to high levels of corruption within the judicial system and poli

Keywords: Croatia, Yugoslavia, Zagreb, Balkans, Balkan Studies, Western Balkans, Cold war, Non-aligned movement, EU, eurozone, Sub-Saharan Africa, OAU, economic development, informal sector, international trade, Ghana, South Africa, African Studies

JEL-Code: D31, D62, E26, F13, F22, F35, F54, N14, N17, N47, O15, O17, O19, O52, P27, Z13

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² Cartoon from the cover of the satirical Croatian magazine *Kerempuh* (Eulenspiegel),(Kerempuh, 1948, no. 158: 1). © (all rights reserved). Source: Blazsetin, 2019.

1. Introduction

On 5 July 2022, the <u>European Parliament</u> voted in favour of <u>Croatia</u>'s entry into the <u>Eurozone</u> from 1 January 2023. This marked a further enlargement of the Eurozone in the <u>Balkans</u> and was the first significant step to promote <u>European integration</u> since the unfortunate backslash by <u>Brexit</u> (EP-news, 2022). Croatia fulfilled all criteria for adopting the <u>euro</u>. It had even a higher level of price convergence with the Eurozone compared to other member states on their adoption of the euro, although it had at the same time to cope with the backslash of the <u>COVID-19 pandemic</u>, high inflation, and <u>Russia's war against Ukraine</u>. Already in January 2020, Croatia had assumed the Presidency of the <u>Council of the European Union</u>. Moreover, the <u>Freedom House's</u> annual study of political rights and civil liberties worldwide rated Croatia as 'free' in 2022.

Zagreb had joined the EU already before on 1 July 2013, and NATO in 2009. Its largest export market was Italy, and more than 60 % of Croatia's exports went to the EU (Judah, 2013). It had the largest GDP per capita of the five countries in the Western Balkan. Yet, Croatia changed considerably since the beginning of the admission process. In 2013 its economy experienced a recession effectively for the fifth year with unemployment rising from 13.4% in 2008 to up to 20.4% in 2013. Its population was ageing and shrinking, from 4.7 million to less than 4.3 million, mainly because many Croatian Serbs had left the country in the 1990s (Judah, 2013).

Cartoon 2: 'Welcome Croatia!'
Perspectives on Croatia joining the EU in 2013 as 28th EU-member



Source: Fritz Behrendt, cvce.eu © (all rights reserved).

According to Croatian Prime Minister <u>Andrej Plenković</u>, <u>Croatia</u> should use its admission to the <u>Eurozone</u> also as an opportunity to improve Croatia-Africa economic relations. This would be an opportunity to join the efforts of both <u>African</u> governments and the EU to strengthen and stabilise African <u>fragile states</u> and - by crisis prevention and promoting <u>good government</u> - also prevent <u>migration flows</u> (Spasojević, 2018). Therefore, <u>Zagreb</u> established additional diplomatic relations with <u>South Sudan</u>, <u>Somalia</u>, and the <u>Central African Republic</u>

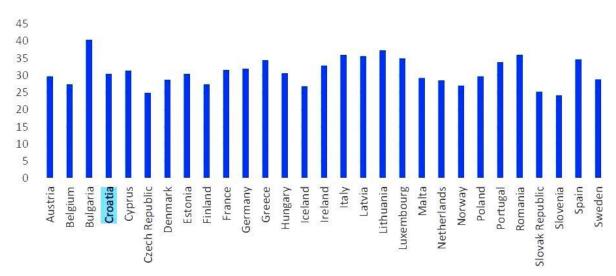
in 2020 (Hina, 2020), apart from the close foreign relations with 35 <u>Sub-Saharan</u> states, already established before, notably with <u>South Africa</u> (see chapter 2 below for more details).

<u>Croatia</u>, as a major successor to the collapsed <u>Yugoslavia</u>, has long-established special ties with African countries, which Zagreb tries to honour as far as possible. Already during the <u>Cold War</u> Yugoslavia instituted significant political, cultural and economic relations with the newly independent African states. Moreover, it was the only non-African country which participated in the funding of the <u>Liberation Committee of the Organisation of African Unity</u> (OAU), although <u>Zagreb</u> preferred bilateral relations with individual liberation movements (Wikipedia, 2022 ³).

To promote development in African <u>nonaligned countries</u> in the period between 1973 and 1981 <u>Belgrade</u> relied mostly on encouraging mutual economic cooperation (Pustaj, 2016). One example was the industrial cooperation with <u>Ghana</u> and two Yugoslav-Ghanaian <u>joint ventures</u>, established in 1971. Thus, ŠIK from <u>Kruševac</u> participated in a joint venture for forest exploitation and wood processing (TTK-LTD), and <u>Tomos</u> from <u>Koper</u>, cooperated in the form of a joint factory for the production of motorcycles and pumps (TOMOS-GHANA LTD) (Pustaj, 2016).

However, the leaders of <u>African independence</u> in the 1960s and 1970s, like <u>Kwame Nkrumah</u> (Ghana), <u>Léopold Sédar Senghor</u> (Senegal), <u>and Sékou Toure</u> (Guinea), were sceptical vis à vis developments in the <u>Balkans</u> which was for them synonymous to intestine strife and ethnic as well as national disintegration, in short, '<u>Balkanisation</u>', which became part of the phrasing of threats to modern <u>African nationalism</u> by <u>African leaders</u> (Neuberger, 1976).

Yet, the post-communist countries of the <u>Western Balkan</u> suffered from increasing poverty and high unemployment rates which impaired economic cooperation with <u>SSA</u> countries. Also, growing income inequality impacted the further progress of poverty in <u>Croatia</u> (Mansi & Hysa & Panait & Voica, 2020).



Graph 1: Income inequality in Croatia, compared with other European countries (2009-2018, Gini coefficient)

Source: Mansi, et. al., 2020

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³ Source: Yugoslavia and the Organisation of African Unity. Wikipedia

2. Croatia's foreign political relations with SSA

<u>Croatia</u> can look back on a wealth of experience from the history of its relations with Africa. <u>Yugoslavian</u> explorers and travellers, mostly unknown outside their home countries, had been active in Africa. These include <u>Slovenian</u> catholic missionaries, the most famous among them was <u>Ignacij Knoblehar</u> (1819-1858), a <u>Slovene Roman Catholic</u> missionary in <u>Eastern North Africa</u>, who was very active in <u>Sudan</u>, as well as two of his countrymen who proselytised in the <u>German African colonies</u>. Moreover, <u>Dragutin Lerman</u> (1883-1919) an administrator of the so-called <u>Congo Free State</u> (*État indépendant du Congo*, in French), was a Croat. Croats, too, were the brothers Seljan who contributed to the expansion of the territory of the Ethiopian king <u>Menelik II</u> (1844-1913) (Smitek, & Lazarevic & Petrovic 1993).

On the other hand, French colonial administrators were quite impressed by the Austrian administration of the Balkans, the <u>Austro-Hungarian Empire</u>, and its organization of military frontiers in Austrian frontier regiments during the 19th century, including <u>Croatia</u>. They considered applying a similar system to organize <u>French colonies in Africa</u>, thereby employing the same racist, biased, cut-and-dried sentiments they held of the Croats to impose it on Africans in their colonies ⁴ (Emerit, 1959; Blanc, 1951). Thus, <u>Thomas Robert Bugeaud</u>, (1784 –1849), <u>Marshal of France</u> and <u>Governor-General of Algeria</u>, wanted to create in <u>Algeria</u> military groupings of natives without individual property. He founded villages with such 'frontier regiments' that then were handed over to civilian French cultivators. These new centres of European settlement were meant to be more effective than those, where official colonization had been practised before (Emerit, 1959; Blanc, 1951).

These racist views of the colonial masters were consolidated and complemented by the 'epidermalization of inferiority', a concept coined by Frantz Fanon, which has been later on transferred in postcolonial studies to the social concept of 'mimicry' (Radak, 2015). It refers to emotions, behaviour and discourses that enabled the colonizers to approach the colonized. Accordingly, the 'colonial' administration of the Balkans revealed links between Africa and the Balkans. People in both regions exhibited polyphonic cultures and multiple identities, based on manifestations of deep alienation, resulting in an inability to accept the hybrid heritage as their own. The Balkans had been thought of as representing a kind of an 'inner Africa', i.e. connotations attributed to the African continent since its colonisation which remained dominant until today (Radak, 2015). In the African liberation movements and the newly independent African states (Neuberger, 1976), as well as in the <u>Balkans</u> between 1991 and 2015, the discursive link was similar biased. The terms 'Balkans' and 'Balkanisation' became derogatory terms, often used as strong racial stereotypes such as primitivism. Elements of this self-representation may be present subliminally in Balkan and African societies till today (Radak, 2015). They could effectively constrain Croat – African relations concerning an exchange between equals on a level playing field (Kohnert, 2022).

Thereby it is crucial to keep in mind that major characteristics of conflicts in both Africa and the <u>Balkans</u> are based on ethnicity and religion. Both became so enmeshed that they hardly could be separated. Moreover, religion and occult beliefs play a vital role in the social life of many people in Africa and the Balkans. These constitute key elements of people's identity

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⁴ « Je vis un peuple guerrier, courageux, rude et ignorant, enfant de la nature; qui nourrit d'aliments simples et grossiers, et croissant sans culture comme le chêne des forets, parvenait aux tailles élevées des premières races humaines; bon et sauvage ... » ("I saw a warlike people, courageous, rough and ignorant, children of nature; which fed on simple and coarse food, and growing without culture like the oak of the forests, reached the heights of the first human races; good and wild.", translation, the author)

(Abu-Nimer & Kadayifci-Orellana, 2008; Kohnert, 2020). Notwithstanding that the main reasons for conflicts in these regions were not religious, religious traditions and legends have frequently been misused in stereotyping and dehumanizing the 'other' and the 'stranger' (Abu-Nimer & Kadayifci-Orellana, 2008; Kohnert, 2009). Thus, former Yugoslavia showed that Europe was and remains not immune to the 'ethnic' upheavals that had long been attributed almost exclusively to Africa (Almeida-Topor, 1996).

Thereby the example of a comparison of former <u>Yugoslavia</u> with <u>Somalia</u> shows interesting parallels between the political crisis of the nation-state in <u>Sub-Saharan Africa</u> and the <u>European Western Balkans</u>. In both cases, nationalist politics were fuelled by the harnessing of ethnicity and the disqualification of political societies with questionable sovereignty. The authoritarian mode of regulation of society was at the root of ethnopolitical conflicts in Somalia and Yugoslavia (Sindjoun, 1994).

Interestingly, a 'territorial dialectic' showed close similarities between the African space and the <u>Western Balkans</u>. The <u>Yugoslavian wars</u> of 1997 and 1999 showed that the <u>Serbs</u>, for whom the integrity of their country had never been put into question, were deeply divided from the <u>Kosovars</u>, for whom the Federation, associated with colonial aims, had no longer any meaning (Westphal, 2011).

Cartoon 3: 'Bwana, as soon as we saw you on TV and heard your statement about Africa, we knew you were the right man for us'.



Source: Nik Titanik, 31 August 2018 © (all rights reserved).

Zagreb Express - 24sata, www.niktitanikstudio.com

Nonetheless, <u>Yugoslavia</u> had been involved in the <u>Non-Aligned Movement</u> during the <u>Cold War</u> when it supported the <u>African independence movements</u> and many independent countries in <u>West Africa</u>, <u>Central</u> and <u>Southern Africa</u>. The goal was the 'socialist modernization' of the so-called '<u>Third World</u>' (Triebel, 2018). At the <u>UN</u>, <u>Belgrade</u> campaigned for the criminalization of <u>apartheid</u> and <u>racism</u> within the framework of the <u>International Convention</u> on the <u>Elimination of All Forms of Racial Discrimination</u> (adopted in 1965, entered into force

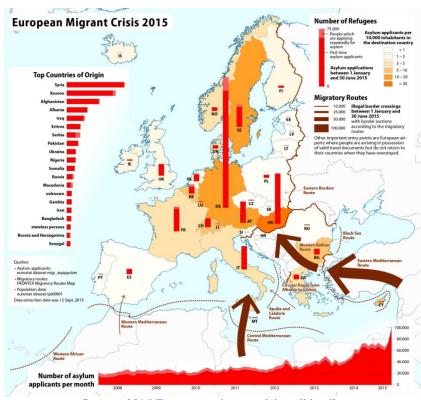
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⁵ Cartoon in allusion to an Africa statement of Croatian Premier, <u>Zoran Milanović</u>, <u>at the Fourth EU-Africa Summit</u> in Brussels on 2 April 2014, including remarks to stem the "Illegal migrant flows between both continents" – Cartoonist: Emir Imamović Pirke, <u>'Najviše cenzure ima tamo gdje se svi prave da je nema'</u>, (The most censorship is where everyone pretends it doesn't exist), 31 August 2018.

in 1969) and the <u>Convention on the Suppression and Punishment of the Crime of Apartheid</u> (1973 and 1976) (Pountougnigni Njuh, 2019).

Last, but not least, the <u>Western Balkans</u> have been the origin of <u>migration</u> as well as a transit route to <u>Western Europe</u> for African migrants for centuries. The recent <u>European migration crisis of 2015–16</u> brought the Balkans, notably <u>Serbia</u> and <u>Croatia</u>, again into the spotlight, because thousands of migrants used the <u>Balkan migration route</u> on their way to Western Europe (Cocco, 2017). The weak and often contradictory responses of EU countries to the crisis hurt Croatian's perception of the EU which had previously been positive. An estimated one million migrants and refugees passed through this route by either registering at the <u>Preševo</u> centre in <u>Serbia</u> or by bypassing it and moving on. About 80 % of them found shelter in <u>Germany</u> (Cocco, 2017).

The top <u>SSA</u> countries of origin of African migrants into the EU in 2015 were <u>Eritrea</u> (6th rank), <u>Nigeria</u> (10th rank), <u>Somalia</u> (11th rank) and <u>Gambia</u> (15th rank) (see Graph 2)



Graph 2: Influx of migrants into the EU (including Croatia) during the European refugee crisis, 2015 ⁶

Source: 2015 European migrant crisis, wikipedia

Thereby, the <u>Western Balkans</u> had been particularly affected by the illegal practices of <u>human trafficking</u> because the local population had experienced mass displacement, ethnic cleansing and state-promoted violence against civilians during the <u>Yugoslav wars</u> from 1991 to 2001 (Cocco, 2017). The migration crisis impacted cooperation between the Balkan states, including a resurge of nationalist rhetoric of ethnic purity. Moreover, it reinforced

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⁶ Asylum applicants in Europe between 1 January and 30 June 2015. Graphic by Maximilian Dörrbecker (Chumwa), European Migrant Crisis, 2015, Wikipedia

<u>Euroscepticism</u> and worsened foreign relations of the Western Balkan countries with the <u>EU institutions</u> and individual EU member states, notably <u>Germany</u>, because of their self-interested management of the crisis (Cocco, 2017).

On the other hand, the EU turned a blind eye to Croatian handling of the most recent migrant crisis in 2019, when the wasteland outside the Bosnian city of <u>Bihac</u> became a dumping ground for up to 7,000 single male migrants. Thus, the hamlet of Vučjak, a former dump, ringed by land mines from the <u>Yugoslav wars</u>, became an infamous repulsive symbol for Europe's largely suppressed migrant crisis. Croatian border policy was accused of systematic push-backs of migrants by <u>Amnesty International</u>, the <u>Council of Europe</u>, <u>Human Rights Watch</u>, and a <u>United Nations special rapporteur</u> (Connelly, 2019). Yet, the EU allegedly not only facilitated this break of basic human rights but rewarded brute force by Croatia in the name of protecting its longest land border. At least, the <u>European Commission</u> announced in December 2018 that it awarded € 6.8 m to <u>Zagreb</u> to strengthen border surveillance and law enforcement capacity (Connelly, 2019).

TOURATOĞ KORONA VIRUSU...

STO JE ČAK 80%

OD LANJSKIH

REZULTATA

Cartoon 4: Increase in the influx of irregular migrants in Croatia ⁷

Source: <u>VL Večernji list</u>, 11 December 2020 Cartoon: 'Felix', <u>Srećko Puntarić</u>, © (all rights reserved).

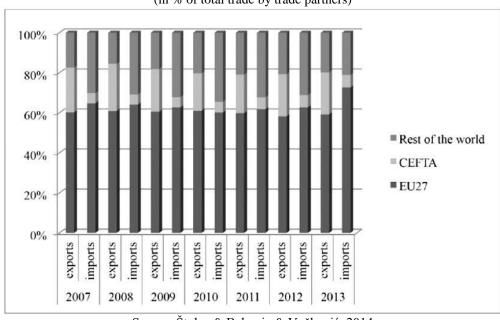
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⁷ Cartoon by the Croatian cartoonist 'Felix', pen name of <u>Srećko Puntarić</u>, on irregular migration in Croatia, published by <u>Večernji list</u>, one of the leading Croatian daily newspapers published in <u>Zagreb</u>. Legend: "Despite the coronavirus... 16 illegal migrants passed through our forest... which is even 80% of last year's results!" – "A caricature that infuriated the president, and also replaced the editors." Ježovita, Mateja (2020): <u>Karikatura koja je izazivala bijes u predsjednika, a smjenjivala je i urednike</u>. Večernji list, VL, www. vecernji.hr

3. Croatia's foreign trade relations with SSA

As shown above, Croatia has a long tradition of economic cooperation with SSA. Croatia's predecessor state, Yugoslavia, cooperated with African <u>nonaligned countries</u> in the period between 1973 and 1981, thereby relying mostly on mutual economic cooperation (Pustaj, 2016). A model example had been the industrial cooperation with <u>Ghana</u> and two Yugoslav-Ghanaian <u>joint ventures</u>, established in 1971. The first joint venture included ŠIK from <u>Kruševac</u>, cooperating with Ghana in forest exploitation and wood processing (TTK-LTD), the other, <u>Tomos</u> from <u>Koper</u>, cooperated in the form of a joint factory for the production of motorcycles and pumps (TOMOS-GHANA LTD) (Pustaj, 2016).

With <u>Croatia</u> entering the <u>European Union</u> (EU), Croatian trade agreements with the <u>South Eastern European countries</u> no longer apply due to its simultaneous exit from the <u>Central European Free Trade Agreement</u> (CEFTA), originally founded by the <u>Visegrád Group</u> countries in 1992, to which Croatia adhered to since 2003 (Štulec & Bakovic & Vučković, 2014). The process of adaptation led to profound changes in Croatian foreign trade.



Graph 4: Croatian foreign trade, 2007 - 2013 (in % of total trade by trade partners)

Source: Štulec & Bakovic & Vučković, 2014 Croatian Bureau of Statistics (2009, 2011, 2013, 2014)

Following the EU, Croatia chose a gradual process of accession to the EU in four stages of trade liberalization: (1) membership in the <u>World Trade Organization</u> (WTO), (2) the <u>Stabilization and Association Agreement</u> (SAA) with the EU, (3) negotiation process on EU membership and (4) the full membership in the EU (Štulec & Bakovic & Vučković, 2014).

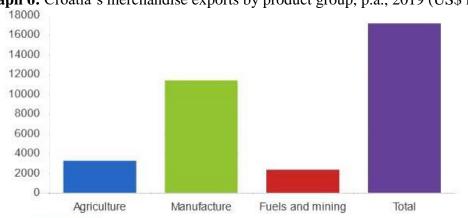
This process was initiated after the country's independence with the choice of the exchange rate regime and the introduction of its own currency, the <u>Croatian kuna</u> on 30 May 1994. The country became the 140th member of the WTO on 30 November 2000 and therewith abolished non-tariff protectionist measures. Its subsequent accession to the <u>European Free Trade Agreement</u> (EFTA) in 2001, the <u>Central European Free Trade Agreement</u> (CEFTA) and the <u>Free Trade Agreement with Turkey</u> in 2002 further enhanced <u>trade liberalization</u> (Štulec & Bakovic & Vučković, 2014).

The trade diversion resulted in an increase in exports to and imports from the EU, and a decline in exports to CEFTA countries. After joining the WTO in 2000, Croatia continued to depend heavily on foreign trade, which amounts to 90.6 % of the GDP in 2020 (Stanbic bank, 2022). The EU accounted for 69.7 % of Croatian exports (mainly toward Germany, Italy, and Slovenia), followed by Bosnia and Herzegovina (8.6%) and Hungary (7.2%). The leading origins of imports were the EU (81.2 %), China (4.6 %), and Bosnia and Herzegovina (2.9 %). Actually, Croatia had a structural trade deficit: the exports of goods totalled US\$ 17.1 bn while imports decreased by 5.1 %, to US\$ 26.7 bn. But the country was a net exporter of services (exports US\$ 9.7 bn, imports US\$ 3.9 bn) (Stanbic bank, 2022).

Share in world merchandise export

Graph 5: Croatia's share in world merchandise exports, top trading partners ⁸

Source: WTO, trade maps, Croatia, 2022



Graph 6: Croatia's merchandise exports by product group, p.a., 2019 (US\$ m)

See data.wto.org for more data

Source: WTO, trade maps, Croatia, 2022

⁸ Merchandise exports, f.o.b., US\$ m. The numbers indicate: (1) EU, (2) Bosnia and Herzegovina, (3) Serbia, (4) USA, (5) United Kingdom.

Croatia's overall <u>trade deficit</u> increased substantially to an estimated 6.7 % of GDP in 2020. This was considerably higher than the level of 0.3% recorded one year earlier, mostly due to a sharp contraction in services' exports at -43.4 % (Stanbic bank, 2022), probably in connection with the impact of restrictions caused by the <u>COVID-19 pandemic</u>.

A comparative analysis of foreign trade in the transitional period of Croatia and South Africa revealed an infamous common history of organized crime (TOC) and the illicit arms trade, and the consolidation of democracy (Tukic, 2011). The process was characterized by high levels of corruption within the judicial system and police, and a lack of trust of citizens in the state's capacity to impose social control. This opened the way for organized criminal groups to work with impunity. Confronted with high levels of inequality and unemployment many people had to look for alternative survival strategies. The fatal development had been reinforced by a lack of resources and corruption among customs officials and police staff. This, in turn, allowed for organized crime to traffic illicit goods over the borders, revealing severe deficits in the state's law enforcement capacity. This on the other hand stimulated the development of mafia-like criminal patron-client relationships that replaced the legitimacy of crucial institutions of the state (Tukic, 2011).

Graph 7: Croatia's foreign trade, 2016-2020

Foreign Trade Values	2016	2017	2018	2019	2020
mports of Goods (million USD)	21,688	24,829	28,203	28,160	26,719
Exports of Goods (million USD)	13,736	16,069	17,402	17,180	17,167
Imports of Services (million USD)	3,906	4,574	5,430	5,573	3,932
Exports of Services (million USD)	13,490	15,054	16,354	17,162	9,714

Source: World Trade Organisation (WTO); Latest available data

Foreign Trade Indicators	2016	2017	2018	2019	2020
Foreign Trade (in % of GDP)	94.1	99.1	101.2	104.2	90.6
Trade Balance (million USD)	-8,437	-9,517	-11,406	-11,525	-9,779
Trade Balance (Including Service)	671	595	-613	-317	-3,938
Imports of Goods and Services (Annual % Change)	6.5	8.4	7.5	6.3	-13.8
Exports of Goods and Services (Annual % Change)	7.0	6.8	3.7	6.8	-25.0
Imports of Goods and Services (in % of GDP)	46.5	49.3	51.0	52.2	48.9
Exports of Goods and Services (in % of GDP)	47.6	49.9	50.2	52.0	41.7

Source: World Bank ; Latest available data

Source: <u>Croatia: Economic and Political Overview.</u> Johannesburg, *Stanbic bank* (<u>Standard Bank</u>), July 2022

Moreover, post-war non-urban Croatia was haunted by its past, characterized by backwardness, decay, and political instability notably in its rural periphery (Hauthal, 2021). The country's experience with <u>civil war</u> and accompanying atrocities demonstrated that this 'backwardness' was not only characteristic - according to a common prejudice - for African

<u>developing countries</u>, but it could happen also in Europe. Thus, in a provocative sense, one could maintain that Croatian history showed all signs of an 'Africanization' (Hauthal, 2021).

Multi-ethnic societies like Croatia and African states like South Africa, Nigeria, Ghana and DR Congo are particularly prone to political upheaval in the course of regime change when dominant ethnic groups decide how to accommodate minorities (Hislope, 1998). Thereby, a liberal approach to dealing with ethnic minorities would in principle be the best way to ensure a peaceful transition, by getting the democratic consent of minorities, and securing political legitimacy. In the history of post-Apartheid South Africa, this apparently was the case, whereas in Croatia this was only of limited effectiveness (Hislope, 1998).

Since 2018, Croatia tried to re-orientate its foreign trade activities within the scope of the Chinese Belt and Road initiative. Zagreb wanted to achieve stronger relations with Asia, Europe and Africa. Beijing's '17+1' initiative, i.e. the cooperation between China and Central and Eastern European countries, focused on strengthening the relations between China and the seventeen countries of Europe's East and Southeast. In fact, Croatia was one of the 17 countries strategically selected by China. Because of its geographical position, the long coast with several natural harbours, the proximity to large EU economies, as well as a relatively good infrastructure within the country attracted Beijing's interest. Zagreb, on the other hand, not only endeavoured to participate more actively in the '17+1' cooperation framework but even jumped at the chance and suggested hosting the latest '17+1' summit, held in April 2019 (Stopić, 2020). In how far the shifting global trade flows, away from the Atlantic region towards the countries bordering the Pacific, attracted by the most important future global markets in the Pacific region and represented by the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), a grouping of eleven Asian countries bordering the Pacific, will negatively impact on Croatia's Africa trade, remains to be seen.

4. Conclusion

Croatia will become the twentieth member of the eurozone at the turn of the year despite its relatively high debt ratio. Thus, the eurozone is thus growing for the first time since 2015, when Lithuania had been admitted. Measured in terms of economic output, the Balkan country will take 14th place in the Euro currency union (Volkery, 2022).



Graph 8: 'The most successful design for the 'Kuna' motif'

Whether the country can and will fulfil its longstanding obligations vis à vis its African partner countries in face of the demanding duties and responsibilities associated with its

joining the eurozone is an open question. This, all the more, because new, more lucrative hunting grounds for Croatian foreign trade are tempting in the Pacific region.

<u>Sub-Saharan African</u> (SSA) states, on the other hand, dispose of less fiscal space to mitigate the impact on their residents, more than ever before. Africans were already impaired previously because they had to suffer, more than others, from <u>climate change</u>, including prolonged <u>droughts</u>, and political destabilization, particularly in the <u>Sahel</u>, <u>the Horn of Africa</u> and <u>East Africa</u>. Most African countries are heavily dependent on the import of energy and foodstuff, notably wheat from Russia and Ukraine. Moreover, the two major African powers, <u>Nigeria</u> and <u>South Africa</u> are currently going through major socio-economic crises (Borrell, 2022). The soaring food and energy prices will increase worldwide food insecurity and may even trigger social unrest (Gourinchas, 2022).

The growing divide between rich and poor countries has been supplemented by discrepancies within countries. The COVID-19 pandemic has already had a particularly harsh impact on the African poor in the recent past (Kohnert, 2021b). At least 30 million Africans were thrown into extreme poverty. Thereby, the crisis further worsened the inequality not just between income groups, but also across subnational geographic regions. This could further add to the risk of social tension and political instability (Selassie, 2021).

In a populist Croatian view, Croatia's foreign relations with Ghana, for example, may focus rather on soccer than on trade, regarding the activities of four Ghanaian expatriates playing for Croatia ⁹. Croatia's Sub-Saharan Africa trade is an 'also-ran', it ranked in the 32nd position (behind Lithuania), with US\$ 66,355 m exports and US\$ 118,843 m imports in 2019 (WITS, Worldbank, August 2022).

Roomin and Hozzegovina Austria

Graph 9: Croatia's Major trading partners (exports and imports, 2019)

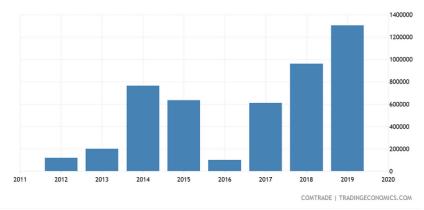
Source: WITS, 2022

In relative terms, that is, only concerning sub-Saharan Africa, bilateral trade relations, e.g. with Ghana, developed positively. Ghanaian exports to Croatia (mostly wood, fish, cocoa) rose steadily in the last decade to US\$ 1.31 m in 2019.

Graph 10: Increase of Ghanaian exports to Croatia, 2011 to 2020

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⁹ Ghanaian expatriate sportspeople in Croatia, wikipedia



Source: Trading economics, 2022

In a nutshell, stiff headwinds in the global economy militate against small emerging economies like Croatia, ranging from protectionism to exchange rate tensions, financial volatility, and challenges to the digitalisation of production. To overcome these constraints, Zagreb would be well advised to improve investment in infrastructures. There is still considerable scope for reducing the anti-competitive impact of state control of the economy by reducing para-fiscal charges and non-tariff barriers to trade as well as deficits in the judicial system (Devlić & Medcraft (2019).

Appendix

Appendix 1: Croatia's bilateral relations with 35 Sub-Saharan African states

Country	Formal relations began	Notes
<u>Angola</u>	16 November 1994	 Croatia is represented in Angola through its embassy in <u>Lisbon</u> (Portugal).
	1994	Angola is represented in Croatia through its embassy in Vienna (Austria). [14]
Benin Benin	26 March 2001	 Croatia is represented in Benin through its embassy in Paris (France). [15] Benin is represented in Croatia through its embassy in Geneva
		(Switzerland). [16]
<u>Botswana</u>	9 September 2005	Diplomatic relations between Botswana and Croatia were established on 9 September 2005. [17][18]
Burkina Faso	18 May 1995	 Croatia is represented in Burkina Faso through its embassy in Paris (France). Burkina Faso is represented in Croatia through its embassy in Vienna (Austria) and consulate in Zagreb. [19]
Cape Verde	13 August 1994	Croatia is represented in Cape Verde through its embassy in <u>Lisbon</u> (Portugal).
- 1 AC:	NT/A	Cape Verde is not represented in Croatia.
Central African Republic	N/A	Croatia does not maintain diplomatic relations with the C.A.R.
<u>Chad</u>	17 September 1999	 Croatia is represented in Chad through its embassy in Paris (France). Chad is not represented in Croatia.
Comoros	29 June 1999	 Croatia is represented in Comoros through its embassy in <u>Pretoria</u> (South Africa). Comoros is not represented in Croatia.
■ Côte d'Ivoire	17 October 1995	Comoros is not represented in Crounting
Djibouti	25 May 2017	Both countries established diplomatic relations on 25 May 2017. [20][21]
<u>=,</u>		•
Eritrea Eritrea	4 June 1999	 Croatia is represented in Eritrea through its embassy in <u>Cairo</u> (Egypt). Eritrea is not represented in Croatia.
Ethiopia	17 October 1995	Croatia is represented in Ethiopia through its embassy in Cairo (Egypt). Ethiopia is not represented in Croatia.
Cahan	22 October 2001	Ethiopia is not represented in Croatia. Croatia is represented in Cohon through its embassy in Pohet. Croatia is represented in Cohon through its embassy in Pohet.
<u> Gabon</u>	22 October 2001	 Croatia is represented in Gabon through its embassy in Rabat (Morocco). Gabon is not represented in Croatia.
<u>Gambia</u>	16 October 1998	 Croatia is represented in Gambia through its embassy in <u>London</u> (UK). Gambia is represented in Croatia through its embassy in <u>London</u> (UK).
Ghana Ghana	17 February 1993	 Croatia is represented in Ghana through its embassy in <u>London</u> (UK). Ghana is represented in Croatia through its embassy in <u>Rome</u> (Italy).
Guinea-Bissau	19 October 1995	• Croatia is represented in Guinea-Bissau through its embassy in <u>Lisbon</u> (Portugal).
		 Guinea-Bissau is not represented in Croatia.
<u>Kenya</u>	22 May 1992	• Croatia is represented in Kenya through its embassy in <u>Pretoria</u> (South Africa). [22]
		 Kenya has a consulate in <u>Zagreb</u>, accredited to its embassy in <u>Rome</u> (Italy). [23]
Lesotho	6 November 1998	 Croatia is represented in Lesotho through its embassy in <u>Pretoria</u> (South Africa).
		• Lesotho is represented in Croatia through its embassy in Rome (Italy).
Liberia	N/A	Croatia does not maintain diplomatic relations with Liberia.
<u>Madagascar</u>	27 September 2006	Both countries established diplomatic relations on 27 September 2006. [24][25]
Malawi	13 October 1998	Both countries established diplomatic relations on 13 November 1998. [24][26]

Country	Formal relations began	Notes
<u>Mali</u>	20 September 1995	 Croatia is represented in Mali through its embassy in <u>Rabat</u> (Morocco).
		 Mali is represented in Croatia through its embassy in <u>Rome</u> (Italy).
<u>Mauritania</u>	11 November 2004	 Croatia is represented in Mauritania through its embassy in Rabat (Morocco). Mauritania is not represented in Croatia.
<u>Mauritius</u>	3 September 1997	 Croatia is represented in Mauritius through its embassy in <u>Pretoria</u> (South Africa). Mauritius is not represented in Croatia.
Mozambique	23 August 1996	 Croatia is represented in Mozambique through its embassy in <u>Pretoria</u> (South Africa). Mozambique is not represented in Croatia.
<u>Niger</u>	N/A	Croatia does not maintain diplomatic relations with Niger.
Nigeria	7 January 1993	 Croatia is represented in Nigeria through its embassy in <u>London</u> (UK). Nigeria is represented in Croatia through its embassy in <u>Budapest</u> (Hungary).
São Tomé and Príncipe	23 May 1993	 Croatia is represented in São Tomé and Príncipe through its embassy in <u>Lisbon</u> (Portugal). São Tomé and Príncipe is not represented in Croatia.
Senegal Senegal	1 October 1997	 Croatia is represented in Senegal through its embassy in Rabat (Morocco). Senegal is not represented in Croatia.
Seychelles	30 September 1997	 Croatia is represented in Seychelles through its embassy in <u>Pretoria</u> (South Africa). Seychelles is not represented in Croatia.
South Africa	19 November 1992	 Croatia has an embassy in Pretoria. [27] South Africa is represented in Croatia through its embassy in Budapest (Hungary), and consulate in Zagreb. There are around 1500 to 2000 Croats who live in South Africa. [28] As of 2006, the two countries have a trade agreement. [29] South African Department of Foreign Affairs about relations with Croatia
Sudan	17 July 1992	 Croatia is represented in Sudan through its embassy in <u>Cairo</u> (Egypt). Sudan is represented in Croatia through its embassy in <u>Rome</u> (Italy).
<u>Tanzania</u>	2 July 1993	 Croatia is represented in Tanzania through its embassy in <u>Pretoria</u>, (South Africa). [30] Tanzania is represented in Croatia through its embassy in <u>Rome</u>, (Italy). [31]
<u>Togo</u>	20 December 1993	 Croatia is represented in Tongo through its embassy in <u>Paris</u> (France). Togo is not represented in Croatia.
<u>Uganda</u>	10 March 1999	 Croatia is represented in Uganda through its embassy in <u>Pretoria</u> (South Africa). Uganda is not represented in Croatia.
Zambia	20 September 1995	 Croatia is represented in Zambia through its embassy in <u>Pretoria</u> (South Africa). Zambia is represented in Croatia through its embassy in <u>Paris</u> (France).
Zimbabwe	12 February 1999	Both countries established diplomatic relations on February 12, 1999. [20][32]
	Source: Foreign	gn relations of Croatia, Wikipedia, July 2022

Source: Foreign relations of Croatia, Wikipedia, July 2022

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Résumé: En juillet 2020, le Parlement européen a voté en faveur de la candidature de la Croatie pour devenir le plus récent membre de la zone euro à partir du 1er janvier 2023. Malgré le revers de la pandémie de COVID-19, il a rempli tous les critères d'adoption de l'euro, compte tenu de la forte inflation et de l'impact de l'invasion russe de l'Ukraine. L'entrée de la Croatie dans la zone euro sera la première étape significative positive dans le processus d'intégration européenne depuis le Brexit. Il peut montrer des perspectives pour un nouvel élargissement de la zone euro dans les Balkans. L'adhésion affectera également les relations de l'UE avec l'Afrique. En plus de liens étrangers étroits avec l'Afrique du Sud, Zagreb a établi des relations diplomatiques avec le Soudan du Sud, la Somalie et la République Centrafricaine en 2020. Cependant, étant donné la relation de longue date entre la Croatie et l'Afrique, il est crucial de tenir compte des leçons tirées de ses relations africaines à multiples facettes. Pour la plupart inconnus en dehors de leur pays d'origine, les explorateurs croates comme Dragutin Lerman ont activement exploré l'Afrique subsaharienne au début du XXe siècle. Pendant la guerre froide, les relations politiques et économiques entre la Yougoslavie (y compris la Croatie) et les pays africains non-alignés se sont considérablement améliorées entre 1973 et 1981. La coopération économique mutuelle entre les pays non-alignés a été encouragée pour lutter contre le « sous-développement » en Afrique. En 1971, par exemple, des joint-ventures yougoslaves-ghanéennes ont été créées dans le cadre de la coopération industrielle, par exemple pour l'exploitation forestière et la transformation du bois ainsi que pour une usine commune de motos et de pompes au Ghana. En outre, la Yougoslavie était le seul pays non-africain à aider à financer le Comité de libération de l'Organisation de l'unité africaine (OUA), bien que Zagreb ait favorisé les liens bilatéraux avec les mouvements de libération individuels. C

Zusammenfassung: Im Juli 2020 stimmte das EU-Parlament für den Antrag Kroatiens, ab dem 1. Januar 2023 das neueste Mitglied der Eurozone zu werden. Trotz des Rückschlags durch die COVID-19-Pandemie erfüllte es alle Kriterien für die Einführung des Euro, unter Berücksichtigung der hohen Inflation und der Auswirkungen der russischen Invasion in der Ukraine. Der Beitritt Kroatiens zum Euro wird der erste bedeutende positive Schritt im europäischen Integrationsprozess seit dem Brexit sein. Er kann Perspektiven für eine weitere Erweiterung der Eurozone auf dem Balkan aufzeigen. Der Beitritt wird sich auch auf die Beziehungen der EU zu Afrika auswirken. Neben den engen Auslandsbeziehungen zu Südafrika hat Zagreb im Jahr 2020 diplomatische Beziehungen zum Südsudan, Somalia und der Zentralafrikanischen Republik aufgenommen. Im Hinblick auf die langjährigen Beziehungen Kroatiens zu Afrika ist es jedoch entscheidend, die daraus gezogenen Lehren der facettenreichen afrikanischen Beziehungen zu berücksichtigen. Kroatische Entdecker wie Dragutin Lerman, die außerhalb ihres Heimatlandes größtenteils unbekannt sind, waren im frühen 20. Jahrhundert aktiv bei der Erforschung der afrikanischen Länder südlich der Sahara. Während des Kalten Krieges verbesserten sich die politischen und wirtschaftlichen Beziehungen zwischen Jugoslawien (einschließlich Kroatien) und den afrikanischen blockfreien Ländern zwischen 1973 und 1981 erheblich. Gegenseitige wirtschaftliche Zusammenarbeit zwischen blockfreien Ländern wurde gefördert, um die "Unterentwicklung" in Afrika zu bekämpfen. So wurden 1971 im Rahmen der Industriekooperation jugoslawisch-ghanaische Joint Ventures gegründet, beispielsweise zur Waldnutzung und Holzverarbeitung sowie für eine gemeinsame Fabrik für Motorräder und Pumpen in Ghana. Darüber hinaus war Jugoslawien das einzige nichtafrikanische Land, das zur Finanzierung des Befreiungskomitees der Organisation für Afrikanische Einheit (OAU) beitrug, obwohl Zagreb bilaterale Beziehungen zu einzelnen Befreiungsbewegungen bevorzugte. Allerdings hatten sowohl Kroatien als auch Südafrika während des Übergangsprozesses Schwierigkeiten mit dem illegalen Waffenhandel aufgrund der hohen Korruption im Justizsystem und bei der Polizei. Auch das mangelnde Vertrauen der Bürger beider Länder in die Fähigkeit des Staates, soziale Kontrolle durchzusetzen, öffnete der organisierten Kriminalität den Weg, ungestraft zu arbeiten. Kriminelle Gruppen nutzten Patron-Client-Beziehungen mit den Bürgern Südafrikas und Kroatiens, um ein Maß an Legitimität in der Bevölkerung aufzubauen und aufrechtzuerhalten, das dem Staat fehlte.