PARTY SYSTEM CARTELIZATION:

THE CASE OF CROATIA

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Abstract

The aim of this thesis is to offer alternative explanation for long-lasting stability of the Croatian party system. So far, the predictive pattern of party competition has been analyzed through the lens of cleavage politics. Although useful tool, especially in historically divided society such as Croatia, cleavage theory offers static interpretation of party politics. In order to track the development of Croatian party system throughout time, cartel theory is applied. The outcome of the analysis is that cartelization is heavily dependent on the cleavage that structures party competition. Therefore, for most of the time there is no evidence of closed party competition, which consists one of three dimensions in proposed operationalization. However, the contribution of the thesis is related to the scope of cartel concept. As cartel is found in collusive manipulation of referendum on Croatian accession to EU, it seems that cartel concept can be applied beyond competition exclusively related to parties.

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Introduction

On the parliamentary elections in 2015, Croatian party system experienced significant turbulence. For the first time ever, two parties with strong anti-establishment rhetoric entered the parliament, of which one even formed the government in the same year. Consequently, the long-lasting stability of the Croatian party system was disturbed. This stability has been reflected in the continuous domination of two parties, which had been leading two opposing blocks since 2000. In literature, this bipolarism is explained by the application of social cleavage theory (Zakošek and Čular 2003, Čular and Gregurić 2007, Henjak et al. 2013). Accordingly, the events in 2015 are interpreted as a consequence of the weakening of traditional divisions that have structured party competition (Henjak 2018). As a historically divided society, Croatia indeed serves as a good context in which cleavage theory could be applied. Nevertheless, since the competition reflects divisions from the past (Bartolini, Mair 1990), social cleavage theory provides mostly static explanations.

The aim of this thesis is to offer an alternative explanation of stability and disorder of the party system by applying cartel theory to the context of Croatia. The cartel theory depicts the process in which parties, in order to survive, exploit the state resources and restrict the competition in collusive manner. There are two advantages cartel theory can offer. First, since cartelization is the process not the event, it is possible to monitor development of party system throughout the time. Second, while on the one side, restricting competition increases the stability, on the other "attempts at exclusion may also prove counter-productive… the more recent success of the cartel inevitably generates its own opposition" (Katz Mair 1995:24). Therefore, by monitoring cartelization, it is possible to predict disorder of the party system.

In order to follow the development of the cartelization throughout the time, Croatian party system is divided into three periods. The first is characterized by the authoritarian rule of one

party, the second by consolidation of democracy, and the third by destabilization of party system. Following the expectations of Katz and Mair, the highest level of cartelization is expected in the second period preceding the appearance of the anti-establishment parties. On the other hand, as this is the period of stable cleavage, this work can show whether the parties can collude in the conditions of a bipolarized competition.

However, given the conceptual ambiguity and diversity of the research practice, it is necessary to define the basic concepts and measurements prior to the application of the model. Although cartelization is a process, in the research practice there is still no categorization of different levels of cartelization. By combining three dimensions, this work offers a seven-dimensional scale and thus overcomes the dichotomous understanding of the concept. If three-dimensional operationalization is shown to be applicable on the example of Croatia, it can serve for further research and thus enable comparability of future research.

The work is divided into three parts. The Chapter 1 defines concepts as they are used in the paper. The Chapter 2 provides a new operationalization, which is applied in Chapter 3. Observing the development of the cartelization from 1990 to the present day, it is assessed to what extent the cartel successfully maintained the stability of the system. Finally, the normative reflection of the relation between cartel and stability is provided in the conclusion.

Chapter 1 – The concept of cartelization

> "In sum, the concept of the 'cartel party' was first proposed as a means of drawing attention to patterns of interparty collusion or cooperation as well as competition, and as a way of emphasizing the influence of the state on party development"
>
> (Katz, Mair 2009:755)

The traditional role of political parties in a democratic society is to represent citizen's demands on the competitive elections. Since they emerged, political parties have changed in many aspects. If political parties are inevitable for normal functioning of democracy, as Schattschneider (1942) put it, then qualitative change in the party system has strong implications for democratic capacities of the whole political system. In this sense, the cartel thesis developed by Katz and Mair (1995) raised a concern about parties' capacities to promote and maintain democracy in post-industrial societies. Analyzing trends in organizational structures of parties, they proposed a new framework which explains the role of political parties.

Before Katz and Mair's work, widespread declining of party membership, citizens' disaffection from politics and dealignment of party competition was seen as a weakening of parties' capabilities as political organizations. However, Katz and Mair argued that this perspective is outdated since it relies on the normative framework of representative democracy from the '60s and uses the mass-party model as a reference point for comparison. While investigating internal structures of political parties in Western Europe, they observed the opposite – parties are becoming stronger than ever. By penetrating towards the state and colluding among each other, parties are able to secure their survival even under conditions of increased campaign expenditures and restricted policy options (Katz and Mair 2009, Blyth and Katz 2005). Thus, instead of societal channels for expressing the citizens' demands,

parties should be evaluated according to their new location in society – state continuum, which makes a new type of party, cartel party, qualitatively different from previous types. Once they emerge, these parties form the cartelized party system, which is defined by limited political competition between parties. Although parties are not weakening as political entities, restricted party competition limits democratic capacities of the whole political system. Political parties are not any more trustees or delegates, but state agencies and this function is fueled by state resources that cartel parties exploit.

Since the original work, the cartel thesis has drawn very much of the attention in political science. On the one side, the thesis is taken without critical reflection, and it became commonplace to label a certain party or system as a cartel. On the other side, the original work has provoked both theoretical and empirical debate among scholars on its validity, and it is not either clear whether 'cartel' as a term should be used and what its implications are (Enroth 2018), nor what indicators should be used for empirical assessment of the concept (Katz, Mair 2009).

One can approach to the cartel concept in four ways depending on two criteria (see Table 1) – whether the research design is of explanatory or exploratory nature, and whether the research takes cartelization as a dependent or independent variable. The explanatory research is related to causal mechanism where the debate is still ongoing. For instance, Katz and Mair (2009) argue that parties have long term incentives to form a cartel, while Kitschelt (2000) thinks that incentive for defection is always bigger[1]. However, the question is not related to the evidence of cartel itself but to the theoretical explanation which might be contested without questioning the empirical finding of the cartelization. The work in this thesis is related to empirical assessment. More specifically, the research question is related to the evidence of cartelization and its success. Since there is still no strong evidence of relationship between

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[1] For detailed discussion see: Kitschelt (2000), Blyth and Katz (2005).

cartelization and its effects (Scarrow 2006, Pierre et al. 2000, van Biezen and Rashkova 2012), these two has to assessed separately.

Table 1   **Research Design**

	Dependent variable	Independent variable
Explanatory	What causes the cartelization?	What is the consequence of cartelization?
Exploratory	Is there an evidence of cartelization?	To what extent cartelization is successful?

1.1. Defining characteristic of cartelization

The original thesis is developed inductively, and the following theoretical explanation was designed to support empirical findings. Therefore, literature does not offer a clear, precise, and standard definition of cartel parties and cartelization. Authors of cartel concept explain many institutional and structural factors that drive the evolution of party politics, however, it is not entirely clear where to draw a line between defining elements of the cartel on the one side, and the factors that foster cartelization, on the other (Young 1998, Enroth 2018).

Aware of this ambiguity, Koole (1996) suggested distinction between 'defining characteristics' and 'empirical properties' of cartel parties. While former presents *differentia specifica* of cartel, latter is related to features that could be found in other types of parties too. Accordingly, parties with at least 50% of income derived from the state should be defined as cartel parties, and all additional features should be used as a description of a cartel. This is indeed a good way to overcome the ambiguity, however, it needs modification. The most important characteristic next to the state funding is collusion. If there is no collusion, the

competition is not restricted due to cartelization but some other reasons. Therefore, along with state funding, this thesis takes the collusion as the most critical characteristic of party system cartelization.

So, what is the collusion? The cartel concept was criticized by many scholars who were skeptical about the notion of collusion which reminds of conspiracy theorizing. Aware of this, in their revision of the concept, Katz and Mair (2009) argued that political actors do not plan conspiracy but as professionals who live 'from not for politics' they share the same goals: "even if parties might be disinclined to rely heavily on overt deals with one another, their mutual awareness of shared interests, and their sense of all being in the same boat and relying on the same sorts of resources, means that… it is possible to produce *the effects* of collusion without any illicit communication or covert coordination" (p. 757). Therefore, in order to avoid any misconceptions, this work is based on the following definition of collusion:

Collusion or cartel-like behavior presents a behavioral pattern of elected politicians in such way that fosters cooperation in parliament among nominally opposed MP's on issues regarding regulation of political competition.

Hence, the defining elements of cartelization are state funding of parties and collusion. Then, the empirical properties are related to the specific pattern of competition "in which public opinion has apparently moved in one direction while the positions of all mainstream parties have moved in the other" (p. 761) and many unpopular policies are excluded from the political debate by depoliticization. Therefore, moving from minimalist definition limited to state funding and collusion to maximalist conception, the following definition of party system cartelization is proposed:

Cartelization is the process of party system development in which parties increasingly regulate political competition in such a collusive manner that restricts competition in favor of

established competitors and makes parties less responsive to the policy demands coming from society.

1.2. Literature overview

The empirical research practice has evolved from the emergence of the thesis to date. The knowledge on the operationalization of the concept has accumulated by each scholar contributing to the field. In this section, different operationalizations of system cartelization are depicted and followed by comments on their shortcomings.

The first relevant empirical assessment of cartel thesis can be found in Canada. Heather Maclvor (1996) assessed the thesis by distinguishing two dimensions of system cartelization: collusion among established parties and public dissatisfaction with mainstream parties. Supported by many reports of institutions that monitor political reform, he founded partial evidence for the cartelization. The primary evidence he found is in the collusive manner of interaction among parties on election laws. The increased costs for registration made it difficult for new parties to compete, and increased benefits made it easier for established parties to maintain their dominant position. Additionally, public dissatisfaction with established parties was in correlation with the electoral success of the new Reform party. Here, it is true that Katz and Mair described cartel as inherently contradicting by arguing that by making cartel, parties are losing capabilities to adequately represent their constituencies, consequently provide space for anti-establishment parties to enter the political arena. However, it is not appropriate to use support for the anti-establishment party as evidence of cartelization. First, in order to make such a conclusion, one must show the incongruence between established parties and the electorate which lacks in Maclvor's work. Moreover, even if the incongruence is shown, there is a logical problem. As Lisa Young (1998:344) argues, "to use the emergence of new parties as a measure of cartelization is, however,

problematic, as it assumes that there is cartel for new entrants to disrupt". Also, she argues that "collusion is necessary but insufficient condition for application of the model" (ibid). Therefore, she proposes research design which goes beyond simple collusion. Rightfully arguing that collusion can be measured in degrees, she provides evidence for the form and the magnitude of collusion. In addition to this dimension, she adds two more: competitiveness and interpenetration of state and party. After reassessing the model, she finds that parties do collude, their policies do converge, but they do not rely on state support when it comes to financing. However, she then wrongly concludes that this is against the evidence of cartelization.

What can be said about the Canadian party system after these two interpretations is somewhat counterintuitive: there is a cartel but not the cartelization. There are two reasons for this: First, it is because, as it is suggested in this thesis, there is a need for analytical distinction between simple collusion among parties (cartel-like behavior) and structural change of party competition fostered by this collusion (cartelization). Second, Young takes a maximalist position, either there is or there is no cartelization. One of the main goals of this thesis is to show the opposite, that cartelization can be measured in terms of degrees and findings should not be 'black and white'.

Moving to the European context, Allan Sikk (2003) provides partial evidence of cartelization of the Estonian party system. In addition to dimensions previously discussed, Sikk introduces two important concepts: First, he includes the size of party membership as the indicator for cartelization. Second, he introduces the measurement of volatility in the cartel literature. Despite high levels of volatility, he concludes, new entrants were unsuccessful except one party. It is this party that serves as an evidence of partial, not full cartelization. However, as it is shown further, the evidence of cartelization should not be confused with the success of a cartel. Moreover, even when examining only success, there is no need to use the aggregate

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level of volatility combined with the emergence of a new party. The proposed conceptualization in this thesis takes vote share of non-parliamentary parties and new parliamentary parties as a measurement of cartel success.

Moving further to the context of western democracies, Klaus Detterbeck (2005) assess cartel concept in Germany, Denmark, United Kingdom, and Switzerland. He differs three analytical dimensions of cartelization: political role, and party competition.

The first, political role portrays party-state interpenetration. The second, party competition, presents costs and benefits for competitors regulated by the parties in the cartel. These two dimensions are indeed derived from the original work of Katz and Mair. However, if the party system allows public subsidies and if it imposes barriers for new entrants, this is still not cartelization in the full sense. What Detterbeck describes can be understood as pure collusion between parties or cartelization but only to some extent. In order to provide full evidence for party system cartelization, the second dimension has to be revised. Cartelized competition does not only mean that parties are colluding in order to survive but also that by doing this, they become similar to each other. Consequently, similarity between parties leads to policy convergence and incongruence between parties and the electorate.

Chapter 2 – Towards three-dimensional operationalization

The main purpose of the second chapter is to propose a standard measurement of party system cartelization. As it is outlined above, none of the previous empirical assessments of the cartel thesis can be accepted as both comprehensive and methodologically appropriate. Derived from theory, the operationalization of party system cartelization is divided into three dimensions (see Table 2). The operationalization is developed following two well-known definitions of the party system. First, following Sartori's definition of the party system (Sartori 1976), two dimensions are introduced in the context of the cartel: cooperation and competition. The third dimension is specific for the evolution of political parties analytically perceived as a movement on the state – society continuum. Second, following Bardi and Mair's (2008) distinction between three levels of the party system, the first dimension – cartel cooperation – is related only to the parliamentary arena, while the third is related to both the parliamentary and the electoral arena. Thus, while collusion and depoliticization are monitored in the parliament, the convergence and congruence are observed in the electoral arena.

Table 2	Three-dimensional operationalization	
State penetration	Cartel cooperation	Cartel competition
Party regulation	Low level of party system permeability	Policy convergence
High portion of public subsidies	High level of collusion among MP's	Low party-voter congruence
Low party membership		High level of depoliticization
Low voter turnout		
	Context specific indicators	

1.1. Interpenetration of party and the state

The first dimension of party system cartelization is related to the interpenetration of parties and the state. As parties rely on state funding, regulated by themselves, they detach from the society since low share of membership income they compensate with revenue from the state. In this sense, parties are not any more private associations of citizens but public utilities (van Biezen 2004) that in cartel system become state agencies (Katz and Mair 2009).

The first indicator is related to party regulation. It is important to what extent party activities are regulated by the state. Based on normative understanding of parties as public utilities, parties do have legitimacy to opt for state subsidies. The extent to which they rely on resources derived from the state, and not from membership is the extent to which party system on the aggregate level become cartelized. Since parties regulate finance by themselves it is possible to talk about interpenetration. If the state funding is followed by low voter turnout and public disaffection from politics, the evidence of cartelization is stronger.

1.2. Cartel cooperation

The most crucial element in the operationalization of the cartel concept is the evidence of collusion among parties. In order to estimate the level of party system cartelization, one must observe the voting choice of MP's in the parliament on the legislation related to the regulation of political competition. Only in the case when politicians from more than one party vote for the law which increases benefits for themselves and/or increases the costs for their opponents, there is a reason to hypothesis party system cartelization. This way, the empirical assessment of collusion becomes less subjective and open to critics for being conspirative, because it does not depend on the intentions of the actors, neither the consequences of their actions, but simply evidence of voting behavior. Hence, in

investigating patterns of collusion, we are interested in the institutional framework that regulates political competition. It is therefore essential to notice that legal institutions define the level of party system permeability, but the laws that set up these institutions are not always the consequence of collusion. It might be possible that once established, the institutional rules have not been changed, but still, the level of party system permeability is low. Therefore, the analysis should comprise two findings — first, the overall level of party system permeability according to the institutional regulation of competition among parties, and second, the evidence of collusion. It is essential to show, who initially established the rules, whether these rules have been changed throughout the time, (if yes) in which direction, and finally, who[2] opted for these new rules.

Institutional framework is related to several regulations. Firstly, cost of registration defined as the legally required number of signatures for organizing the party. If there are no constrains for citizens to form a party, such a regulation stimulates fragmentation at the periphery (Čular 2018) which makes system permissive at the electoral level but not always in the legislative arena. Next, public funding of parties refers to the scope and the magnitude which define the level of party system permeability. In other words, which parties are eligible to receive funds, and how much resources are distributed to each party. If the scope is limited only to parliamentary parties, or even only to some but not all parliamentary parties, the system is considered to be restrictive. The same holds if the formula for distribution of state resources, campaign reimbursement or media access favors the most successful competitors.

When it comes to measurement of collusion, it should be comparable across time. Therefore, it is essential to rely on standardize measurement. In that regard the index of collusion is

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[2] It is not a revelation in political science that parties in power use dominance over the legislative process to construct rules in their favor. This is especially the case in unconsolidated democracies where check and balances mechanisms do not always work in practice. However, manipulations of the rules in perspective of cartel theory is specific in two ways. Firstly, it is related to legal manipulations, not malpractices, and second, it assumes cooperation between nominally opposite parties.

introduced with the following formula:

$$C = \frac{V - G}{O}$$

Index of collusion (C) ranges from 0 to 1, where: V – number of votes for the bill; G – number of seats controlled by the government; O – number of seats controlled by the opposition;
* Under the assumptions that O<G and none of the government MP's abstain

The main advantage of this measurement is its comparability. Collusion index offers an opportunity to compare the level of collusion across time and between two different laws. However, there are two limitations of such quantitative assessment.

First, the collusion index shows the extent to which there is a cartel-like behavior among MP's but without information about individual votes of MP's it is not possible to find out which parties form a cartel. Further, without knowing who voted for what it is possible that the index shows no collusion even when collusion exists. Although rare in practice, it is theoretically possible that one party from governing coalition does not have support from coalition partners, but instead its legislative initiative is supported by opposition parties which makes the sum of votes equal to a number of MP's from governing coalition in which case the collusion index is 0. Second, the evidence of collusion should be related to articles which regulate party competition but instead of deciding over specific articles, MP votes for or against the whole law. Consequently, it might be that MP does not support the law because of some articles unrelated to the regulation of party competition.

In order to overcome these two shortcomings, quantitative measurement should be combined with qualitative data. Parliamentary reports consisting of individual votes can reveal which parties are a member of the cartel, and reports consisting legislative procedure can tell which articles were subject of amendments raised by the opposition. If there are no amendments concerning articles on the regulation of party competition, this might be approximate evidence of approval and an indicator of *silent collusion*.

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1.3. Cartel competition

"With the development of the cartel party, the goals of politics become self-referential, professional, and technocratic…"

(Katz, Mair 2009:755)

As Katz and Mair (2009:755) put it: "Competition between cartel parties focuses less on differences in policy and more… on the provision of spectacle, image, and theater". Therefore, the first indicator is the level of policy convergence between parties. Convergence is a trend in which parties move towards the same ideological point throughout the time. It is calculated as a difference between the ranges of policy positions within a party system in two points in time. Thus, the downward trend of range of policy positions indicates convergence.

The prerequisite for research on policy convergence in electoral arena is the accurate estimation of party's policy positions. There are various ways to capture party position. One can rely on documents such as party manifestos, or surveys which cover voter's perceptions, expert evaluations or MP's self-positioning. Party manifestos are official party documents which serve to inform public about values, beliefs and intentions of its members. It is also a source of information which is used by experts in coding procedure. However, some scholars question its usefulness for political research since manifestos do not strongly affect electoral competition and, more importantly, its content does not always match with reality. While on the one side what matter is citizens' perception because it determines voting decision, on the other side, the self-reporting is the most accurate estimation and since it is not made for the purpose of elections, there is a smaller risk of discrepancy between the data and reality.

It is true that one of the defining characteristics of cartelization is competition around the center. However, as Kitschelt suggests (2018), following median voter theorem, scholars should indeed expect competition to be centripetal. What is important in terms of

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cartelization is that centripetal competition is incongruent with public opinion, which leaves the significant portion of the electorate on both sides of the ideological spectrum. If this is the case, then the party system shows considerable level of representativeness which is evidence against the cartelization.

Finally, cartel competition is characterized by increased number of depoliticized issues. As Mair argues (2009) there is a structural tension between 'representative and responsible government'. It could be assessed both qualitatively and quantitatively. While qualitatively refers to content analysis of committee reports or interviews with policy makers (Loxbo 2018), quantitatively means counting the number of issues that are excluded from the agenda. What is crucial here is that exclusion is not caused by lost relevance of issue but because of "deliberative strategy by political elites who are reluctant to have their hands tied by the constrains of popular democracy" (Mair according to Loxbo 2018:97)

Hence, the feature of party competition in cartelized systems is restricted competition over similar policies that are left for debate after delegation to non-political actors, followed by a significant discrepancy between policy demand and policy supply, and few (if any) new political actors.

2.2. Seven levels of the cartelization

The alfa and omega of the cartelization are state subsidies and collusion. Without these two, there cannot be any cartelization. On the other hand, empirical properties of cartelization allow for transformation from dichotomous measurement to seven-point scale of cartelization.

After all, the proposed operationalization allows for the innovative framework. The outcome of this thesis is to offer three-dimensional operationalization of cartelization. As cartelization is not understood as a dichotomous concept, there are seven different settings in this regard

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that can be found in the system which satisfies the minimum condition for cartelization –

collusion. According to three dimensions, it is possible to combine a low or high score on

each dimension with the other.

Table 3	Seven levels of cartelization
I	Collusion (1,0,0)[3]
II	Low collusive, society-centric, closed competition (1,0,1)
III	Low collusive, state-centric, open competition (1,1,0)
IV	High collusive, society-centric, closed competition (2,0,1)
V	High collusive, state-centric, open competition (2,1,0)
VI	Low level of party system cartelization (1,1,1)
VII	High level of party system cartelization (2,1,1)[4]

* The level of party system cartelization is estimated by the combination
of three dimensions

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[3] Interpenetration is considered to be 'heavier' evidence of cartelization than cartel competition since public funding is defining characteristic of the cartel.

[4] As a minimum requirement, collusion cannot be missed. Therefore, it is coded as 1 in the case of low, and as 2 in the case of high level of cartel cooperation between established parties. On the other hand, it is possible not to find evidence of state penetration and cartel competition but still to qualify party system as being cartelized to some extent.

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Chapter 3 – The case of Croatia

Cartel theory originally referred to developed post-industrial democracies. The developments that led to cartelization lasted for many decades. In contrast, Croatia is a relatively young democracy. Although political parties existed in the first half of the twentieth century, the party system cannot be portrayed before 1990. Consequently, unlike its western counterparts, it is not possible to monitor transformation from cadre to cartel type of party. As in other post-communist countries, various types of parties have been created simultaneously without ideal characteristics of any type specifically. Nevertheless, during almost three decades since the first multi-party elections, Croatia has experienced transformation from an authoritarian regime to a consolidated democracy. Therefore, the basic conditions for applying the cartel theory have been created.

The development of Croatian party system can be divided into three periods. The first period begins with the first multi-party elections in 1990 and lasts until the regime change in 2000. This period, characterized by the authoritarian rule of the dominant party HDZ and its president Franjo Tuđman, is marked as a defective democracy (Fink-Hafner 2007). During this time, the strong president and dominant party maintained power by controlling the media, committing electoral manipulations and leading untransparent economic reforms (Čular 2000, Šedo 2013). The second period starts with democratic reforms, a change in the constitution and a transition from the presidential to the parliamentary system. During this period, the two-block coalitions led by left-center SDP and right-center HDZ have sequentially formed five governments. In domestic politics, Croatia has become consolidated democracy, while on international arena, it has become a member of the WTO, NATO, and the European Union. The period of two-block competition ended in 2015 by the emergence of two new parties that do not belong to any block, one of which (the Bridge) even played the role of king-maker. Moreover, the pattern of competition was changed in the following year.

For the first time, the left-wing party (HNS) formed a coalition with right-wing HDZ. Although several small parties have changed coalitions before, with the new coalition it became clear that the pattern of interaction among parties is not ideologically constrained anymore.

When it comes to preconditions for the cartelization, making an analogy with what Katz and Mair (2009) followed by other scholars (Maclvor 1996, Detterbeck 2005, Hutcheson 2012) have claimed, it seems that Croatia is the context in which the cartel could be found. First, until 2015 Croatia has had one of the most stable post-communist party systems (Čular 2017, Čakar 2018). In the first period, HDZ independently formed all the governments, and in the second period, competition between two opposing blocks made the interaction quite predictable.

Although the party system during this period is characterized as bipolar (Čular, Henjak 2013), this mainly refers to the two largest parties. It is not uncommon for small parties to change coalitions by each election. Moreover, considering individual deputies, party loyalty is at a quite low level.[5] When it comes to parties' ties with society, those links are mostly carried out by clientelist and patronage arrangements (Petak 201, Vidačak and Kotarski 2018, Špehar and Pepić 2018). All this makes the party system less adversarial. The strong division is primarily related to the two largest parties, which has been increasingly questioned since 2015 by the emergence of anti-establishment parties (which rhetoric is based on equalizing the two largest parties) and breaking the two-block competition in 2016.

Since 2013, Croatia is a member of the European Union. In accordance with the thesis on the 'hollowing of democracy' (Mair 2007, 2013), this created a precondition for greater depoliticization caused by the technocratic rule of the EU bureaucrats. Moreover, as in other

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[5] In order to enchase party loyalty, Croatian parliament adopted a Law on Financing in 2011 which entitled parties, not MP's for public funding. As additional evidence, Čular (2018) shows that number of parties is usually higher at the end of the term compared to the beginning.

post-communist EU member countries, it is expected that the consensus of political elites over European integration makes politics less adversarial.

Finally, why to investigate Croatia? The application of the cartel theory has both theoretical and empirical justification. First, relevant for the applicability of cartel theory is the question of whether a stable cleavage, which exists in Croatia, is a barrier to cartelization. Second, it is precisely the cleavage theory that has been used so far for the explanation of party system stability in Croatia (Zakošek and Čular 2003, Čular and Gregurić 2007, Henjak et al. 2013). The aim of this paper is to show whether cartel theory offers an alternative explanation for the stability, thus answering the first question respectively. Empirically, the cartel theory remains insufficiently explored in the context of new democracies. Specifically, in Croatia, there has been no systematic research. The only conclusion regarding the cartel is provided by Čular who explores the impact of regulation on party competition. According to Čular, Croatia is a paradoxical case in which cartelization causes fragmentation of the party system. However, instead of investigating the degree of cartelization, Čular presumes it. The purpose of this paper is to correct this logical inconsistency.

This chapter is related to the empirical assessment of cartel theory to Croatian case. The first part shows the location of parties on the society-state continuum. The second part shows to what extent MP's colluded in order to restrict the competition. The third part shows whether the represented are more radically positioned than representatives, and to what extent European integrations have influenced the depoliticization of the competition. After combining three dimensions, the Croatian party system is located on the seven-point scale of cartelization for each of the three periods. Cartelization is not expected to be found in the first period due to the authoritarian rule of HDZ and unconsolidated system. The second period provides more space for cartelization concerning stability and less adversarial politics, while the emergence of anti-establishment parties in the third period is expected to be a response to

cartel if it ever occurred. Finally, the chapter concludes with an evaluation of cartel success.

Table 4 **List of relevant parties**

Logo	Party Name	Abbreviation	Party Family	Years in government
HDZ	Croatian Democratic Union	HDZ	Democratic Christian	22
SDP	Socialdemocratic Party	SDP	Socialist-demoratic	7
HNS	Croatian People's Party	HNS	Social-liberal	10
HSLS.	Croatian Social-Liberal Party	HSLS	Social-liberal	10
HSS	Croatian Peasents Party	HSS	Agrarian	7
HSP	Croatian Right Party	HSP	Far-Right	*
IDS	Istrian Democratic Assembly	IDS	Regional	6
HDSSB	Croatian Democratic Allience of Slavonia and Baranja	HDSSB	Regional	/
MOST NEZAVISNIH LISTA	The Bridge	Most	Anti-establishemnt	1
ZIVI ZID	Human Shield	Shield	Anti-cartel	/
Milan Bandić 365 STRANKA RADA I SOLIDARNOSTI	Milan Bandic 365	MB365	Leader party	*

* Supported government in the parliament

3.1. Interpenetration of party and the state

In this section, parties are located on the society-state continuum. On the one side, interpenetration implies substantial regulation of parties by the state, while on the other, exploitation of state resources by the parties rather than reliance on contributions of members. Consequently, if parties are perceived as public entities rather than private associations, citizens form expectations that, if not met, lead to dissatisfaction and alienation from politics.

The Croatian legal system recognized political parties in the early days after the first multi-party elections in 1990. The functioning of parties was regulated both by the Constitution and Law on Political Parties. The Constitution proclaimed the rights of citizens to freely organize political associations and parties, and set minimum standards for their legal operating. The process of constitutionalization of political parties went further ten years later with amendments to constitution adopted after regime change in 2000. Since then, constitution binds parties to democratic principles and obliges them to make their financial reports publicly available. These developments made clear that parties in Croatia are public entities rather than private associations (Čular 2018), or as Van Biezen (2004) put it *public utilities*. This especially holds given the introduction of "party tax" in 2013 which legalized party rents of party members who are public officials.

As in other post-communist democracies, public financing of parties was introduced in Croatia in the first years of transition. However, although the parties have been financed from the state budget since 1993, data have been available since 2007. On average, the parties' income from state and local budgets is 80%, while the revenues from membership fees are 6.4% (Figure 1). This positions parties in Croatia significantly above the European average, where state subsidies account for 57.3% and membership fees for 15.2% of revenues (van Biezen, Kopecký 2017). Observed in absolute terms, Croatia is again above the European average. Figure 2 shows that on average, the Croatian state allocates 3.3 EUR (25 HRK) per

registered voter to parties, while in other European countries this number is 2.9 EUR (van Biezen, Kopecký 2017). Considering that Croatia is among countries with the lowest GDP in Europe, this difference is even bigger.
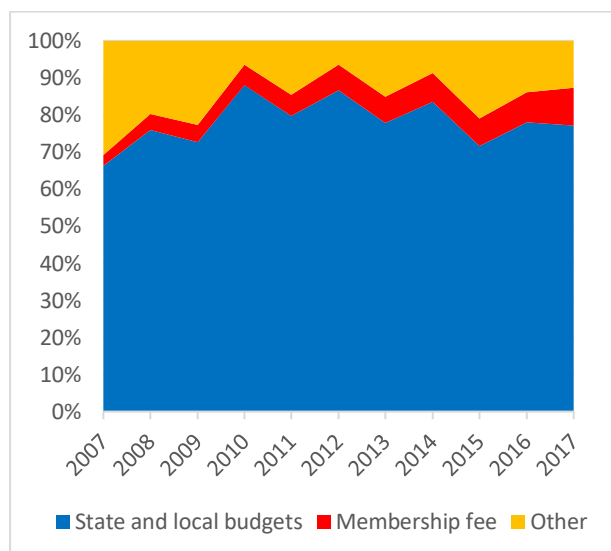
Figure 1 Financial sources of parties' revenues

Source: The State Audit Office of the Republic of Croatia, annual reports.
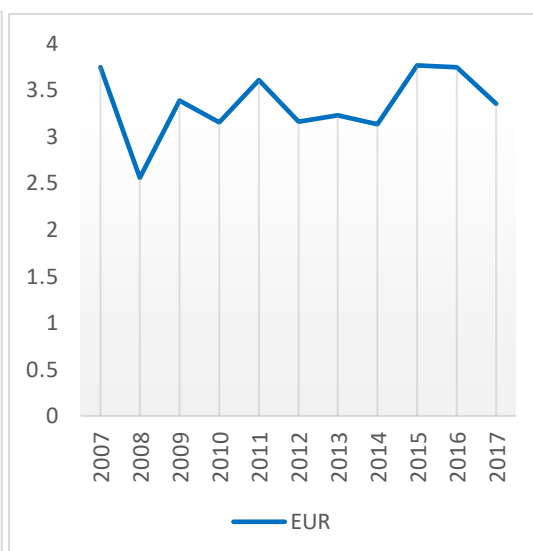
Figure 2 State subsidies per voter

Source: The State Audit Office of the Republic of Croatia, annual reports.

Note: Author's own calculations

Figure 3 shows the ratio between the number of registered voters and the total number of members for seven biggest parties in a given year. The number of party members accounts for 12.5% of the total electorate on average, which is almost three times more than European average (van Biezen, Poguntke, Mair 2012). Unlike the previous indicators of interpenetration, the size of the party membership shows that parties are anchored in the society. However, if something is to be concluded, it is necessary to know how effective is the influence of membership on party decisions. If the role of mass membership is to legitimize decisions, then large membership in fact fosters the cartelization (Katz and Mair 1995, 2009). Nevertheless, the internal party structure is not the subject of this work. What needs to be noted is that a large membership is primarily related to only one party – HDZ,

which accounts for more members than all other parties taken together. On the other hand, considering the level of party identification (Table 5) citizens in Croatia show lesser commitment to parties than citizens in other European countries.
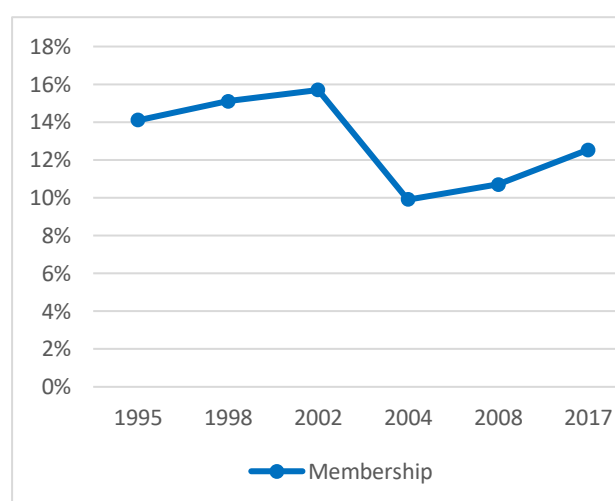
Table 5	Portion of non-affiliated citizens		
	2007	2011	2015
	64%	63%	68%

Source: Election Surveys (2007, 2011, 2015), Faculty of Political Science Zagreb

Figure 3 Ratio between electorate and party membership
Sources: Čular (2010), IDEA database
Note: Author's own calculations

While the portion of citizens who do not feel close to any party is moderately high, the percentage of citizens who do not express confidence in parties and parliament is under the European average (Dalton, Weldon 2006). However, neither the high size of party membership nor the confidence in parties and parliament are in correlation with the electoral turnout, which is decreasing by almost every election. Paradoxically, while the size of party membership is considerably higher in Croatia, the average electoral turnout (63.7%) is lower than in other European countries (69.5%). Therefore, it might be that more than half of the entire membership belonging to the biggest party makes the size of membership problematic indicator in this case.
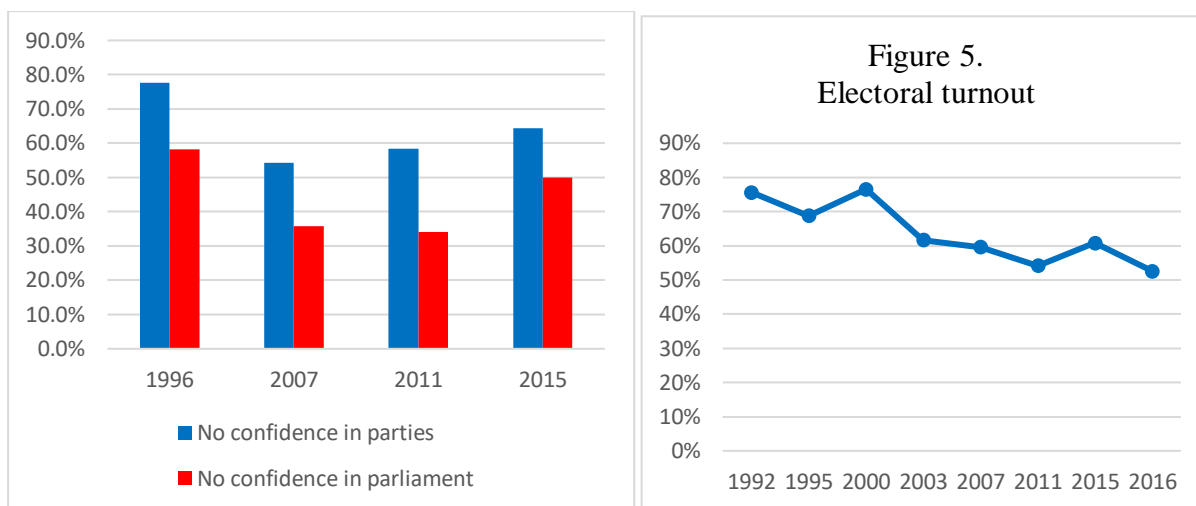
Figure 4 Lack of confidence in parties and parliament
Sources: World Value Survey (1996);
Election Surveys (2007, 2011, 2015), FPZG

Figure 5 Electoral turnout
Source: IDEA database

Croatian parties are normatively regulated as public utilities. In financial terms, they are heavily dependent on the state, which provides no incentives for parties to mobilize members. On the other hand, party membership is significantly high, but this relates only to the biggest party, which also shows a declining trend in this regard. While citizens do not show a great lack of confidence in parties and parliament, most of them do not feel close to any party. The high percentage of non-affiliated citizens is followed by the low electoral turnout. Hence, on the society-state continuum, the Croatian party system is state-centric.

3.2. Cartel cooperation

In this section, I show to what degree the party system in Croatia is open for competition and whether the rules regulating competition were supported by MP's opposed to each other, who together might benefit from them. In order to do so, I first depict the registration costs for new parties and the development of regulation of both direct (state subsidies and campaign reimbursement) and indirect (media access and paid staff) finance since the emergence of the Croatian party system.

3.2.1. Party System Permeability

The first indicator of permeability is the cost of registration. According to the *Law on Political parties* from 1990, 100 signatures are required for forming a party, and there is no regulation concerning minimum party membership for its functioning. Since then, the law was under many revisions and modifications, but this requirement has not been changed, making constitutional right for political organizing easily accessible.

Direct funding in terms of state subsidies was introduced already with the abovementioned Law in 1990. Since then, parties eligible for state funding are only ones which ensure seats in the parliament with 5% electoral threshold. According to this law, state subsidies are distributed in two portions: ¼ equally and ¾ proportionally to electoral success. The amount of money was estimated in absolute terms until 1998 when a different distribution formula was introduced. Instead of absolute terms, the amount was now formulated as 0.056% of the budget's income, with 20% shared equally and 80% proportionally. This formula lasted for only three years when it was replaced with amendments to the law in 2001. With these amendments direct funding was shifted even more towards the most successful parties because it introduced the pure proportional model of distribution.

The other type of direct finance – reimbursement for the electoral campaign – was introduced in 1992. Unlike state subsidies, reimbursement was initially devoted not merely to parliamentary parties but also to those below the electoral threshold (3% of votes). However, only three years later the threshold was raised to 5%. The significant change happened in 1999 when the law explicitly discriminated parties in the parliament against those outside. Although all parties with 5% electoral success were eligible to get reimbursement, the new law guaranteed additional amount of money for parliamentary parties in the previous mandate which is transferred before the elections. Moreover, the formula for reimbursement has been changed in 2011, from equal amount for all eligible competitors to reimbursement

proportional to electoral success. Therefore, likewise the regulation of state subsidies, the regulation of reimbursement favors competitors who are already in power.

When it comes to indirect finance in terms of media access, this area was initially regulated with the Law in 1999. Following democratic standards, this law guaranteed equal media access to all parties. Unlike other areas of regulation, media access had not linearly become restrictive throughout time. In 2003 Croatian Parliament enacted a Conduct which strongly liberalized the regulation. Until the new regulation in 2014, both private and public TV and radio stations were obliged to provide equal treatment to all contesters on the elections. Moreover, the Amendments on Conduct in 2007 provided an additional 10 minutes in media per list at electoral districts. With this innovation, the total amount of free time available to parties in both public and private media with national concession was 30 minutes per list at electoral districts, 45 minutes per list at the national level and 50 minutes for debate between all participants. At this time, the electoral campaign equalized the presence in media for all competitors and made it possible for those without sufficient resources to communicate with citizens. However, such an open ground for competitors lasted until 2014. Since then, private media is not obliged to cover the electoral campaign and the requirement for the minimum time which public TV must offer for free is five minutes per list.

What can we conclude about party system permeability based on the development of institutional framework? First, the regulation of both direct and indirect party finance makes unequal distribution on two levels: electoral and legislative arena. Concerning the electoral arena, the distribution is directed only to parliamentary parties. In the first five years, this was held only for direct subsidies, but since 1995, the threshold for reimbursement was aligned with the threshold for obtaining seats in the parliament. Comparatively, the Croatian system is one of the most restricted party systems with proportional representation in this regard, with the average threshold for public subsidies in Europe under 2% (Piccio, van Biezen

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2018). Even more interestingly, in Slovenia, a country with the same Yugoslavian legacy as Croatia, public subsidies are distributed to all parties with at least 1% of the votes. The high threshold does not just exclude extra-parliamentary parties from the share of public resources, but it also makes difficult for these parties to collect extra funding by borrowing money for the electoral campaign, especially if public opinion polls do not give them high chances for winning the seats. Concerning the legislative arena, the outcome is similar in the sense that rules are favoring the most successful parties. Since 2001 the formula for distributing public funding is proportional to electoral success. Moreover, since 2014, all parties are guaranteed equal treatment only in the public media with only 5 minutes promotion devoted to each candidate for promotion. In this regard, the institutional framework in Croatia does not stem from European average but if, we take the most liberalized regulation throughout the time as a reference point, these developments in 2001 and 2014 made Croatian party system more restricted than before. Hence, although it is not clear whether the Slovenian case with 1% subsidy threshold, 10% equal distribution and total amount 0.017% of the budget devoted to parties presents restrictive party competition (Krašovec, Haughton 2011), there is no doubt that Croatian system with 5% subsidy threshold, proportional distribution and 0.075% of budget illustrates restrictive party competition.

What stems from the analysis is that all the regulations were more liberal in initial than in the later stages. In other words, contrary to the trend in most of the European countries (Piccio and Biezen 2018), the permeability of the party system was institutionally lowered throughout the time. It is, therefore, crucial to investigate whether this development can be explained by the collusive, cartel-like behavior of political elites.

3.2.2. Cartel-like behavior (collusion)

In order to investigate the cartel-like behavior of MP's, I calculate collusion index for several legislations that changed the institutional aspect of party system permeability.

The first legislation analyzed here is related to voting behavior of MP's concerning *the Law on Election of Representatives* in 1995. This was the time of the Second Croatian Assembly (1992 – 1995) consisted of seven parties out of which HDZ was by far the biggest one controlling 85 seats (62%). By changing the Article 21, the Croatian parliament raised the reimbursement threshold from 3% to 5%. The law was adopted with 78 votes in favor and 37 against. Therefore, the collusion index is negative. If we assume that level of party discipline is high and that most of the party members vote in accordance with each other, then on the first glance, it seems that there is no evidence of collusion. Even more, since the collusion index is negative, it looks like HDZ which initiated the law does not have support from its own members. However, the subject of this work is Article 21 but there were many other amendments which might spark disagreement among MP's. Therefore, it is important to see how many amendments were raised for the entire law and are there amendments concerning Article 21 which regulates electoral reimbursement. Detailed analysis of the report provides a different picture. Out of 31 amendments, there was none related to Article 21, which indicates that those 37 MP's who voted against the law probably did not oppose raising threshold for reimbursement but rather something else. Moreover, it is important to note that this was the last parliament session before the elections which were held two months later, and the new threshold gave advantage to all parliamentary parties against outsiders. Yet, as there is no report of individual MP voting, the lack of explicit objection to Article 21 can serve only as an approximation of collusion.

During the Third Croatian Assembly (1995 – 1999) there were two legislations which indicates cartel-like behavior among MP's. During this time, HDZ was again the leading

party, now controlling 75 seats (55%). In 1998, through urgent procedure, Croatian parliament adopted *the Law on Political Parties* with 93 votes in favor and 4 against. Article 19 introduced a new formula for state subsidies and changed the distribution of resources slightly in favor of bigger parties. Unfortunately, the available parliamentary report does not contain the results of individual votes, nor the content of the discussion. Yet, it is clear that HDZ, which was the only party in government by that time, did not pass this legislation on its own. The collusion index of 0.34 indicates a considerable level of consensus among members of opposing parties when it comes to regulation of party competition.

Further cooperation for the sake of restriction was evident in 1999 when Croatian parliament adopted a new *Law on election of representatives* (Article 33), which gave material advantage for parties in the parliament against outsiders. Similar to the law in 1995, the new law was passed shortly before the elections. Here, circumstances are even more interesting given that this was the time when opposition united in two blocks against the authoritarian HDZ government. Unfortunately, the available report, again, does not provide data on individual voting decisions of MP's. Nonetheless, the Law was adopted with 74 votes in favor and 23 against. Having in mind that collusion index is negative it might be that only HDZ representatives opted for a new law. Yet, following the same logic from above, if opposition MP's might not be in favor of Article 33, they were definitely not against it as none of 59 amendments was related to this issue.

The Sixth Croatian Assembly (2007 – 2011) comes after elections on which two main parties – HDZ and SDP – confirmed their dominance with a total share of 122/153 seats in the parliament. The governing coalition was consisted of HDZ and five small right-wing parties which together controlled 78 seats. In 2011 Parliament adopted the *Law on Financing Political Activity* which set a threshold for reimbursement for EU elections twice as high as for national elections (Article 18) and shifted the distribution of all reimbursements from

being equal to all parties to be proportional to electoral success (Article 20). Such a law which favors not just parliamentary parties but primarily the most successful ones, namely HDZ and SDP, was enacted through urgent procedure with 86 votes in favor and 1 vote against. Both quantitative and qualitative assessment show explicit and implicit evidence of cartel-like behavior. While index of collusion is 0.1 there were 12 amendments of which none was related neither to Article 18 or Article 20.

The structure of Seventh Croatian Assembly (2011 – 2015) was not significantly different except that this time SDP led the coalition which formed the government with 80 seats (55%). Since 2001 all contestants at the elections had the equal right for free media exposure which changed in 2014 with *the Conduct of the Electronic Media* which restricted free media access only to public media with at least 5 minutes exposure per list. Drastically restriction was argued to be necessary for normal functioning of the electoral campaign (Struić 2018). While some of the members of opposition did not vote, the regulation was supported by 92 MP's without anyone being opposed. Significant level of collusion (0.18) can be explained both endogenously and exogenously. Firstly, as reasonable intention of political elite to help media to organize meaningful electoral coverage and secondly as the effect of diffusion, meaning incorporating established international practices. However, if the former legislation "turned campaign in media in unwatchable shows" (Čular 2018:264) then the latter did the opposite, restricting media access to small parties only a few months before the elections.

The Ninth Croatian Assembly which is currently running is constituted in 2016. In March 2019 the legislative initiative coming from ruling HDZ divided parliament. The Article 38 of the *Law on Financing Political Activity* raised the expenditure limits for the campaign during national elections by 50% (from 1 to 1.5 million HRK) and elections for EU parliament by 37.5% (from 1.5 to 4 million HRK). The opposition accused HDZ of malpractice because the law changed the rules of competition only two months before the elections for the EU

parliament. This is not surprising considering that the only three parties that spent more than 1.5 million HRK for a campaign during a national election in 2015 and 2016 are two biggest parties, HDZ and SDP, and MB365 led by former SDP member and long-lasting mayor of Zagreb. The new law was adopted after the longest discussion in the history of Croatian parliament during which Most (The Bridge) submitted 888 amendments. Interestingly, the Most was a party which initiated the law with HDZ in 2016, which was now under revision. The Law was voted unanimously with 81 votes in favor and none against. It was supported by the ruling HDZ and HNS and the seven other parties among which is MB365 (the only beneficiary of this law next to ruling HDZ and opposing SDP) which gives 0.27 collusion rate.

Table 6 **Legislative cooperation of MP's**

Period	Regulation	Index of collusion	Number of amendments
First period (Second Assembly)	Reimbursement threshold	negative	0/31
First period (Third Assembly)	Distribution of resources	0.34	NA
First period (Third Assembly)	Distribution of resources	negative	0/59
Second period (Sixth Assembly)	Reimbursement formula and threshold	0.1	0/12
Second period (Seventh Assembly)	Media access	0.18	0/4
Third period (Ninth Assembly)	Campaign expenditure limits	0.27	NA/888

All been said, the ultimate question is whether there is an evidence of cartel-like behavior in Croatian parliament and (if there is) which parties follow this pattern. All three periods of party system development could be marked as collusive (see Table 6). For the first period there are two indirect evidences based on lack of explicit discontent with amendments and one strong indication based on high collusion. In the second period the percentage of

opposition favoring the law varied from 10 to 18% with no objection to amendments. The third period shows both high polarization in the parliament and high level of collusion. It is evident that parties were divided into two blocks on regulation of campaign spending.

2.3. Cartel competition

So far, it is shown that political parties in Croatia are normatively regulated as public entities. However, in order to mark them as cartel parties, it is important to find whether they behave as state agencies. Based on insignificant differences between left and right government's agenda setting (Širinić 2018), it is expected to find the same at the electoral level. As Širinić (p. 72) claims while reffering to HDZ and SDP: "weak programmatic differentiation is confirmed by the practice of governing coalitions to start their mandates with policy blind agreements. On the other hand, this might hold only for socio-economic dimension, since Čular and Gregurić (2007) show polarization on GAL-TAN dimension.

2.3.1. Policy convergence

Convergence is a trend in which parties move to the same ideological point throughout the time. It is calculated as a difference between the ranges of policy positions within a party system in two points in time. The downward trend of range of policy positions indicates convergence. The prerequisite for research on policy convergence in electoral arena is the accurate estimation of party's policy positions. There are various ways to capture party position. One can rely on documents such as party manifestos, or surveys which cover voter's perceptions, expert evaluations or MP's self-positioning. Party manifestos are official party documents which serve to inform public about values, beliefs and intentions of its members. It is also a source of information which is used by experts in coding procedure. However, some scholars question its usefulness for political research since manifestos do not strongly affect electoral competition and, more importantly, its content does not always match with

reality. While on the one side what matter is citizens' perception because it determines voting decision, on the other side, the self-reporting is the most accurate estimation and since it is not made for the purpose of elections, there is a smaller risk of discrepancy between the data and reality.

In order to track movement of political parties on policy space, I rely on two datasets – Comparative Manifesto Project (CMP) and Chapel Hill. CMP covers timespan since the first elections up to date. However, even though it calculates the percentage by which each issue is covered in manifesto, it aggregates party position only for "super-issue dimension". In order to get more detailed insight by distinguishing socio-economic and GAL-TAN dimension, I use Chapel Hill dataset for years when it is available. Moreover, in CMP dataset party positions are calculated as the relative salience of an issue in the manifesto, while Chapel Hill offers party positions based on expert evaluations. Combining two datasets with different methodology provides higher level of validity. On the other hand, two datasets use different scales. While CMP scores may range from -100 to +100, the Chapel Hill uses 11-point scale, from 0 to 10. Therefore, the only problem which might arise is related to comparability of these two datasets. One way is to standardize data. Yet, since I am interested only in the trend in which the range changes, it is not necessary.

Parties are located for each election from 1990 to 2016. First, the distance between the most leftist and the most rightist party is calculated using CMP dataset. After doing so for all parties that won parliamentary seats, the same is done for two mainstream parties – center-left SDP and center-right HDZ. CMP measurement is validated with Chapel Hill data for three consecutive elections from 2007 to 2014. Moreover, it provides evidence of party positions on two-dimensional space. The data is available for all parties that at least once entered the parliament individually (not as a part of coalition). Single-issue and ethnic parties are excluded from the analysis since parties are positioned on dimensions, not single issues.

Since it covers a longer period, the diversity of party programs is first shown using the CMP database. Party positions are displayed for all parties that have at least once entered the parliament independently. In cases where parties form a pre-election coalition, each party is encoded separately. When this was not possible, only leading parties in the coalition (SDP or HDZ) were presented. For the sake of simplicity, the original values are converted into z-scores. Figure 1 shows the positions of parties and Table 1 shows the calculations of distances between the party positioned the most left, and the party positioned the most right for each election year. The higher range indicates divergence, while the smaller range indicates convergence. Also, in order to detect the trend in the movement of parties, the difference in the range between the two election years that follow each other is calculated.

The level of convergence is shown on three levels. First, all parliamentary parties are taken into consideration. This is important because, regardless of electoral success, the diversity of party programs shows to what extent the elections are choice between policies, not "effective and efficient management" (Katz, Mair 2009:755). On the other hand, given the same importance to all parties regardless of their electoral success, there is a higher degree of divergence in cases when small radical parties manage to enter the parliament. One way to ameliorate the effect of small parties is weighting of positions according to electoral success. However, this method favors the most successful parties and inevitably drives results to the center by decreasing the range. In order to ameliorate this bias, Table 1 shows the results without counting two outliers - extreme right HSP and anti-establishment Shield. Moreover, in the analysis of the CMP database, such an account is necessary because of the lack of data that disables the tracking of the trend after 2003. Finally, figure 2 shows the trend of convergence between the two largest parties - center-left SDP and center-right HDZ. Bearing in mind that since 2000 these two parties together hold 70% of seats in the parliament on average, thus dictating the competition, the diversity of party programs of the entire party

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system strongly depends on their positions. By analyzing the convergence of party competition on three levels throughout the time, it is possible to find which periods indicate cartelization and among which parties.

	1990	1992	1995	2000	2003	2007	2011	2015	2016
HDZ	0.15	1.37	2.54	-0.75	0.37	0.27	-0.37	0.46	-0.17
SDP	-0.31	0.08	0.13	-0.41	-0.81	-0.53	-0.82	-0.72	-0.57
HNS		-0.71	0.69	0.05	-0.57	-0.3			
HSLS		0.76	0.72	-0.65	-0.32				
HSS		0.49	-0.26	0.95	-0.34	-1.42	-0.5		
HSP		1.99	0.73	-0.49	3.08				
IDS		-0.13		-0.89		-0.34			0.73
HDSSB						0.09	-1.14	1.69	
Bridge								0.42	-0.19
Shield								-2.25	
MB365								0.86	-1.77
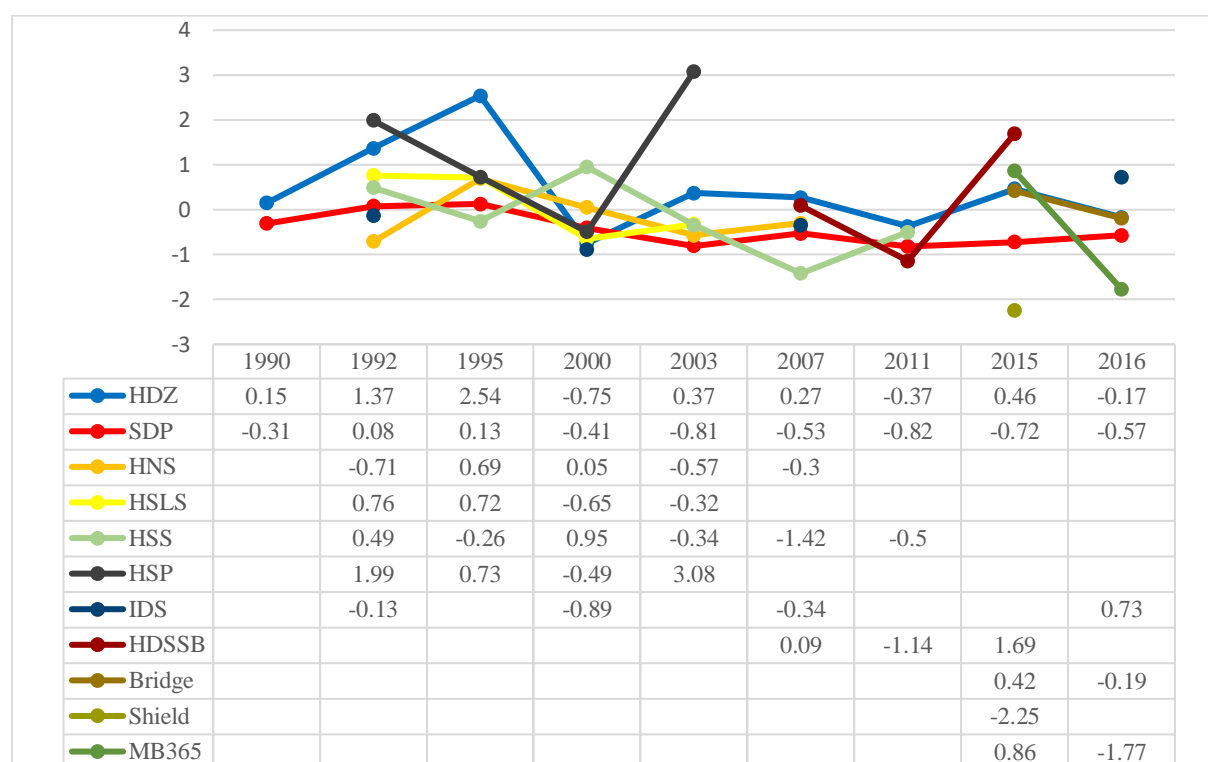
Figure 6 Programmatic positions of parties

Comparative Manifesto Project

Table 7				CMP policy range (and difference)					
Year	1990	1992	1995	2000	2003	2007	2011	2015	2016
All Parties	.46	2.7 (+2.24)	2.8 (+0.1)	1.78 (-1.02)	3.97 (+2.19)	1.69 (-2.28)	.77 (-0.92)	**3.94 (+3.17)**	2.5 (-1.44)
HSP & Shield Excluded	.46	2.08 (+1.62)	2.8 (+.72)	1.78 (-1.02)	1.26 (-0.52)	1.69 (+0.43)	**.77 (-0.92)**	**2.41 (+1.64)**	2.5 (+.9)
HDZ & SDP	.46	1.29 (+.83)	2.41 (+1.12)	.34 (-2.07)	1.18 (+.84)	0.8 (-.38)	**.44 (-.36)**	**1.18 (+.74)**	.4 (-.78)

According to Figure 6, when all parliamentary parties are taken into account, it is possible to notice two sudden range growths in 2003 and 2015. The first rapid growth is due to radicalization of the HSP, while the widening of programmatic positions in 2015 is caused by the entry of Human Shield and repositioning of HDSSB.

When outliers are excluded, it is shown that the range between the furthest left-wing and the furthest right-wing party is only 0.77. This should not come as a surprise considering that a smaller number of parties tend to cover a smaller ideological space, except in extremely polarized systems.

	1990	1992	1995	2000	2003	2007	2011	2015	2016
HDZ	0.15	1.37	2.54	-0.75	0.37	0.27	-0.37	0.46	-0.17
SDP	-0.31	-0.08	0.13	-0.41	-0.81	-0.53	-0.82	-0.72	-0.57
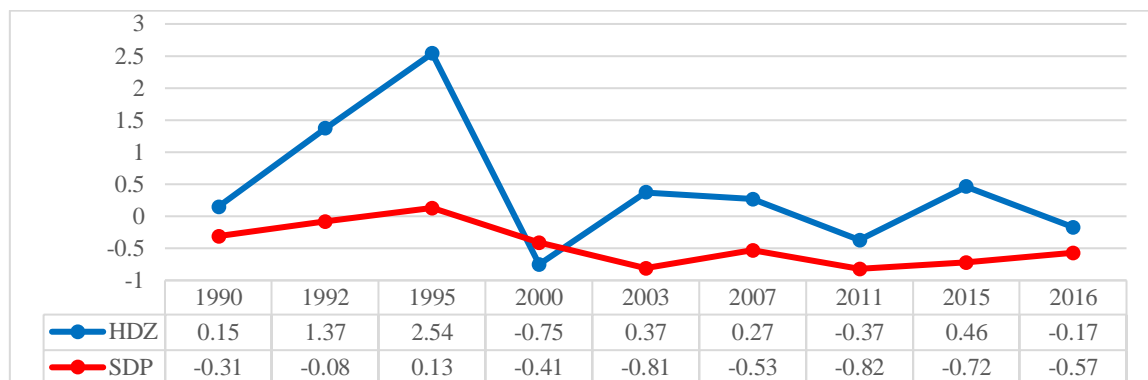
Figure 7 Programmatic distance between HDZ and SDP

Comparative Manifesto Project

Figure 7 shows the movement of leading parties of two opposing blocks. CMP data shows that in the first elections of 1990, convergence was extremely high. However, bearing in mind that the CMP counts the position based on issue salience, and that the fewest number of policies is encoded for that year until 2015 (see Depoliticization), this figure should be taken with some skepticism. The distance between the two parties grew over the next five years, resulting in the highest degree of divergence in 1995. Then in the 2000 HDZ makes a sudden turn, and from then until 2011 the distance remains moderate.

While range shows the degree of convergence at a specific time, the difference between the

two points in time can show in what period there is a converging or diverging trend. In eight years between 1992 and 2000, a trend of divergence was observed at all three levels of competence. This period corresponds with the period of the authoritarian HDZ single-party government. In fact, the radicalization of the HDZ broadened the ideological spectrum of the party competition. We can conclude that apart from the first elections for which the result cannot be entirely reliably determined, in the "first period of transition" the opposition parties gravitated around the center, but there is no evidence of convergence due to the radicalization of the HDZ that dominated in this period.

However, considering the cartel thesis, a key trend of the parties relates to the period between 2003 and 2015. In 2011, parties largely converged on both parliamentary (not counting the HSP) and a two-party level. Consequently, with the emergence of anti-establishment party Human Shield, the scope of party positions was dramatically broadened by +1.64. Since the CMP database does not provide the HSP location, this conclusion is validated by Chapel Hill results.

Chapel Hill dataset covers three election periods with all parliamentary parties. As an extension of CMP dataset, it does not only include HSP, but it also provides party positions on socio-economic and GAL-TAN dimension. This is especially important considering that party competition is structured by three persistent cleavages (Zakošek, Čular 2003), thus unidimensional scale does not account for differences on two dimensions. According to Čular and Gregurić (2007), socio-economic dimension is marked by centripetal competition, while GAL-TAN shows high level of polarization between two blocks. Therefore, what is to be expected is convergence among parties considering socio-economic policies and divergence on GAL-TAN dimension.

	2007	2010	2014
HDZ	7.17	7	7.33
SDP	2.83	2.85	3.55
HNS	3.4	3	4
HSLS	5	4.85	5.33
HSS	6.5	7	7.11
HSP	8.5	9.28	9.25
IDS	3.33	3.28	3.33
HDSSB	7	8.71	8.44
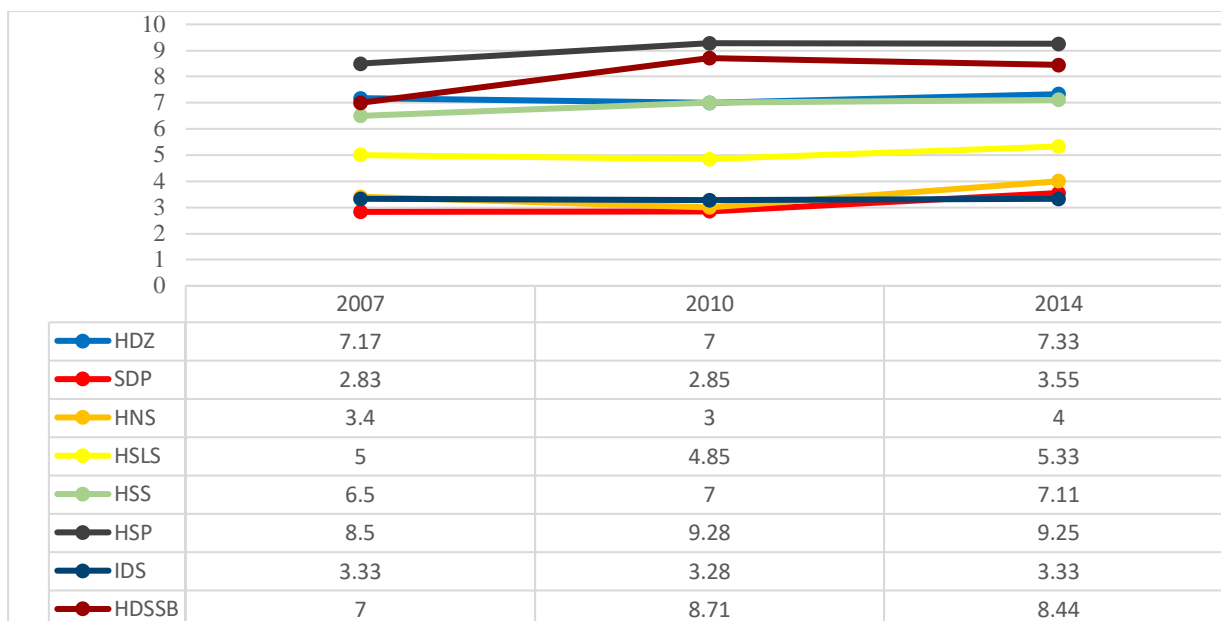
Figure 8 Party positions on super-issue dimension

Source: Chapel Hill (2007, 2010, 2014)

	2007	2010	2014
HDZ	5	4.3	5.33
SDP	3.2	4.28	4.77
HNS	6.2	6.72	6.11
HSLS	6	6.85	7.11
HSS	3.8	2.85	3.87
HSP	3.25	3.85	4.71
IDS	6.25	5.85	5.33
HDSSB	4	4.33	5
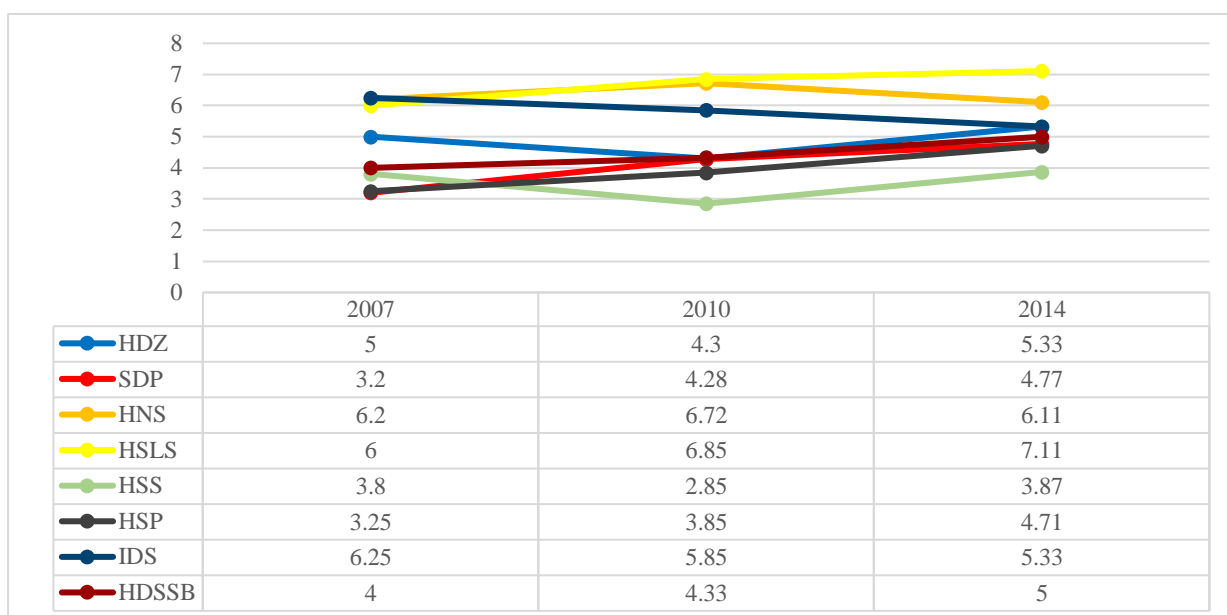
Figure 9 Party positions on socio-economic dimension

Source: Chapel Hill (2007, 2010, 2014)

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	2007	2010	2014
HDZ	7.83	7.4	8.25
SDP	2	2.42	2.25
HNS	2.33	1.57	1.75
HSLS	3.83	3	3.25
HSS	7.67	8.42	8.75
HSP	9.17	9.14	9.37
IDS	2.33	2	1.87
HDSSB	7.4	8.42	8.62
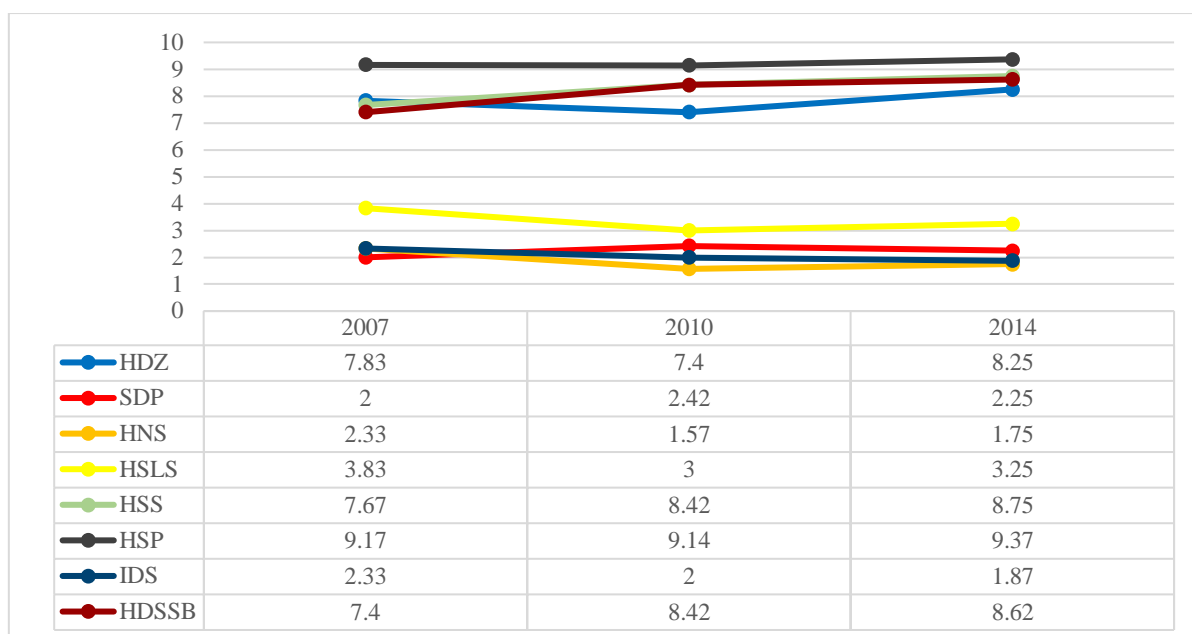
Figure 10 Party positions on GAL-TAN dimension

Source: Chapel Hill (2007, 2010, 2014)

Table 8   **Chapel Hill policy range**

Dimension	Two-dimensional space	Socio-economic dimension	GAL-TAN
2007	5.67	3.05	7.17
2010	6.43	4	7.57
2014	5.92	3.24	7.62
Average	6	3.43	7.45

Chapel Hill results meet the expectations for the entire period from 2007 to 2014. By decomposing the two-dimensional scale, there is partial evidence of convergence. Considering the socio-economic dimension, except HSLS and HNS on the right, and HSS on

the left, all parties are positioned around the center (within the range from 4 to 6). On the other hand, GAL-TAN dimension shows considerable polarization between two opposing blocks with equally four parties positioned on each side of the spectrum. These findings are in line with CMP data, which showed a significant level of divergence in 2015, preceded by the highest level of convergence in 2011.

What is more important, according to the party positions, if there is evidence of cartelization, it must be in the period preceded by the success of anti-establishment Human Shield. However, it is still possible that convergence was a response to policy demands from society in which case there is no support for cartel thesis. If there is a cartel competition, parties should be less representative in the period of convergence, meaning that the electorate is more skewed towards one or the other side of the spectrum on socio-economic dimension. For this reason, the next section shows the level of policy congruence between parties and citizens.

2.3.2. *Representativeness*

To what extent do parties represent the views of citizens and is the convergence period from 2007 to 2014 a reflection of convergence in the electorate or an indicator of the party system cartelization? In order to answer these questions, I combine Chapel Hill database with surveys of the Faculty of Political Science of Zagreb conducted in 2007, 2011 and 2015[6]

The policy congruence between parties and citizens is shown through several measurements.

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[6] Unfortunately, the same survey is not collected among MP's, thus comparing citizens' self-positions on Left-Right scale with expert survey does not provide the most accurate measurement. This accounts even more for two dimensions that are constructed by the author based on citizens' attitudes on specific issues in the survey). Since the data do not match for each year, assuming that the voters' attitudes do not change rapidly from year to year, the positions of citizens from 2011 and 2015 will serve as the approximate estimation of their positions for 2010 and 2014, respectively.
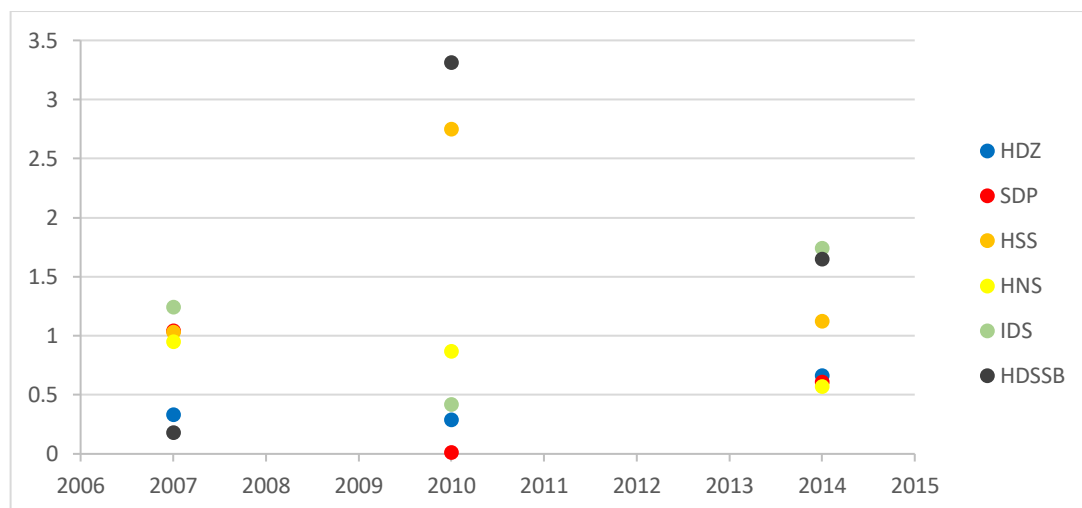
First, the Left-Right "super-issue dimension" shows the distance between the average party and the average citizen, and then the distance between the individual parties and its average voters. Since it is shown that congruence is higher on the socio-economic compared to GAL-TAN dimension, it is necessary to decompose the two-dimensional scale here again. Citizens' positions on these two dimensions are indirectly established by grouping citizens' attitudes on certain issues. Therefore, congruence is both shown on the Left-Right scale and over issues.

When it comes to the congruence between parties and electorate (Table 9), it is calculated by subtracting average party position with the position of the average voter. "Super-issue dimension" shows considerable congruence. In the year preceding 2015, the distance between parties and the electorate was at the lowest point (+.19) indicating an absence of cartelization. However, after splitting the Left-Right scale into two separate dimensions, the level of congruence becomes moderately lower. On the socio-economic dimension, the distance between parties and electorate ranges from 1.7 in 2007 to 0.19 in 2014. Parties are even less representative on GAL-TAN dimension, especially in 2010 with two points by average away from the electorate. What is more interesting is the ideological direction to which divergence occurs. Consonant with the cartel theory, specifically its economic hypothesis the sign + on socio-economic dimension suggests that parties were more rightist than the electorate.

Table 9	Congruence between parties and electorate		
Year	2007	2010	2014
Super-issue	-.38	+.44	+.19
Socio-economic	**+1.70**	+.99	+.55
GAL-TAN	**-.17**	**-2.06**	-1.31

When it comes to the relationship between individual parties and their voters on the Left-Right scale (Figure 11), in 10 cases out of 18, the distance between the party and its voter is

less than 1 point. There is no dramatic change in the distance except HSS and HDSSB in 2010. What is relevant in the light of cartel thesis is whether there is a trend towards a higher level of congruence between voters and parties prior to 2015 elections. Even when two outliers are excluded, such a conclusion cannot be made since 3 out of six parties are further than one point away from their constituencies in 2014. What is left to be seen is whether two largest parties – HDZ and SDP – show different pattern concerning issue congruence on socio-economic and GAL-TAN dimension.

Figure 11 Left-Right congruence

For HDZ and SDP, values are calculated on all three dimensions. The values for issue congruence on two dimensions are shown in Table 10. Two trends are observable. First, the distance between SDP and its voters is significantly high on GAL-TAN dimension. According to results, SDP is by 3.37 points on average more liberal than its constituency. Second, when it comes to socio-economic dimension, both SDP and HDZ voters are moderately represented. However, same as the distance between parties and electorate shows, representatives are more rightist than represented.

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Table 10   **Issue congruence between voter and party**

Year	2007		2010		2014	
Dimension	soc-eco.	gal-tan	soc-eco.	gal-tan	soc-eco.	gal-tan
HDZ	-.63	-1.5	-0.49	**+0.11**	-.88	-0.98
SDP	+1.06	**+2.99**	-.53	**+3.68**	-.47	**+3.46**

Finally, it is not clear to what extent there was the development of cartel competition prior to the electoral success of anti-establishment parties. Indeed, parties have been converging towards one another, but to what extent it was a response to demand from society or repositioning in a collusive manner remains open for interpretations. The study of representation shows increasing congruence on the socio-economic dimension on the aggregate level, while on the individual level SDP shows a high level of unrepresentativeness on the GAL-TAN dimension. Nevertheless, cartel competition does not require only a specific pattern of competition but also the exclusion of some issues from the policy agenda. Therefore, in the next section, the level of depoliticization is investigated.

2.3.3. *Depoliticization*

"Some issues are organized into politics while others are organized out"

(Schattschneider 1960:69).

The degree of cartelization of party competition depends on the convergence of the party programs, the representativeness of the parties, and the level of depoliticization. As convergence and representativeness are shown in the previous sections, this section shows the level of depoliticization.

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Politicization refers to visibility, intensity, and scope of conflict (Schattschneider 1960). In liberal democracies, there are various channels of political participation, but the main institutional channel for having a legitimate political struggle is the parliament. The extent to which the political conflict over certain issues in the parliament is visible and intensive is the extent to which these issues are politicized. Thus, depoliticization refers to the weakening of the political conflict in parliament. Of course, the political struggle in parliament as a struggle between the representatives of citizens implies a conflict that reflects the attitudes of certain groups in society. Therefore, if the lack of conflict in parliament reflects the absence of conflict in society, there is no need for political struggle, nor there is evidence of depoliticization.

This section first shows how the number of depoliticized issues has varied over time, and second, over which political issues parties have not been struggling. If there is evidence of cartelization, the degree of depoliticization should be the highest between 2007 and 2015, which is a period that coincides with the convergence of the parties.

A CMP database is used for the quantitative estimate of the degree of depoliticization. Given that the political ideas for which the parties advocate and struggle are presented in the electoral programs, the degree of depoliticization is quantitatively determined by the number of policies that no parliamentary party has included into the program in the election year. So far, this has been used as an indicator for program heterogeneity of the party systems. In order to show to what extent, the program heterogeneity affects the emergence of new parties, Gregor Zons (2013) took the number of CMP categories with a zero value as the indicator of program coverage. Although depoliticization was not the subject of his research, programmatic coverage is inversely proportional to depoliticization. Therefore, the same indicator is used here.

Given that CMP data covers a wide range of policies that occur across Europe, it is quite

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possible that some of the topics have never been politicized in Croatia. In that case, it is not a question of depoliticization, but rather about the absence of the need to politicize the issue. In order to avoid the count of policies that have never been the subject of political debate in Croatia and, consequently, could not be depoliticized, I count only those categories that at least once show a value higher than zero for the entire period from 1990 to 2016. The result is shown in Figure 12.
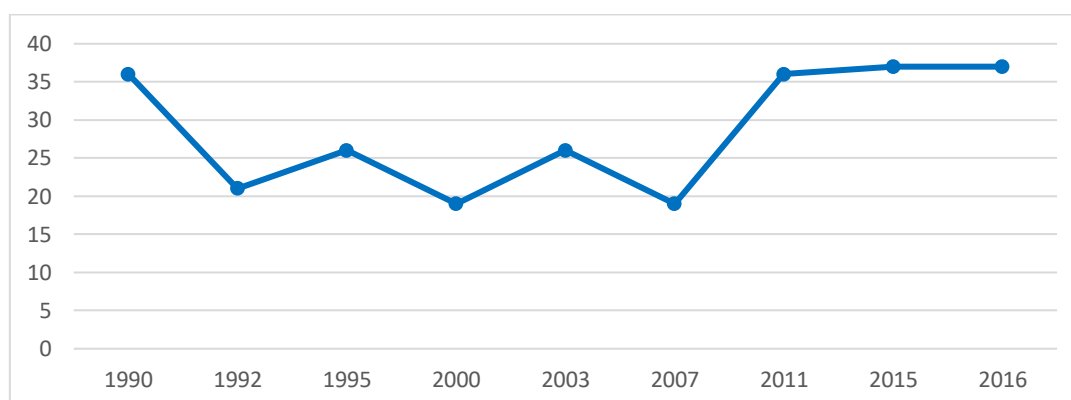


Figure 12 Number of depoliticized issues

Source: Comparative Manifesto Project

Putting first elections aside[7] the degree of depoliticization can be divided into two periods: until 2007, when the depoliticization reached the lowest level and since 2011 when it was the same as in 1990. In the first period between 1992 and 2011, the number of zero-categories varies between 19 and 26 (23 on average). In the second period between 2011 and 2016, the number of zero-categories reached the maximum (37). This second period largely coincides with the period of party convergence. Hence, the convergence of parties is followed by higher depoliticization in subsequent elections.

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[7] The number of issues that no party had included in the program was extremely high in the first elections (36). There are two explanations of why this is so. First, like in other post-communist countries, the central division between parties in the first multi-party elections was related to attitudes towards the ancien régime. Moreover, the parties that had just emerged at that time could not cover a wide range of policies even if there was such demand. Secondly, the election in 1990 is coded from a vast time distance, and it is possible that some researchers have not found enough data for some of the parties.

This brings us to the ultimate question: why is it that convergence and depoliticization occurs simultaneously? Is it just a coincidence or there is an evidence of cartelization? In order to answer these questions, I investigate the substantive dimension of depoliticization, namely I analyses the issue that has not been politicized until the emergence of eurosceptic Human Shield – the European Union.

CMP is appropriate for this inquiry because it consists of two categories for each issue. Concerning the EU, CMP dataset distinguishes the first category in which includes the parties which advocate accession to EU, enlargement of EU and strengthening of EU integration, and the second category which is related to parties that explicitly express skepticism or oppose further EU integration. The first category was present for most of the parties until 2015, while the second category appears only with the entry of Human Shield into parliament. Following the definition of depoliticization, which implies a conflict over an issue, this issue is not recognized as being politicized until 2015.
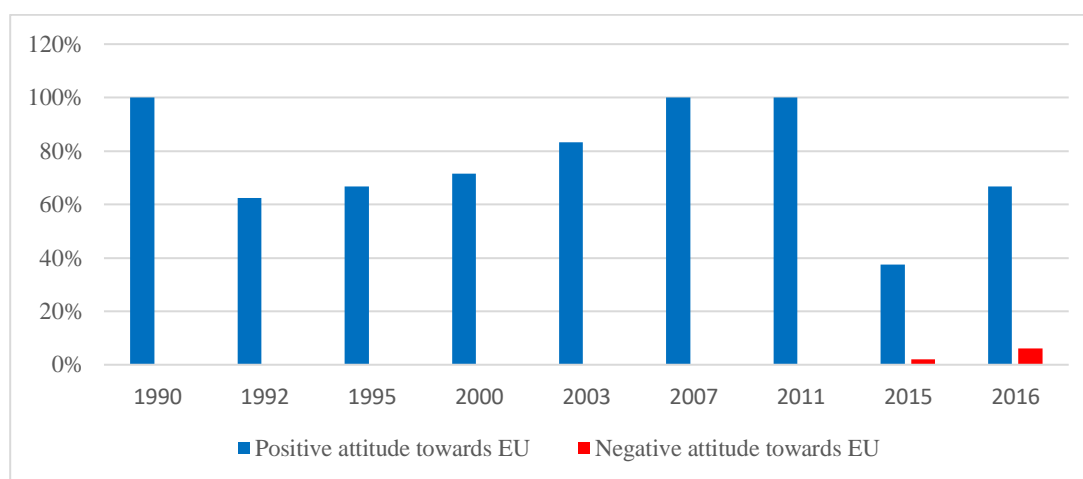
Figure 13 Percentage of parties supporting/opposing EU
Source: Comparative Manifesto Project[8]

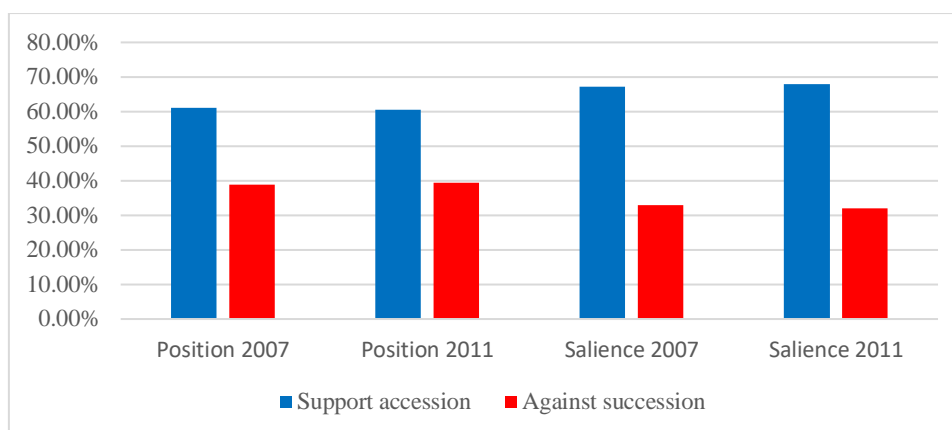In the first elections, all parties were recognized as pro-EU. Although the CMP coded only

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[8] CMP does not provide data for HSP which is against EU. However, this party has never won more than 2% and it supported the pro-EU HDZ government

three parties, it is not a surprise considering that the central topic of the first election was national independence, which was taken a hand in hand with the rhetoric of "returning to Europe". Then from 1992 to 2011, there is a steady growth trend in the number of parties that explicitly showed pro-EU views in their programs. As Croatia was closer to accession, the number of parties favoring it was increasing. Moreover, in 2005 Prime-minister Ivo Sanader initiated formation of *Alliance for Europe* which gathered all parliamentary parties together. The Alliance was supposed to put ideological differences aside for the sake of "achieving a strategic foreign policy goal"[9]. Therefore, from 2005 all parliamentary parties were explicitly advocating accession to EU which is confirmed in party programs on the next election. In 2015, this percentage abruptly decreased, which might be because the issue of integration lost its significance with membership.

However, since in the period from 2007 to 2011 all parliamentary parties were explicitly pro-EU, two Assemblies from that period could only be representative if the consensus in parliament reflected the public opinion consensus on the issue of European integration. On the other hand, if there was no consensus in the Croatian public which on the contrary implies certain level of conflict in society, then it is possible that parties formed a cartel in order to impede the entry of eurosceptic parties.

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[9] https://vlada.gov.hr/vijesti/predsjednik-vlade-ivo-sanader-savez-za-europu-je-strateski-cilj-a-ne-koalicija/7012 (accessed on 25.5.2019.)

Figure 14 Public opinion on accession to EU
Source: Election Survey (2007, 2011, 2015, 2016), FPZG

Figure 14 shows data related to both citizens' attitudes towards the accession and the importance of such issues. Based on the results, it is evident that there was no consensus in public about accession to the EU. With barely any difference between 2007 and 2011, the majority of citizens were in favor of accession (61%). However, 39% who did not support accession to the EU did not have a party in the parliament to represent their views. Hence, there is a significant discrepancy between parliamentary consensus organized through Alliance for Europe and Croatian public opinion.

When it comes to party competition, the cartelization implies the convergence of political parties, which goes beyond the will of voters, and therefore diminishes the representativeness and increases the degree of depoliticization. Based on the empirical evidence, we can conclude that party competition was partially cartelized in the period between 2007 and 2015. Notwithstanding that convergence on the socio-economic dimension was found both on the parliamentary and two-party level, this shift of parties was followed by an increased congruence. The parties were moving towards each other thus reacting to the impulses from the society. However, the degree of representativeness is high only among those issues that have been the subject of party competition. On the other hand, in the same period, a higher degree of depoliticization is found, which excluded the issue of accession to EU from the

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political agenda, thus ignoring 39% of the citizens who considered the issue being unresolved.

So far, it has been shown that the Croatian party system has gradually become more restrictive, which is partly caused by the collusion between MP's. Along with decreasing permeability of the party system, parties converged towards each other. This process reached a peak in 2011 when the level of depoliticization rose sharply. If there is a period of convergence it must be the time when Croatia joined the European Union. In order to base this claim on evidence, the first and indispensable condition of cartelization must be found – cartel-like behavior. In the following section, I show the extent to which Croatia's EU accession has been achieved by the collusion among MP's.

2.4. Cartelization fostered by accession to EU

After long proccess of integration, Croatia became a member of the European Union in 2013. This was preceded by a referendum where 66.2% of the voters decided to join the EU. Although the majority supported accession, the turnout was only 43.5%. Thus the minority of the electorate made a decision. Until the modification of Constitution in 2010, the constitutional clause required turnout to be higher than 50%. If this provision were in force in 2012, the referendum would not be valid. So, the question arises as to how this change came about?

In order to join the EU, Croatian Parliament underwent the constitutional change. Among the articles that have been amended, there is also Article 86 referring to the referendum. Based on this change, instead of the majority of the entire electorate, the referendum is decided by the majority of voters who come to the polls. Considering that 39% of citizens opposed Croatia's entry into the EU and that 31% of citizens did not consider this issue as relevant

(see Figure 14), it becomes clear why this article has changed. The only amendment to this article was proposed by MP's from HDSSB who argued that citizens' decision to join the EU should be made by super-majority (2/3 of votes) because the same applies to a decision made by MP's in Parliament. Although this amendment required a higher level of consensus among the electorate, it was not aimed at retaining the turnout requirement. Nevertheless, the amendment was rejected, and the constitutional change was adopted with 133 votes in favor and 4 votes against (0.77).

Speech by the proposer of constitutional changes, HDZ's MP Vladimir Šeks, testifies about the consensus of the political elite:

"These constitutional changes that are in front of us are the result of a synchronized, in a huge degree of harmonized consensus, where, through constitutional changes, which realizes Alliance for Europe: the alliance of all parties, left and right provenance, and center provenance, which realizes the strategic goal of Croatian entry into the European Union at the constitutional level. Hence, the European dream should be translated by these constitutional changes into reality" (author's translation)[10].

Consequently, Croatia became the 28th EU member with weak legitimacy derived from the populus[11]. The collusion over constitutional change showed that the parliamentary parties not only created the Alliance for Europe but also a *Cartel for Europe* because they unanimously changed the rules of the game and thus reduced the risk of loss. Bearing in mind that this has been accompanied by a gradual process of declining voter turnout, increasing restriction of party competition and increasing depoliticization, it can be concluded that the party system in Croatia has been cartelized between 2007 and 2015. Counting, however, that the convergence of the parties in the given period was accompanied by the convergence of voters, and that the

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[10]https://www.sabor.hr/prijedlog-promjene-ustava-republike-hrvatske-predlagatelj-odbor-za-ustav-poslovnik-i-politicki?t=37534&tid=201593 (accessed on 26.5.2019.)

[11] Paradoxically, the 50% turnout clause remained in place for local and regional referendums. Thus, according to the regulations, it is easier to conduct a referendum on an issue of national interest than on local or regional matter.

party's increasing dependence on state funds has not been increased, the party system was only partially cartelized. On the proposed seven-point scale, the period between 2007 and 2015 could be characterized as a third level of cartelization: Low level of party system cartelization.

Table 11   **Cartelization of Croatian party system over time**

	First period (1990 – 2000)	Second period* (2000 – 2015)	Third period (2015 – 2019)
Interpenetration	Society-centric	State-centric	State-centric
Cooperation	Low	Low	Low
Competition	Open	Closed**	Open
Cartelization	I	VI	III

*For the second period it has been a gradual proccess with its peak in 2011
** Only on EU dimension

2.4. The success and failure of cartel

When conducting exploratory research, cartelization can be taken as dependent and as an independent variable. So far in this paper, the cartelization has been investigated as a dependent variable. However, this does not imply the effect that the cartelization has made on the party system. Although cartelization involves restrictive competition rules, it is still possible that some parties manage to pass the threshold and challenge the cartel. More precisely, it is possible that the cartel exists, but it is not successful. The aim of this section is to show the relationship between cartelization and its effects.

The relationship is shown by combining two indicators. The first indicator refers to the percentage of votes not represented in parliament, and the second is related to the success of the new parliamentary parties. According to Figure 15, the level of cartelization in three different periods corresponds with the effectiveness of party system permeability. In the first period (1990 – 2000), in line with the low level of party system cartelization, the vote share
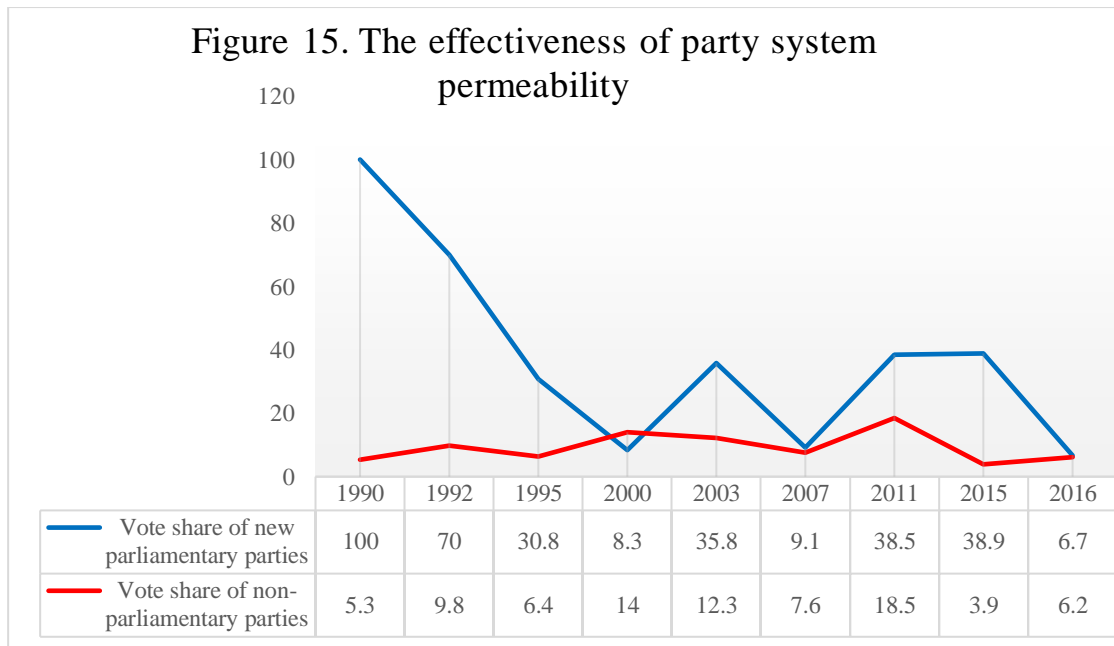
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of non-parliamentarians was followed by the high vote share of new parliamentary parties. Since the regulation was not restrictive, parties did not face the significant electoral loss.

In the second period, the trend is less clear. Between 2000 and 2011, the high vote share of non-parliamentary parties is followed by the high vote share of new parliamentary parties. It seems that, while difficult for some, for other parties it was manageable to enter the parliament. Thus, it could be concluded that the high level of cartelization in the second period only partially corresponds with the effectiveness of party system permeability.

However, there are two important remarks. First, none of those new parties which entered the parliament has threatened the dominance of HDZ and SDP (which together control around 70% of seats). Second, the party system permeability presents just one out of three dimensions of cartelization. Concerning that cartel was aimed at unhindered accession to EU, it is important to notice that until 2015 none of the eurosceptic parties has entered the parliament[12]. This is best seen when looking at the ratio between vote-share of non-parliamentarians and vote share of new parliamentary parties in 2015. Caused by the emergence of two anti-establishment parties the success of new entrants was not followed by a high share of non-parliamentarians for the first time since cartelization has been increased. Moreover, while one of them had formed the government, the second became the first eurosceptic party in the Croatian Parliament since the entrance of far-right HSP. Once again, it is indicative for the EU cartel that the eurosceptic party appears already in the first elections after joining the EU, when the EU cartel is no longer relevant. Hence, the cartel was fully successful until 2015 when it was challenged by two anti-establishment parties, one of which became co-opted into the system (the Bridge), and other which might be even called 'anti-cartel party' since it opposes the EU consensus (Human Shield).

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[12] Not counting HSP which had only one MP.

Figure 15. The effectiveness of party system permeability

	1990	1992	1995	2000	2003	2007	2011	2015	2016
Vote share of new parliamentary parties	100	70	30.8	8.3	35.8	9.1	38.5	38.9	6.7
Vote share of non-parliamentary parties	5.3	9.8	6.4	14	12.3	7.6	18.5	3.9	6.2

Figure 15 The effectiveness of party system permeability
Source: Čular (2017)

While the focus is on the success of new parties, the emergence as an indicator is not of concern because the cost of forming a party has not been changed since the establishment of the rules. Therefore, there is no variation that can show the effectiveness of cartelization. Yet, by combining data on success with upwards trend of emergence of new parties, Čular (2017) discusses the peculiarity of Croatian case in the context of cartel theory:

"… interpreting the longevity and dominance of two major parties in their cores, the case of Croatia sheds a new light on the cartel party thesis – a cartel survives not because it prevents outsiders from the access but just because it keeps enormous party supply going on" (Čular 2017:277).

It is indeed possible that cartel fragmentizes party system in order to maintain its dominance. However, this might be plausible only regarding the issue of accession to the EU. Otherwise, there is no reason to assume strong cartelization. The stable dominance of HDZ and SDP cannot be a sing of cartelization as Čular assumes. As this study shows, two biggest Croatian parties have never exclusively colluded among each other, thus excluding other parties from

the cartel. In order to explain the high vote share of extra-parliamentary parties, we should not concentrate on emergence but rather the success of new parties. Therefore, the increase of extra-parliamentary vote share in 2011 is not caused by the 'enormous party supply'[13] but rather by the cartelization which enabled the electoral success of t hose new parties.

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[13] We should not assume that all the new parties are serious competitors which would challenge cartel if there was lower party supply. In fact, what high party supply might indicate is the dissatisfaction with politics which is a fertile ground for emergence of anti-cartel sentiment.

Conclusion

So far, the stability of Croatian party system has been explained by applying the cleavage theory. The aim of thesis was to provide an alternative explanation of stability by using the cartel theory. In addition, Croatia severs as a good context for examining the relationship between cartelization and social cleavages. More specifically, it is examined whether the cartelization is possible under the conditions of bipolar party competition.

In the first part of the paper, it was shown that there is no consensus on the meaning of the cartel concept itself, and consequently, consistent research practice is lacking. In this regard, inspired by the work of Koole (1996), the thesis offers a multifaceted understanding of cartelization by distinguishing 'defining characteristics' and 'empirical properties'. *Conditio sine qua non* cartelization are public funding of parties and evidence of collusion, understood as an agreement on the regulation of political competition. For the purpose of more precise measurement, the index of the collusion was constructed, and for cases when data is not available, the concept of silent collusion is developed, as the indirect evidence of cartel-like behavior.

After definition of the basic concepts, Chapter 2 offers a three-dimensional operationalization. By combining three dimensions, party system is positioned on the seven-point scale of cartelization.

In Chapter 3, the cartel theory was applied to the unexplored context of Croatia. Observed over time, the Croatian party system has experienced three phases of the cartelization. In the period of consolidated democracy, cartelization corresponds with the stability of the party system. However, it turned out that social cleavages indeed present barrier for the cartelization. By distinguishing party competition by two dimensions, it has been shown that bipolarization at GAL-TAN dimension prevents

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convergence between parties.

On the other hand, the case of Croatia shed a new light on the cartel concept. Previous research emphasized the depoliticization of economic issues. The case of Croatia, however, shows that foreign policy issues can also be a catalyst for cartelization, especially when the political elite wants to achieve strategic foreign policy goal. Thus, in 2005, the Alliance for Europe formed a cartel that effectively prevented the political articulation of one third of the electorate that opposed the accession to EU. In this way, the Croatian case expands the cartel concept, as it shows how a collusion can be related to the regulation of the referendum, not exclusively party competition. Finally, given that Human Shield has collected enough signatures for a referendum on banning public party financing, it remains to be seen whether Peter Mair was right when he claimed that the cartel creates conditions that eventually lead to its own destruction.

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