CONTEMPORARY CROATIAN PUBLIC ADMINISTRATION ON THE REFORM WAVES**

Quite opposite to common public metaphor on public administration as sleepy, slow and secretive bureaucracy, the Croatian public administration looks like a windsurfer. It rides the waves of domestic political storms and foreign doctrinal (i.e. NPM) and organizational influences, it attacks the business community and European coincidences, desperately asking for institutional stabilization, ethical standards and professionalism. State administration in Croatia developed in the course of three main phases – establishment (1990-1993), consolidation (1993-2001), and Europeanization phase (after 2001). The adoption of the first Strategy of State Administration Reform in 2008 was an attempt to start the new, fourth phase, the phase of modernisation of the Croatian state administration. The development of Croatian public administration is shortly analysed. Environmental influences are systematised, having in mind primarily the concept of complex and turbulent environment borrowed from the organisational theory. Certain additional insights, predictions and reform proposals are presented, based on empirical data.

Key words: Croatian public administration, the new public management, good European governance, institutional stabilisation, professionalism, politicisation.

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1. INTRODUCTION

Administrative reform is a common issue in administrative and political science. Comparative analyses of administrative reforms seem to be an important source of information necessary for experiential learning. Although national specificities are unavoidable, international comparison should follow a standardised analytical path, in order to produce and offer useful knowledge. In the first part of the paper, a short denotation of a possible theoretical frame for comparative analysis is offered. It combines the notions of complexity, dynamics and interdependences, on the grounds of neo-institutional theory with a contribution of organisation theory. The theoretical frame includes a warning about the usefulness of identifying the elements of administrative doctrines. Croatian public administration is in a very dynamic phase of development. Several moments should be taken into account:

- Croatia acquired independence after hundreds of years of foreign rule, at the very beginning of the 1990s, which required and offered opportunity for building the whole public administration system in a modern way, although not anew,
- The self-management political and social experiment in the “second”, socialist Yugoslavia (1945-1990), raised consciousness about public value, social welfare and public participation in political decision-making, especially during the 1970s and 1980s,
- Serb rebellion and war with the former Yugoslav Army and Serbian paramilitary forces postponed the political development and caused enormous economic and demographic losses in the period 1991-1995,
- There has been a strong need to strengthen the private sector, in the course of transition from the so-called social ownership economy to market economy,
- Privatisation of the former social ownership gave a strong impetus for the introduction of the economic way of thinking, of neo-liberal ideology and of the new public management doctrine in the public sector,
- Europeanization of public administration, meaning harmonisation with the acquis communautaire, realisation of the best European standards and practices and entrance into the European Administrative Space, has recently raised the issue of good governance.

On the basis of the theoretical frame, which is designed in the first part of the paper, a detailed analysis of the Croatian public administration and its reform is presented in the second part. An outline of the Croatian public
administration, phases in its development, the main problems, the most important reform directions, and the possible future are analysed.

1.1. Theoretical Frame for Comparative Analysis of Contemporary Public Administrations: Complexity, Dynamics, and Interdependences

Contemporary public administrations are becoming more and more complex, and functioning in increasingly complex and dynamic environments. National public administrations are characterised by numerous new tasks, functions, goals, subjects, organisations, and arrangements with other sectors (private, civil, and non-formal). Increasingly complex knowledge, skills, abilities and competences of public servants are needed for the provision of acceptable (quality) level of public services to citizens, businesses, communities, and society as a whole. Apart from public administration, the other sectors, civil and private, are also involved in providing certain public services. Innovative and complex financial, legal, directing, supervising, communicating and coordinating ties and mechanisms have been established in such a new public sector. From time to time, it might seem that public administration, captured in manifold relations with the private and civil sectors, loses its firm boundaries and even its distinctive identity. Public administration can be seen as a system composed of numerous administrative organisations. Such organisations function as the elements of three main public administration subfields with various purposes: state administration, territorial self-government, and public services. State administration, consisting mainly of classic administrative organisations like ministries, helps democratically elected politicians to design and implement vital public policies. Territorial self-government at both local and regional levels serves as a counter-balance to central state power, contributes to democratic standards, serves local and regional communities, promotes and supports local and regional development etc. Public services (services of general interest in the new European terms) provide services of public interest to citizens, users and consumers.¹ During the past three centuries, general tasks of the whole public sector have been differentiating, broadening and cumulating. The development began with simple tasks such as to ensure stability of state power and regulate basic societal processes. Subsequent differentiation has led to the tasks of providing services of public interest to users, of preventing and helping people in cases of social and other risks (poverty, unemployment, illnesses, etc.), of preserving natural and social environment, and of ensuring

¹ There are two groups of such services, economic and non-economic ones. Details in: Koprić, Musa, Dulabić, 2008.
infrastructure for economic and social development. The relations within and between these subfields are not constant. Increasing dynamics can be identified in that regard. De-concentration or concentration can take place within state administration; decentralisation or centralisation are processes that can occur in relations between the central state and administration, on one hand, and territorial self-government units on the other. State administration concentrates, under the policy of a lean state, on its “core-businesses” (public policies, law drafting, authoritative decision-making in concrete cases, inspections). Territorial self-government is increasingly devoted to promoting and supporting local and regional economic and social development. Regionalisation is a process that might harm either central or local powers or can upgrade the capacity of the whole public sector of a country. Liberalisation and privatisation are generally connected with providing services of general interest – opposite processes can also be seen in certain cases. Privatisation or etatisation indicate tensions between public and private sectors. All parts of public administration are involved in wider regional and global processes. Some of them are more formal, connected with formal integrations (for example, the European Union, NATO, the World Trade Organisation, the OECD, etc.), while others are predominantly informal, such as spreading influential administrative doctrines, neoliberalism, or economic globalisation. Public administrations are changing during such complex environmental challenges. The changes are connected with organisation and structure, ways of functioning, legal regulation (cf Cassese, 2005), personnel, relations with politics and citizens, and other dimensions. In Europe, there is an especially significant influence of the European Union (EU) and, to a lesser degree, of the Council of Europe (CoE) and of some other actors, on administrative changes in the member states and candidate countries. It can be noted that such an influence is more intense with regard to transitional countries than to consolidated Western democracies. However, the notion of the European Administrative Space has been used more and more frequently, and with firmer ground, despite certain cautions and criticisms (Musa, 2006; Koprič, Musa, Lalić Novak, 2011). Globally and regionally induced administrative changes do not mean simple adaptations of national bureaucracies to external pressures. Certain pieces of national administrative traditions can upgrade the new and constantly evolving European administrative standards. This is the case with the Ombudsman and open access to public sector information², traditional regulation of general administrative procedure³, and other governance

² Both come from the Scandinavian tradition. For details about the right of access to public sector information, see Rajko, 2003; Bugarić, 2003.
³ In that sense, the central European model of general administrative procedure, originally invented in Austria in 1925 and followed by Czechoslovakia and Poland in 1928 and
institutions. Following that, one can speak about interdependences of national administrative traditions and global and regional (for example, European) administrative standards and governance practices (cf Koprič, 2012). Of course, interdependences can also be observed in many other respects. If everything mentioned is true in general, the notions of task environment complexity, environment complexity and technical (inter)dependence, borrowed from organisational theory, can help administrative science in better and more productive analysis of such noticeable technical complexity in public administration of a country, objective complexity of its environment (including temporal complexity – Kiel, Seldon, 1998), and dependence of public administration on complex environment (cf Anderson, 1999; Dooley, Van de Ven, 1999; Morgan, 1997: 44-50; Peters, Savoie, 1995; Scott, 1992; Rainey, 1991: 37-50, etc.). However, one question still remains unsolved. Where does such task environment complexity stem from, having in mind public administrations? In an attempt to answer, a notion of values, legitimate interests, norms, and expectations based on them should be mentioned. The contemporary world is characterised by previously unthinkable value complexity. Numerous grounds and causes are inbuilt in their complexity and almost constant differentiation, but their enumeration is not relevant for the present discussion. New values are developing constantly. Public administration has been changing, in an attempt to respond to this great and frequently inconclusive value pressure. Although values and expectations are many and diverse, they are, in sum, the integrating point of a governance system. Values are crystallised through political processes of interests and ideologies amalgamation. Since public administration should gain overall legitimacy in its social milieu, it has to adapt to complex value orientations and expectations. If public administration (including local self-government) respects a specific mixture of values in a specific field, citizens will tend to say that it functions in the public interest. Such importance of values gives us an additional focal point and basis for further analyses. Be that what it may, contemporary public administration is not a simple value area with a single value dimension (Kickert, 2001: 33). Citizens and the general public expect administration to respect and realise not less than five groups of values: political, legal, social, economic, and ecological. Political (democratic) values are, for example, accountability, political decentralisation, legitimacy, publicness, transparency, responsiveness, political decentralisation, openness, 

Yugoslavia in 1930, influenced and inspired regulation in many other countries, including the USA (1946). – Koprič, 2005; Koprič, 2011.

4 Organisational structure and internal dynamics of administrative organisations should also be taken into account and analysed as much as possible, because internal organisational issues have a significant influence on various other variables in public administration and can cause surprising results. Cf Pierre, 1995.
flexibility (user-friendly administration), etc. Legal ones are the rule of law, legality (with regard to organisation and to competence, as well as substantive and procedural legality), legal responsibility (for damage caused by illegal functioning, or disciplinary responsibility), protection of human rights, legal certainty, equality, impartiality, due process, and court supervision. Social values are social justice, solidarity, care, mercy, charity, sympathy, assistance to citizens, social sensitivity, cultural diversity, respect of national, sexual, and other minorities, etc. Economic values are the three classical Es (economy, efficiency, effectiveness), but also quality, market orientation, private sector orientation, competitiveness, entrepreneurialism, support to sustainable development, etc. Ecological values are, for example, protection of natural environment, protection of biological diversity, careful management of natural resources, life in harmony with nature, etc. Values might compete with each other. In various sectors of public administration there are specific mixtures of relevant values. It is not the same situation in social work or in the transport sector, in finances or in local self-government. In addition, in continental Europe the stress is traditionally on political, legal, and social values – there is the fatherland of Greek democracy and Roman law. Opposite, Anglo-Saxon space is characterised by the stress on economic values and pragmatism. During the modern era, the dominant value orientation has changed from political (democratic) and legal to social, economic, and ecological. Although such a general picture cannot be very helpful in analysing the value situation in a country at a particular time, it can warn of the possible value frame, its importance and effects. The notion of values as standard elements of personal and social awareness also leads us to institutional theory as a possible theoretical key for public administration analyses. Values and expectations derived from values are the elements of institutions. Institutions are social structures composed of interconnected and coherent expectations stabilised in time, in a certain social community, which regulate interpersonal relations or establish the authority of a community, and emerge through habitualisation (repeated use) or more direct and explicit set up (cf Pušić, 1989: 182-184). An institution is characterised by stability and steadiness and tends to repeatedly orient, steer and channel human behaviour. In other words, an institution has normative content and importance, and people do not accept to change expectations if they are disappointed. Such a way of thinking, often called normative institutionalism (Peters, 1999), makes the task of identifying values that frame the public sector very important for the analysis of public institutions. Another useful neo-institutional approach is historical institutionalism, which leads us to search for different stages in public administration development, critical historical

5 More about values in public administration in Koprić, 1999: 271-278.
events (landmarks), pace of changes, institutional choices and reasons for them, actors and their conceptions, etc. The metaphor of reform waves, used by Wollmann⁶, can be especially fruitful in analysing dynamic institutional development. Transitional countries are almost a natural choice for the application of such a metaphor and certain other models of institutional change (cf Peters, Pierre, 1998). In Croatia, for example, from the first free multiparty elections in 1990 to the present, overall Croatian development, including the administrative one, has been remarkable and can be easily systematised in several stages. From cameralism in continental Europe to the new public management, from the new public administration in the USA (the Minnowbrook Perspective) to good governance, administrative doctrines significantly influence modern administrative development. An administrative doctrine is a system of ideas about desirable ways of operating and prescriptions about good practices, grounded on dominant values and systematised experiences, comprising standards related to organisation, functioning, regulation, management, etc. in public administration. Administrative doctrines are themselves influenced by social, economic, political, demographic, and other circumstances. The main pillars of administrative doctrines are thus the dominant values. Contemporary administrative development is characterised by two main and rather influential administrative doctrines – the new public management (NPM) and good governance. The NPM doctrine has been quite influential since the 1980s. It is characterised by orientation towards economic values of economy, efficiency and effectiveness, by efforts to subject the state administration and public sector organizations to the market principles by the methods which develop entrepreneurial behaviour and, generally speaking, by an effort to “impose most of the values and techniques of private sector management into the public” (Peters, 1996: 124). In other words, it tries to transpose business management techniques, service and client orientation, and market-type mechanisms such as competition into the public sector (Kickert, 2001: 18). Ideas, measures, and effects produced by the managerial reforms of public administration are structural, functional, personnel oriented and others (financial, political, social, measures connected with legitimacy, etc.) (more in: Koprič and Marčetić, 2000: 44-59). Managerial approach has spread both in Europe and on other continents at different speed and to a different degree. International organisations, such as the World Bank (WB), the International Monetary Fund (IMF), and the Organisation for Economic Cooperation and Development (OECD) (Pal, 2009) have been among the most important advocates of the managerial approach (cf McNutt and Pal, ⁶ Wollmann (2000) used the “reform waves” metaphor in the analysis of modernisation of the German local government.)
2011: 441-442; 458-459). The new public management has been most widely accepted in New Zealand, the United Kingdom, Australia, Canada, and the USA. However, certain unfavourable effects of the minimising and market-oriented public administration reforms have been noted since the 1990s. Hood and Peters (2004) speak about Mertonian unintended effects, cultural surprises, and system discontinuities and nonlinearities. Muddled lines of political accountability, poor contacts with the public, decreased transparency, corruption, additional expenses, re-strengthening of regulation, neglected citizens’ rights are but few of them. NPM tries to reduce us as citizens to the role of consumers. Historically, we individually have the following roles: subjects of the state; citizens with political rights who politically control public administration; users of public services; partners who cooperate with public administration and participate in decision-making processes in the public sphere; consumers who pay real, market-like prices for public services in dependence with their well-being. We are today in all those roles, simultaneously, but differently in different public administration sectors. It is not the same situation if we are controlled by the police or if we participate in decision-making on local policies. Trying to reduce us only to the consumer role, the NPM reveals itself as a reductionist concept, once again. Under these circumstances, the United Nations (UN), the EU, the OECD, the IMF, and the WB have begun advocating good governance. Among the principles of good governance, the EU, for example, emphasises openness, participation, responsibility, effectiveness, and coherency (EC, 2001). The new doctrinal orientation emphasises the role of citizens and civil society, transparency, legitimacy, responsibility, efficiency, human and citizens’ rights, the rule of law, better quality of the public services, the implementation of modern information-communication technologies, and better human resources management. Citizens are seen as partners who significantly contribute to the final results of public administration’s activities. Citizens need to be informed and consulted; they have to participate in the creation of public policies and in administrative and other public processes (OECD, 2001). Along with strengthening the institutional capacity, the doctrine of good governance states that it is necessary to renew the democratic political legitimacy of the modern countries. It also calls for

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7 “New Zealand is regarded as the primary example of an extensive and intellectually coherent attempt at public sector reform that followed the key characteristics associated with NPM” – Lodge and Gill, 2011: 141-142.
8 Halligan claims that Australia is in post-NPM phase, trying to build integrated governance model. – Halligan, 2012.
9 As early as in 1991, the WB organized a conference devoted to “good governance” – McNutt and Pal, 2011: 442.
10 Another issue is theoretical debate on governance and its implications (Bevir, 2007; Pierre, 2000).
strengthening the policy capacity in public administration, i.e., its ability to analyse and create public policies. It claims that good results can be achieved through cooperation, consultation, and synchronisation between citizens and local self-government and/or central government. Only well-balanced and widely accepted public policies have chances to result in efficient economic and social development. Some will say that “good governance is ... a combination of democratic and effective governance” (UNDP, 2002: 1), while others would stress that good governance is “transparent, effective, participative, accountable, responsive and responsible” (Fraser-Moleketi, 2009: 7). However, different countries answer similar challenges from complex domestic and international circumstances in a different manner (cf Andrews, 2010). They choose different strategies of administrative reform. According to Pollitt and Bouckaert (2001: 179), there are four main reform strategies: to maintain, modernize, marketize, or minimize. To maintain means to preserve and incrementally improve or upgrade classical, Weberian model of public administration as a rational, well-organised mechanism with professionalism, impartiality, legality, and standardised bureaucratic procedures. To modernise means to make more fundamental changes in the structures and functioning of public administration (autonomous agencies, output budgeting, employment contracts, etc.). Marketization introduces market principles and mechanisms in public administration (internal market, competition, real prices, etc.). Minimizing is oriented towards shrinking the public sector by means of privatisation, civil (voluntary) sector involvement, etc. Although there is little doubt about usefulness of comparative approach in researching public administrations, lots of texts are addressing the problems of comparative analyses (Hopkin, 2002; Pollitt, Bouckaert, 2001: 167-176; Jreisat, 1999; Pierre, 1995; Heady, 1991: 1-65). In any case, it is useful to analyse administrative reform of a country having in mind indicators suitable for comparison with other countries and stressing national idiosyncratic specificities. An outline of the Croatian public administration, phases in development after gaining independence (after 1990), main problems, reform efforts, and possible solutions and recommendations will be analysed, having in mind the abovementioned theoretical lessons.

It should be noted that national public administrations are not unified actors which have a one and only will and which can choose a single pace of development. The real picture shows that in each governance system there are many actors with various reform concepts. The main reform orientation is, thus, an approximation derived from the reform mainstream. It is an ongoing debate about neo-Weberian state in Europe. Cf Lynn, 2008/2009; Pollitt, 2008/2009; Drechler, Kattel, 2008/2009, etc.
2. THE CROATIAN PUBLIC ADMINISTRATION

2.1. Outline

The Croatian public administration consists of state administration, local and regional self-government, and public services (services of general interest, in new European terms). There are two levels and four types of state administrative bodies. At the central level there are ministries, the (so-called) state administrative organisations and the (so-called) central state offices. The difference between the ministries and state administrative organisations is in political importance and political influence, as the ministers are members of the Government and heads (ravnatelj) of the state administrative organisations are not. In other words, state administrative organisations are a kind of public agency. The central state offices are in the closest relation with the Prime Minister. They are, in a way, the Prime Minister’s special management tools. At the lower (first) level, there are the offices of state administration, one on the territory of each county. They (20 of them) are in charge of the first instance administrative procedures. It should be mentioned that there is also the Government’s Office mainly functioning as the Government’s secretariat with a rather weak position, narrow competences and weak expertise. The system of local and regional self-government consists of 429 municipalities, 126 towns (15 of them have a special status of large towns with over 35,000 inhabitants), 20 counties and the City of Zagreb (which has a twofold status and is allowed to perform both local and regional self-government scope of affairs). Municipalities in predominantly rural areas and towns in predominantly urban areas perform local self-government scope of affairs and are first-tier governance units. Counties are regional

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13 Official documents (e.g. The Criteria for Reducing the Number of Employed Persons in State Administration, September 2010) show that there are 52,656 civil servants and employees in the state administration system. Only 3,087 of them were employed within the first level offices of state administration (5.9 per cent), while the majority (94.1 per cent) works at the central level. There are 49,862 state servants (94.7 per cent) and 2,794 employees (5.3 per cent). However, data of the Union of Civil Servants and Employees are significantly different, showing that there are almost 65,000 civil servants and employees in the state administration system. Since the Government tends to exclude certain categories of civil servants and employees from its data, and because of a non-existent registry of civil servants and employees, it seems that the Union’s data are closer to the current situation.

14 The average number of inhabitants in municipalities is 2,958, in towns (without Zagreb) 17,689, and in counties (including Zagreb) 204,315 (an average county has 174,887 inhabitants, if Zagreb is excluded). Zagreb has 792,875 inhabitants. The number of inhabitants in Croatia is 4,290,612 and the number of settlements approximately 6,750 (data and calculations are based on the 2011 census). For the situation after the 2001 census see Koprić, 2010: 112-116.

15 An average unit consists of 12 settlements and has 7,717 inhabitants (Zagreb included).
self-government units, strictly separated from the offices of state administration in terms of organisation and personnel. Some public services are in closer relation to the central state, because they are mostly centrally financed. These are education, health service, social security, science and the like. Some of the public services are locally financed; for example, pre-school education and kindergartens, libraries and museums, utility services, etc. There are many other bodies at the central level, such as executive and expert agencies, independent regulatory bodies, other public bodies and legal entities with public competences. Apart from 75 bodies of agency-type, there are 41 voluntary sector organisations and about 60 state-owned companies. Within the group of agencies, there are 12 independent regulators, 41 executive agencies, and 22 expert agencies. The number of agencies was reduced in the mid 2010 from 75 to 67 (with 12,360 employees). The majority of other bodies at the central level are in one way or another engaged in the performance of services of general interest (details in Koprić, 2009c: 38-44; Musa, 2009; Musa and Koprić, 2011). In the whole public sector, there are four categories of civil servants. In the state administration there are approximately 65,000 civil servants and employees. In all local and regional self-government units there are approximately 14,500 civil servants and employees. Centrally financed public services are employing about 185,000 people (agencies and other bodies included), and locally financed public services additional 22,000. The fifth category in the public sector comprises the employees of public companies, e.g., of utility services, state oil company, state postal service, state electric power industry, and the like (details in: Bejaković, Vukšić, Bratić, 2011).16

2.2. Development phases

The development of the Croatian state and public administration can be systematized in three phases. The first, establishment phase started with independence gained in 1990 and finished with administrative reforms in 1993, when the second (consolidation) phase began. The third phase, which started in 2001, was initiated with a new package of reform measures motivated mainly by the political decision to enter the process of Europeanization. The adoption of the first Strategy of State Administration Reform in 2008 was regarded to initiate a new, fourth phase, the phase of modernisation of the Croatian state administration.

16 For an earlier stage in the development of the Croatian public administration, see UN/DESA, 2008: 261-278.
2.2.1. Establishment phase

The Constitution of 1990 introduced the semi-presidential system based on the French model. Before the first significant reform of the territorial administrative system in 1993, the Croatian state administration had passed through a number of frequent changes and poorly conceived and executed reorganizations characterised by political voluntarism. The frequency of such reorganisations was partly caused by the necessity of creating new administrative organizations in a new State (foreign affairs, defence, customs service, etc.). The strong communes, inherited from socialist times, either became the central government’s obedient servants, or established themselves as the focal points of a strong opposition, even resistance to the central government (almost all communes with Serbian majority). The Serb rebellion and war started in 1991. Rigorous screening took place in the ranks of the state and local civil servants and personnel in the public services based on political, national and similar criteria. Hidden lustration changed the picture in the whole public sector.17

2.2.2. Consolidation phase

From 1993 to 2001, public administration in Croatia developed in the conditions of etatisation, centralisation, and politicisation of an authoritarian type. Along with an ever-increasing number of civil servants, the characteristics of that period were the insufficient level of professionalism of administrative personnel and politicization of administrative services. The space for administrative-technical principles, expertise and professionalism was limited. Democratic political values were repressed, while the law was regarded as a mere instrument of politics. The lack of co-ordination was compensated for by arbitrary, ad hoc political interventions. The political-administrative system was closed and bureaucratised, imbued with a climate of secrecy. The first systematic law that regulated Croatian state administration was the Law on the System of State Administration of 1993. It determined the ministries, state administrative organizations and county administrative departments as the state administrative bodies. A large proportion of the public services that had been provided in the communes until the end of 1992, were taken over by the central state. It was a massive operation of etatisation, i.e., a situation in which the state appropriates the public services from the former local self-government units, followed by

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17 Approximately 20 per cent of state civil servants were replaced, as well as about 10 per cent of people in the public services (Koprić and Marčetić, 2000).
redistribution of public revenues, responsibility, significance and power. The reform at the local level was carried out in 1993 through the Law on Local Self-Government and Administration and certain other regulations. The old French centralistic model of state organization with a strong central executive government was in its most important characteristics literary transplanted to Croatia. The key role in the new system was given to the regional, county level, as a supervisory and decreeing middle level between the central government on the one hand, and local units on the other (details in: Koprić, 2010: 110-111). The Law on the State Civil Servants and Employees of 1994 regulated their status for the first time. The Law on the Salaries of the Civil Servants and Employees in Public Services was passed simultaneously. Until 2001, the status of local civil servants had been regulated by the provisions on the civil servants in the Law on Administration of 1978. The number of employees in certain public services (research and development, culture, sport, art and the media, health care, welfare and education) decreased at the beginning of the 1990s, while defence, police, finances and foreign affairs recorded a large increase of their personnel.18

2.2.3. Europeanization phase

The Amendments to the Constitution of 2000, introducing profound institutional changes, were adopted following the first political change after 1990. They were prepared by the new, coalition, left-centre Government of Ivica Račan and marked the beginning of the processes of democratisation and decentralisation. The previous semi-presidential system was substituted with the parliamentary one. Croatian legislature began to harmonize the relevant provisions of national law with the European Charter of Local Self-Government more than three years after its ratification. The Constitution transferred the responsibility for a significant part of public affairs to the local and regional units. The lines of subordination of local self-government to the central government administration were cut by redefining the institution of the county governor and limiting or specifying the powers of the central government administrative bodies over local self-government. The state administration below central level was shrunk. The number of state

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18 There were 72,421 people in the army and police in 1998, which counted for 7.2 per cent of the employed working force in the country. The whole public administration employed 243,983 people in the same year, while only 45,659 civil servants and employees were employed in the state administration. The employed working force in the country amounted to about 1,005,500 people. The most tragic situation was in research and development, in which the number of employees decreased 47.1 per cent between 1990-1996 (Koprić and Marčetić, 2000).
servants was reduced, particularly in defence, internal affairs and at the county level. The status of state civil servants was regulated by the Law on State Civil Servants and Employees of 2001. The main intention of that Law was to replace the former career system with the classification according to job complexity. Croatia was a latecomer to the process of Europeanization, which started only in that phase. The first significant step was signing the Stabilisation and Association Agreement in 2001. Croatia was granted the candidate country status in June 2004. It completed the negotiation process in mid 2011, after six years of negotiations, and signed the Treaty of Accession at the end of 2011. The country is still coping with the implementation of the elements of the *acquis communautaire*, with strengthening of its administrative capacities, and with entrance into the European Administrative Space (cf Koprić, 2012).

2.3. Main problems

Croatian public administration has been burdened by numerous complex problems requiring solutions that meet high standards, firm and committed pro-reform leadership, and professional monitoring and evaluation of reform implementation. There are three main groups of problems: problems of orientation, problems of motivation and problems of implementation. The State Administration Reform Strategy adopted in March 2008 is a potential reform tool, but only for the reform of a specific part of public administration – the state administration. There remain even more complex problems of decentralisation (Koprić, 2010: 132-137; Kregar et al., 2011), as well as the undoubtedly sore subject of reform in the field of public services (services of general interest).

2.3.1. The problems of orientation

The traditional opinion, inherited from the earlier non-democratic systems, that politics and politicians exclusively look after public affairs and take care of public interest, has led to great deficiencies in the capacity of public administration to think and formulate the long-term public interest. This interest, which goes far beyond a single political mandate, must be defined on the basis of a well-established, informed strategic planning (more extensively in Brusis et al., 2007). The data on which the strategic plans are based must be reliable, and the plans themselves professionally prepared. The strategies must have in-built mechanisms of monitoring, control and adjustment to changing conditions. What seems discouraging can be called the paradox of
“glass-strategies”: having considerably more than a hundred formally accepted strategies in various fields and with regard to various issues and problems, Croatia is lacking proper strategic plans – in most cases the accepted strategies have technical shortcomings and serve mainly for excuse purpose.\(^{19}\) Closely linked to strategic planning is a weak capacity of public administration to design and lead high-quality, long-term public policies (educational policy, economic policy, social policy, policy of public administration development, decentralisation policy, etc.). Public policies have been conducted under an excessive influence of day-to-day political constellations, without sufficient participation of civil servants, citizens and experts of adequate fields of specialisation (cf Petak, 2008: 449-451). Public policies often require the adoption of new, or the modification of existing legal regulations. The preparation and drafting of regulations have been seen as a pure mechanic registration of ideas of politicians or members of diverse interest groups, not as professional work. This work is complex, especially in the legal sense, for each new regulation must be adequately placed within the legal system, written in an acceptable way in terms of legal technique, and the legislator has to ensure efficient ways of its implementation. Apart from this, before enacting a regulation, its future impacts must be deeply analysed (regulatory impact assessment) (cf Banić, 2006; Milovanović, 2007). Unnecessary regulations must be eliminated, which requires a sustained attention of those who prepare new regulations (deregulation). The functioning of public administration must be simplified as much as possible, for example, through specific preparation of regulations oriented towards this objective. A larger number of citizens should be involved in shaping regulations, together with the civil sector and other interested actors, and public consultation must become a continuous and standard practice (OECD, 2001). The pursuit for better regulation through the described and other ways in the contemporary world is part of general pro-reform public sector endeavours.\(^{19}\)

\(^{19}\) The State Administration Reform Strategy has been adopted (see below). A strategy of decentralization has not been accepted yet. Having in mind the importance of services of general interest for the quality of life, one finds it a bit strange that Croatia has neither any general policy document with regard to them nor any general regulation on basic issues of such services. There are only sectoral documents – the Strategy for the Development of River Transport of 2008, the National Strategy for Health System Development 2006-2011, etc.
2.3.2. The problems of motivation

The problems of motivation are evident at all levels of the territorial administrative system, from the local to the national level. Inadequate motivation is based on politicisation, on insufficient knowledge about and usage of appropriate mechanisms of motivation (cf. Bregn, 2008), on deficient professionalism and education, and on the wider administrative and social culture. This problem is not inherent to Croatia, but is a phenomenon in the wider region of the Western Balkans (Koprič, 2009b). Politicisation is usually approached to in a completely formal manner, in the sense of reshaping the appointment procedure for particular positions in public administration, as has recently been done with the “depoliticised” positions of assistant ministers, ministries' secretaries, deputy heads and assistant heads of the so-called state administrative organisations and some other positions in the Croatian state administration. Unfortunately, in some other areas of public administration, i.e. in local and regional self-government, recent legal innovations (direct election of mayors) have legally introduced politicisation of hitherto professional positions in their administrative bodies. However, the appointment procedure for leading positions in administrative bodies is only a pinnacle of the politicisation problem in public administration. Even greater problems have been created by interfering of politics into the everyday work of civil servants (even in individual administrative cases), open political activities of civil servants, etc. Such politicisation discourages the professional work of politically impartial and well-educated civil servants. Fast promotion of the obedient and politically acceptable servants sends a negative message to real administrative professionals and experts. Education turns out to be less important, as well as competence (political criteria have

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20 A similar assessment is strongly stressed in the Annual Report of the Ombudsman for 2008: „The phenomena of clientelism and political corruption are logical consequences of administrative politicisation, especially at the managerial level, which makes decisions, and every other kind of corruption, easier and harder to identify having in mind unprompted and messy administrative functioning as its consequences.” – Pravobranitelj, 2009: 107. In a regional research carried out in autumn 2008 with over 140 respondents (civil servants engaged in human resources management) and over 50 interviewed HRM managers, I found out the following: 42.5 per cent of the respondents agree with the statement that there exists considerable political influence in recruitment; 46.8 per cent of them strongly agree with the statement that political actors could influence on public servants’ retaining their posts in the service; political values are highly esteemed (second rank); disagreement with the statement that politics is giving support to professionalism in public administration not only formally but really (42.4 per cent of respondents disagree), disagreement with the statement that there are objective methods for advancement to top positions (43.6 per cent of the respondents disagree), very high ranking of the need to prevent discrimination in recruitment (second ranked proposal for the HRM improvement), many answers in the interviews indicate politicisation, etc. – Koprič, 2009b.
sometimes been imposed even in access to education and professional training). The state does not pay sufficient attention to the education of future civil servants, and Croatia is virtually the only European country without a faculty for public administration. There is no coherent and full-scale educational system for typical administrative jobs and positions at all levels, from clerks who carry out the administrative procedure to public managers on the highest positions (more in Pavić, 2003; Koprić, Marčetić, 2003; Koprić, 2008c; Marčetić, Koprić, 2009). The cooperation with the academic community is weak, and the capacities of domestic administrative science have not been used – it has been neglected to the benefit of various quasi-experts for general issues. Foreign expert assistance has been accepted, but not in a proper way (cf Young, 2007). There is a multitude of domestic and foreign projects that have finished without real results. The situation regarding competence and professional standards is not good in the state administration, and is even worse in local self-government. Instead of insisting on the quality and effectiveness of civil servants, the public discussion is focused on their number and salaries. The administrative culture is predominantly of the authoritarian and bureaucratic type (Koprić, 1999; Koprić, 2009b), based on the climate of secrecy, obedience, deep resistance to changes, evasion of responsibilities and underestimation of civil servants themselves, but also of citizens and domestic and external experts. A top-down approach without the initiative of civil servants at all levels cannot be a real moving force of administrative modernisation. Also, governments that do not have a partnership with their citizens are an anachronistic deviation from the dynamic administration of EU countries and the contemporary globalized world in general (cf Flumian, Coe, Kernaghan, 2007).

21 “... the State lacks an administrative elite gathered together on the basis of know-how and adequate training in administration and public policy.” “... the fact stands out that 50 per cent of the General Directors hold a degree in law instead of one in economics, public administration or business management“ (for Portugal: Rocha and Araújo, 2007: 594).

22 For a useful review of the technical assistance in Central and Eastern Europe and the Commonwealth of Independent States see Coombes, 2007. For very interesting comments on technical assistance issues see also Young, 2007.

23 Low salaries and pure remuneration is, however, a real problem in most of the countries in the Western Balkans, including Croatia. Civil servants and HRM managers perceive it as one of two or three most serious problems (Koprić, 2009b).

24 The Croatian Ombudsman has continuous problems with the Croatian Government and the majority in the Croatian Parliament (Sabor), because he does not hesitate to criticize even ministers and other members of the Government and to honestly stress deep problems of politicisation, corruption, lack of competence, and other problems in the Croatian governance and justice systems. His annual reports for 2007 and 2008 were not accepted by the Croatian Parliament on the initiative of the Government. Consequently, his position has been undermined through the establishment of other, specialised ombudsmen (for disabled
2.3.3. The problems of implementation

The implementation of public policies and the realisation of the public interest are burdened by the still unresolved problems of lawfulness and legality of functioning of public administration bodies, ethical problems, as well as bureaucratic resistances and the primitive managerialism. Even the relatively uncontroversial attempts of introducing e-government and e-administration carry the risk of petrification of the existing inadequate administrative structures. Sometimes even the quality of information-communication equipment which has been procured is questionable, as well as the quality of software, which is expensive and often prepared without administrative expertise. Legal standards, i.e., the rule of law, begin at the level of legislative activities: laws must be based upon the Constitution and adopted international treaties, harmonised with one another, and correct in a procedural sense. Their impacts have to be such as to provide legal predictability and certainty. They have to be derived from the recognition of the basic principles of contemporary democratic state such as the principle of subsidiarity and protection of all kinds of minorities. Other regulations of the Government and other bodies must be in conformity with the Constitution and laws. Regulations and by-laws of the territorial self-government units, which enjoy constitutionally guaranteed autonomy necessary for limiting the central government (Art. 4 of the Constitution), must not infringe on them. The activities of all state bodies must be based on state regulations in the substantial, procedural, and any other sense, as well with regard to legal competences. Local bodies must also base all their activities on the state regulations, as well as on the regulations enacted by local representative bodies. Arbitrariness is not allowed to either state or local officials and civil servants. The problems concerning the legality of activities of the Croatian public administration are based on poor and partially outdated regulations, various meta-legal influences, and underdeveloped ethical and professional standards (for the earlier situation cf Koprič, 2001). The ethical dimension has usually been highlighted through various claims about corruption within public administration.\(^{25}\) The question is, however, who is corrupted – the politicians and officials, or the civil servants, or both. Another question is why ethical standards are low. Corruption at higher, political levels is the most dangerous type of corruption, because it lends a mark to social relations

person, for gender equality, and for children), by squeezing finances, not resolving problems with basic premises, etc. – Pravobranitelj, 2009: 112-115.

\(^{25}\) In the mentioned regional research, this is the opinion of 68 respondents (48.6 per cent). At the same time, only 30 of them (21.4 per cent) consider corruption as not so serious a problem, while further 42 respondents (30 per cent) see the medium importance of the corruption problem. – Koprič, 2009b.
as a whole. What politicians do affects other citizens, too. It is impossible to build a public sector with firm ethical standards if its top structures are corrupted. Corruption at the level of civil servants is also dangerous, the more dangerous the higher their positions are. If corruption existed only at lower-level positions, it would be relatively easy to eradicate it by measures taken by the repressive machinery – the police, General Attorney's Office and similar bodies, as well as courts. The perception is that corruption in Croatia is rather widespread. There is a preponderant element of a normative and institutional approach to anticorruption measures; the commitment of politicians and highest state officials to act impartially and in the long-term public interest is not clear enough. At lower levels, too, little has been done through education and training, although strengthening of professional standards is firmly connected with education and the adoption of proper ethical standards. Many local units, overlapping competences, and a rather complicated structure of deconcentrated state administration open space for unethical behaviour. There is a strong resistance to changes and modernisation of public administration among higher professionals. Adherence to the petrified practices, insufficient will for learning and adoption of modern administrative techniques, rejection of good ideas, best practices and European standards are but some examples of bureaucratic resistance. It is partly supported by the conservative groups within the academic community that, in most cases, hide behind the claims of the superior administrative tradition. However, the main modernisation force should be the high-ranking state servants and managers in administrative

26 The first Ethical Codex was adopted by the Government in 2006 and amended in 2008. The ethical Commission started to function in May 2009. Associate professor Gordana Marčetić from the Faculty of Law in Zagreb has been elected president. A new Ethical Code of Civil Service was adopted in 2011. Citizens can also report breaking of ethical standards in the civil service to the Department for Ethics in the Ministry of Administration, but there were only 77 complaints with regard to ethical standards of state servants in 2008 and 2009 initiated through this Department. In addition, there were 296 commissioners for ethics appointed in state bodies in 2010 (data on the situation at the beginning of June 2010). There were 355 ethical complaints during 2008. Only two civil servants have been fired on that grounds, and in 18 additional cases serious penalties have been imposed. In sum, disciplinary penalties have been imposed in only 20 cases, counting for only 5.6 per cent of the reported ethical cases. Only 0.03 per cent of the civil servants have been sentenced for ethical offences. As many as 416 complaints were submitted to these commissioners in various administrative bodies during 2009 (increase of 17 per cent in relation to 2008). It was decided that complaints were not firmly grounded in 356 cases, disciplinary responsibility was initiated in 19 cases and the procedures were not completed in 41 cases.

27 An interesting example is the preparatory process of the new Law on Administrative Procedure in the period 2007-2009. Unfortunately, certain domestic academicians closely related to the influential middle- and a few high-ranking administrative managers have succeeded in blocking a large part of the modernisation solutions prepared within an EU funded project.
organisations from department heads upwards. In the existing, yet relatively scarce forms of lifelong education, learning and training, their share is intolerably low – it is civil servants, not administrative managers, who most often get educated and trained. The wrong type of managerialism shows up as a peculiar answer to bureaucratic resistance among high-ranking administrative personnel. The idea that the public sector is in no way different from the private one and that it is desirable to manage it in exactly the same way as the private sector has become very popular among certain groups of actors. In order to realise such an idea, managers from the private sector, banks, certain large private companies, etc., have been appointed to or employed in public administration. Similarly, a claim that there are no well-educated people for public administration has been emphasized. However, at the same time, the initiatives for establishing high-quality university education for public administration have been systematically suppressed, ignored, and actively undermined in specific arrangements with the conservative groups within the academic community. The fluctuation between the private and public sectors is the most intensive at the level of high-ranking state servants and officials. The fact that it is a matter of a very dangerous conflict of interest that captures the state within the network of private interests and influences has been neglected. There is an impression that certain public bodies by their measures protect the interests of specific private organisations more than the long-term public interest. The danger lies in the fact that public administration can become an instrument of the private sector instead of being in the service of all citizens.

2.4. Reform efforts

Croatia is finally on the track of an administrative reform of a modernising type. With significant resistance, steps in the right direction are observable. However, this orientation is precarious.

1. *The State Administration Reform Strategy*, which argues for a wide scope of well-chosen goals, was adopted in March 2008\textsuperscript{28}. Among particularly

\textsuperscript{28} The Strategy indicates five areas with 15 reform directions. The areas are:
- Structural adaptations of the state administration system: *from structure to good governance* (3 directions; 13 activities),
- Increasing the quality of programmes, laws and other regulations: *better regulation* (4 directions; 14 activities),
- The system of state servants: *modern civil service* (4 directions; 10 activities),
- Education and in-service training of state administration: *knowledge, skills and competencies* (2 directions; 8 activities),
desirable and, in the long run, potentially most productive measures are those concerning administrative education and in-service training. Unfortunately, the Strategy has not been adopted by the Croatian Parliament, only by the Government. The indicators of implementation progress are merely descriptive, broad and insufficiently precise, which makes the monitoring and evaluation of its implementation more difficult. A body for the evaluation of the Strategy implementation (the National Council for Evaluation of State Administration Modernisation) was established in autumn 2008 and dissolved in summer 2009. Many reform measures have been defined only on the normative basis, i.e. amendments to the existing regulations and enacting new regulations have been promised, but the principles on which these regulations are to be based have not been established yet. There was no elaborated financial plan for the implementation of the Strategy, and the funds were not provided. There was an attempt to amend the Strategy in 2010, but it ended without results. The Strategy covers the period 2008-2011. However, at the end of that period, there was no further effort to adopt a new Strategy. The Strategy was almost completely ignored in its implementation, which means that it had been adopted mostly for declarative reasons (for detailed review cf Koprić, 2008a).

2. Decentralisation as one of the basic civilisation acquirements has often been used as an empty phrase in Croatian governance practice. The promising announcements have been followed by the reluctance of the central state (more details in Koprić, 2008b; Congress, 2007). Certain decentralisation measures have been poorly implemented – the transfer of

- Simplification and modernisation of administrative procedures: e-administration (2 directions; 17 activities).

For each area there is a short explanation of the present situation and plans. Reform activities are enumerated and systematised in tables, with indication on the bodies that will be in charge of implementation. There are as many as 62 various activities. The number of directions and activities is the smallest in the education and in-service training area. Quite contrary, the activities in simplification and modernisation of the administrative procedures and the e-administration design area are well-elaborated.

29 Many authors have stressed the importance of in-service training for the necessary change of administrative culture and public administration reform (see for example: Rocha and Araújo, 2007: 588).

30 That would make it possible for as much as about 40 per cent of the measures to be achieved in some fifteen months, according to the official data of the then Central State Office for Administration. Criticism on formal normative approach and excuses can be found in the Ombudsman’s Annual Report: “It seems that there is expectation according to which new legislation might all by itself prevail over all the weaknesses in the system that cause the problems.” – Pravobranitelj, 2009: 107.

31 The newly established Decentralisation Commission met only once, in October 2010. There is not any official proposal for the new local government structure.
responsibilities has not been followed by the strengthening of financial capacities, an inappropriate control has been introduced, etc. A great fear from entrusting local and regional self-governments with a significant scope of decision-making competences and affairs and of providing them with a significantly higher share of public income prevents the territorial self-government units from the development of human capital and hinders the strengthening of their organisational capacity. There cannot be any significant decentralisation if the current share of local budgets does not increase significantly – if it is now 10 per cent, it should be increased up to 20-25 per cent in the next couple of years. A strategy of decentralisation has not been adopted. Furthermore, insufficient attention has been paid to the control of legality of the activities performed by the territorial self-government units, quality standards for local public services have not been established (for instance, in communal, utility services), etc. Direct election of municipal mayors and county governors was legally introduced and held, for the first time, in May 2009. The potential long-term dangers of such innovation have been ignored, especially those concerning further politicisation and weakening of the professional level in local and regional self-government (Koprić, 2009). The Law on Local Civil Servants was adopted in 2009, after more than fifteen years since the introduction of the local self-government system. Thus, the legal status of local civil servants is finally regulated, but in such a way that many elements of their status will be overdependent on the will of directly elected mayors (Rajko, 2008).

3. Only through the strengthening of local and regional self-government will local and regional self-government units be able to deal with local and regional development as their most important task (cf Rašić Bakarić, Sumpor, Šišinački, 2007). The Law on Regional Development as well as the Strategy of Regional Development were adopted in 2009 and 2010 respectively. The problems connected with decentralisation are very similar in other countries. For the Polish situation see Piekara, 2003: 12, and subsequent pages. CARDS project Strengthening the Capacity for Administrative Decentralisation (2006-2008). There were several EU financed projects directed at the development of such a strategy, but their results have not been adopted yet. It seems that there is no real political will necessary for the preparation and adoption of a decentralisation strategy. Also, generally speaking, the results of the mentioned projects are of very poor quality. However, it should be noted that the basis for the construction of a decentralisation strategy was professionally elaborated almost ten years ago in the frame of the project Legislative Frameworks for Decentralisation in Croatia (1999-2000; project results were published in Koprić, 2003a). In a way, there is continuation of unsuccessful efforts in decentralisation strategy design. Namely, there was another large project financed by the Open Society and the Croatian Government, Decentralisation of Public Administration, in 2000-2003. The results of that project were also not adopted by the Government.

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division of the country into three statistical regions (NUTS II units according to the Eurostat standards) is one of many small steps in establishing the necessary legal and institutional framework for regional development. However, there are opinions that five new, self-governing regions, designed in line with the existing regional identities, should replace three more or less artificial statistical regions (details in: Koprić, 2010: 133-134), in order to develop a genuine and more productive regional policy.

4. The new Law on General Administrative Procedure, which should strengthen the legal protection of citizens and simplify the administrative procedure, was adopted in March 2009. The simplification of the administrative procedure is both necessary and possible (cf OECD, 2003). The previous Law on General Administrative Procedure was adopted in the socialist Yugoslavia, and, by tradition, it was a follow-up to the law of the same title of the Kingdom of Yugoslavia. It was complex, casuistic and oriented towards the protection of the interests of the state, not its citizens (see Koprić, 2005). However, the new Law has lost the modernisation potential and is somewhat falling behind the good European standards (Koprić, 2009a; Đulabić, 2009).

5. Administrative justice is the last part of the judiciary system that has to be harmonised with the basic standards of the Convention for the Protection of Human Rights and Fundamental Freedoms of the Council of Europe (Koprić, 2006a; Koprić, 2006b). The new Law on Administrative Disputes of 2010 and the amendments to the Law on Courts have provided for the new two-tier administrative justice system from the beginning of 2012. The first instance administrative courts will begin to function in Zagreb, Split, Rijeka and Osijek. A total of 20 new judicial positions have been opened, eight in Zagreb, four in Split, four in Rijeka, and four in Osijek. Unfortunately, there

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34 It entered into force on January 1st 2010. The Law was published in OG 47/2009. For details, see Koprić, 2009a.
35 In May 2009, the Croatian Government adopted the Report on Solving Administrative Cases in 2008. It indicates that the state administrative bodies received 6,733,267 cases and resolved 6,074,984 (90.2%). There were only 31,601 complaints to the second instance administrative bodies (only 0.5% of the resolved cases), but as many as 14,986 suits to the Administrative Court (47.4% of the second instance cases). The number of incoming lawsuits in that Court is relatively stable, reaching approximately 15,000 per year (15,250 – 2006, 14,409 – 2007). Also, the backlog of the Court is huge (36,800 cases on 1 January 2009). These numbers indicate that in more complicated and painful cases the system of administrative justice control does not function very well. The Ombudsman also stressed the too long duration of administrative procedures as one of the main problems (Pravobranitelj, 2009: 106). The situation within administrative justice is also weak, having in mind the mentioned backlog and very long duration of administrative justice procedures.
is not any kind of educational preparation for the new administrative judges, which might cause serious problems with the administrative courts’ efficiency (for similar situation in FYR Macedonia cf Pelivanova and Dimeski, 2011: 6). A dispute of full jurisdiction with the possibility of holding oral contradictory hearings about facts that are disputable between public-law bodies and citizens will be possible.

6. **Access to public sector information** is but one of the prerequisites for an efficient system of citizens’ rights protection. The Law on the Right to Access Information was adopted at the end of 2003 and amended in 2010. The right to access public sector information was proclaimed a constitutional right by the Constitutional Amendments of 2010. The number of cases initiated on citizens’ requests is more or less constant, after the first high wave. The highest number of requests was in 2004 – 19,600. There were 4,499 requests in 2005, 4,357 in 2006, 3,670 in 2007, 2,730 in 2008, and 3,173 in 2009. As for 2009, as many as 2,867 requests were accepted and access granted (90.4 per cent), 185 requests were refused and access denied (5.8 per cent), while 46 cases were not completed till the end of year (1.4 per cent). Also, 75 requests were directed from non-competent to the competent bodies (2.4 per cent). It remains to be researched if such data indicate a very good situation, a situation of citizens’ disappointment with efficiency of the public sector information access, or a situation where citizens are not informed and determined enough to file their requests.

7. In order for structural changes to have desired effects, the **motivation of civil servants** should be treated in a more serious manner. In spite of the fact that the Law on State Servants (the third one since Croatian independence) was adopted as early as in 2005, the bill on civil servants’ salaries has not been adopted although it entered parliamentary procedure at the very end of 2008. The commitments in the course of its preparation are not clear. Is there real political will to introduce a good motivation of the top-quality and most effective state servants without political influence exerted on them?\(^{36}\)

8. The new Law on State Servants was adopted in 2005 and has provided for a more modern **human resource management** practice. The Ministry of Administration is competent for central elements of the whole HRM system.

\(^{36}\) Even the Croatian Ombudsman stresses the problem in his Report for 2008: “Better pay and remuneration systems and system of stimulations would contribute to the necessary administrative changes. Unfortunately, it seems that the good years when such improvement was easier to achieve were not used properly. Salaries in public administration will not attract the best and the most capable people to the working positions which ask for the most educated and most responsible personnel.” – Pravobranitelj, 2009: 108.
Job analysis is one of the most complex tasks currently performed in the system of state administration, with numerous problems, misunderstandings and resistance (Ratković, 2008). Performance measurement has been introduced through legislation, but it still does not function properly, similarly as in the whole region (Koprić, 2011a).

9. Strive for national minority representation in public administration is constant and has moderate success (Ratković, 2007). The share of national minorities in Croatia is 7.47 per cent (331,383 people). While there is quite a satisfying situation with their political representation at both central and local levels, they are underrepresented in administrative bodies.37

10. In-service training within state administration system was the task of the Centre for In-Service Training of State Civil Servants, which was an internal organisational unit of the Central State Office for Administration and the Ministry of Administration from 2004 to the establishment of the State School for Public Administration in 2011. The Government also established the Academy for Local Democracy in 2006, for in-service training of local officials and the personnel of local and regional self-government units. However, the Academy still does not perform its main task, for unknown reasons. Quite opposite, the Centre was very proactive and after a period of preparation, it started with its own training activities in autumn 2004 (Ljubanović, 2006). It offered as many as 138 different short education programmes (Katalog, 2009).

11. In the long run, the most important reform measure is the establishment of an integral and coherent system of administrative education – without administrative education there will be no sustainable results of any administrative reform (cf Marčetić, Koprić, 2009). What has to be done simultaneously with this great effort is to change the existing qualifications structure in public administration, to employ bachelors of public administration instead of persons with secondary education, to better stimulate the employment of lawyers in legal departments, to prepare the

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37 According to partial data from the Employment Plan for 2008 for certain state administrative bodies, there are 2,014 employed state servants that are members of national minorities. That counts for 8.41 per cent of the state servants included in the Plan (23,944 of them). However, only about 40 per cent of the state servants are included into the Plan. State servants of the Ministry of Internal Affairs, the Army, and certain other parts of state administration are not included. There is no official data about national minority representation in those parts of state administration, but one can reasonably suppose that the situation in such state administrative bodies is not as satisfactory as in other parts of the civil service. There is no official data on national minority representation either in local administration or in public services. No overall employment plan has been made after 2008.
personnel for middle-ranking positions through specialisations in proper administrative study programmes at polytechnics and universities, etc. The acquiring of administrative knowledge, skills, and competences ensures hardening of professional standards and cultivation in the spirit of the public interest and complex value situation of public administration. Administrative education must shift from the current ghetto of vocational education at polytechnics and colleges to the domain of university education. The administrative profession has become a distinct profession, and administrative science is a consolidated and exceptionally well-developed academic discipline with centuries-long background (Pusić, 1995), which must be used as a core of administrative education.

2.5. Environmental influences

Contemporary public administrations function in very dynamic environments, both internally and externally. Because of that, environmental influences can be identified and systematised as domestic and foreign ones. The main domestic environmental influences come from the political system and the business community. The civil sector and academic community play significantly limited roles. Foreign influences include the process of Europeanization, influences of other world dominant organisations, and, to a lesser degree, changes of the administrative doctrines.

2.5.1. Domestic influences

The Croatian political system has been characterised by the domination of the Croatian Democratic Community (CDC; HDZ in Croatian), a right-wing political party that led Croatia during the first decade after gaining independence (1990-1999). The same party led the country again, after parliamentary elections in November 2003 and in November 2007. Political opposition managed to win only the parliamentary election at the very beginning of 2000. It created a six-party Government led by the president of the Social Democrats (Ivica Račan). This coalition was not homogeneous; it was very wide, comprised of left-centre and right-centre political parties. The only period when the Government was not led by the CDC (HDZ) was between 2000 and 2003.

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38 International Review of Administrative Sciences, as one of the leading scientific journals in the field, has just published its 77th volume!
39 For details, see Koprić, 2008c.
During the phase of semi-presidential system (1990-2000), the president of the Republic was Franjo Tuđman, who showed certain authoritarian intentions. He died in December 1999. His death forced the CDC (HDZ) to find another president during the CDC’s opposition phase. It was Ivo Sanader, who was the Prime Minister from the parliamentary election of 2003 to his sudden resignation on 1st July 2009. His successor was Jadranka Kosor (July 2009 – end of 2011). Parliamentary elections were held on 4th December 2011. The second president of the Republic of Croatia was Stjepan Mesić, a left-wing politician from the Croatian Peoples’ Party, who won the elections twice, in 2000 and in 2005. He tried to act as a mild critic of the Government and people’s advocate, because his Constitutional powers were substantially narrowed at the very beginning of his first mandate. His second mandate expired at the beginning of 2010. The third president is Ivo Josipović, elected as a candidate of the Social Democrats and especially engaged in foreign affairs. After hidden lustration at the beginning of the 1990s, public administration at all levels was politicised. Most of the political parties usually act in a similar way. There was, for example, a well-known scandal in 2000, when the political parties of the coalition Government made a written agreement regulating political spoil. The agreement determined how many and which positions in various administrative organisations at various territorial levels would come as a spoil of which political party. Apart from such politicisation, the whole public administration is under normal but tight steering of dominant politics. The first wave of changes, during early 1990s, was introduced by the politics. The introduction of the new local self-government system was politically imprinted into the Croatian governance system. At that time, the healthcare system experienced its very first, rather deep and firmly politically introduced, new public management oriented reform. At the end of Tuđman’s era, the reform in the telecommunication service began, with the privatisation and selling of formerly state-owned telecom to a foreign firm (Deutsche Telecom). This reform was politically introduced, too. The second wave of administrative reforms, aiming at the democratisation and decentralisation, at the beginning of 2000, was also politically introduced. The Business community is very active in influencing public affairs. The Croatian National Competitiveness Council, the Croatian Association of Employers, the Croatian Chamber of Commerce, other economic chambers and even certain private company and bank owners and managers have great influence on politics and public sector reforms. The Competitiveness Council has the most transparent influence on public affairs. It consists of a balanced number of members delegated by the Croatian Association of Employers and members of the Government. The Competitiveness Council prepared a reform document titled 55 Recommendations for Increasing Competitiveness of Croatia. The document
was adopted by the Government in the beginning of 2004 as the Government’s formal reform document. However, on the grounds of that, the Government adopted the *Strategic Development Framework for 2006-2013*, in August 2006. One of ten chapters was devoted to the new role of the state, with three subchapters: (1) a competent and effective public administration – cheaper, faster, better, (2) judicial reform – legality, fairness and efficiency, (3) the role of the state in the economy and public finances. Both documents (55 Recommendations and Strategic Development Framework) reflect a neo-liberal ideology and the interests of the private sector. The role of the *civil sector and academia* is limited, but constantly increasing. The participation of and consultation with the civil sector is more and more frequent, and cooperation with universities, institutes and other academia institutions in preparing public policies seems to become more frequent.

2.5.2. Influences from abroad

*The influence of international organisations.* There is a common influence of the IMF on public administrations, on the neo-liberal basis. Reducing the state budget expenditures especially in social services (health, education, social care), reducing taxes, etc. are standard IMF measures. Globalisation effects of the WTO are also well-known. However, the most prominent organisations oriented to support reforms in Croatia are the EU, the WB, the UN Development Programme (UNDP), the OECD, Sigma initiative, and certain other donors.

*Europeanization.* Having in mind well-observed problems with technical assistance, one could note that the EU’s influence is the most prominent among the mentioned international organisations. Since gaining the candidate status in 2004, Croatia has made significant efforts to harmonise its legal system with the *acquis communautaire*, has tried to fulfil institutional expectations and to build a new administrative system. The new and evolving European concept of the services of general interest has had a particular and strong influence over the national public administration system. New independent agencies, liberalisation and privatisation policy in the field of public services, new stress on specific administrative law arrangements (administrative contracts, concessions, public-private partnerships, etc.), are among the effects of the new concept. However, domestic resistance and clumsiness are going hand in hand with European coincidences (Lisbon treaty problems, weak institutional capacities, etc.), and are reducing chances for successful public sector reforms in Croatia.
Influential administrative doctrines. Generally speaking, post-communist transition has coincided with the spreading of the new public management doctrine throughout the world. The new public management requires more managerial autonomy in practically all sorts of administrative organisations (Lægreid, Roness, Verhoest, 2011). However, in reality, greater managerial autonomy can mean additional room for politicisation of public administration, and not necessarily for better management. Public management very often enables further and deeper politicisation, apart from other effects it produces. Similar effects can be observed in Croatia in some parts of the public sector. However, the influence of the new public management doctrine is visible in almost every part of public administration. Apart from the services of general economic interest (telecommunications, public transport, postal service, energy supply, etc.), privatisation and market mechanisms have been forced onto significant parts of the pension and health system (Puljiz, 2008: 105-108; Zrinščak, 2008: 132-133; Stubs and Zrinščak, 2009: 131), but also in education, social care, culture and other non-economic services of general interest. Public-private partnerships are extremely popular among politicians and public managers on the highest positions, regardless of their political affiliation. New, flexible civil service arrangements have been regulated and used. The system of internal financial control and external review is functioning (Vašiček and Maletić, 2011). Competition and public procurement have been forced to function. The charging of real prices for public services is especially visible in the public utilities sector. Deregulation has been attempted. Nevertheless, the efforts with regard to realisation of the good governance doctrine can be identified, also. There are the measures for better regulation, including the introduction of regulatory impact assessment and establishment of independent regulatory agencies, political and administrative decentralisation and strengthening of local and regional self-government, partnership with civil society and private sector organisations for regional development, citizens participation, multi-level governance, de-bureaucratisation and administrative simplification, quality public administration education, e-government and ICT implementation, etc. However, building a neo-Weberian state on the grounds of a sound, discussed and widely accepted concept seems to be a task that remains to be discovered (cf Randma-Liiv, 2008/2009: 78-79).

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40 The Code of Public Consultation in Passing Laws, Other Regulations and Acts of November 2009 was accompanied by the newly adopted, very detailed and instructive Guidelines (approximately 35 pages).
2.6. The Future of the Croatian Public Administration: Modernisation, Inertia or Decline

The situation with the Croatian public administration is precarious in a way. Although it is true that Croatia is in a much better situation than most of the Western Balkan and Community of Independent States countries, it is a latecomer in many aspects. Firstly, it is a latecomer to the transition process. Unlike Central European countries (including Slovenia), Croatia and certain other countries on the territory of the former Yugoslavia were blocked by the war of 1991-1995. During the war, when the hierarchical army principles prevail, there are serious chances for the development of authoritarian tendencies. Because of that, political democratisation as one of the main transitional processes was prevented in Croatia to a significant degree. Real democratisation and full transition in political terms started as late as at the beginning of the 21st century. Croatia is a latecomer to the process of Europeanization, too. When ten transition countries joined the EU on 1st May 2004, Croatia was not granted even a candidate status. The Stabilisation and Association Agreement was signed in 2001. It was only in June 2004, when Croatia was granted a candidate country status. The negotiation process with the EU began in October 2005, when the country established a serious institutional structure for negotiations. It consisted of the negotiations group with task forces in charge of particular negotiation chapters (35 chapters) and the National Committee for Monitoring the Negotiation Process as a working body of the Croatian Parliament (Sabor). Although at the beginning of the process it was predicted that Croatia would be ready for membership in 2007, the negotiation process was completed only in mid 2011. Progress in reforms connected with the EU accession cannot be disregarded (Koprić, 2012). Such a situation can result in at least two scenarios, an optimistic one and a pessimistic one. External circumstances can be decisive. Global recovery of the economy and smooth development of the European integration can be grounds for the realisation of the optimistic scenario. Deepening world economic crisis, institutional crisis of the EU, and political unpredictability can lead to the realisation of the pessimistic scenario. Of course, a number of domestic factors can determine the future in at least three directions:

- they can direct the Croatian public administration towards more conceptually straight modernisation,
- they can leave it on the path of hesitant development, which means random changes dependent on accidental ideas of influential domestic actors, bureaucratic hesitations, or pressures of dominant foreign organisations,
- they can push it to the path of chaotic institutional decline.
While the first direction is the most desirable, the last one seems the least probable. However, from a Croatian standpoint, it is necessary to further clarify the reform concept and measures, for reform to be successful. Among the proposals, one can mention:\footnote{For details, see Koprič, 2008: 59-63; for earlier list of proposals, see Koprič, 2003: 488-489 and Koprič, 2004.}

- Adoption of the new state administration reform strategy for the period 2012-2020 and better management of the reform process;
- The development of a sound system of administrative education and in-service training is necessary;
- Strategic planning and long-term public policies should come in the focus of the ministries and the Government;
- Numerous structural measures should be realised (proper accountability and control of executive agencies, dissolving the over-differentiated network of branch offices of state administrative bodies, internal structuring of administrative bodies according to the lessons from modern organisational theory, etc.);
- Significant political and fiscal decentralisation;
- Modernisation of legislative procedure, especially of law drafting technology;
- Strengthening the orientation towards citizens through further, significant reform of administrative procedures (amendments to the new Law are necessary);
- Providing an effective legal protection of citizens’ rights through the development of a modern system of administrative justice (education of newly appointed administrative judges is an urgent measure);
- Design of a modern system of civil servants’ motivation (job analysis, performance indicators, performance related pay system, modern human resources management, development of human potentials in the public sector);
- Strengthening the capacity of independent regulatory bodies to regulate the new markets of economic services of general interest and to protect consumers and entrepreneurs;
- Institutional stabilisation of the whole public administration, in order to make it transparent and predictable for citizens and businesses, etc.
3. CONCLUSION

Despite the difficulties in comparative studies, the comparative method offers a lot of incentives. Opportunities to orient and learn from comparative experiences are among them (Olsen, Peters, 1996). At the same time, comparison should leave enough space for description and analysis of country-specific elements of administrative reforms. Theoretical grounds for comparing administrative reforms can be built on neo-institutional theory combined with organisation theory. Normative institutionalism leads us to direct research on values, norms and expectations that are a significant part of the environment of national public administrations. Historical institutionalism can warn us about administrative dynamics and put us on the course of searching for phases and critical points in administrative development, for the role of actors, etc. Organisation theory adds analytically very useful notions of complexity, environment and environmental complexity (including temporal complexity or environmental processes and their dynamics), interdependence, etc. It also encourages us to take into account the possibility of exploring the potentials of national public administration to influence broader international (European, global) space and to “infect” other public administrations with a specific administrative solution or institution. Doctrines are especially prominent elements of contemporary administrative life. After a few decades of NPM domination, the doctrine of good governance has taken a more important place. Having in mind inherited inclination towards the institution of state on the European continent, a discussion about the neo-Weberian state is not surprising. Although it is quite true that transitional countries are characterised by “conceptual misunderstandings and a mixture of unfitting administrative solutions and tools” (Randma-Liiv, 2008/2009: 78-79), it is hard to expect that the situation could be very different. Various politics have different conceptions of administrative development. There are other influential actors, both domestic and foreign. Some of the domestic actors are not informed about possible doctrinal inspirations and concepts. All those add to conceptual confusion. However, such a situation obliges us to identify the elements of different doctrines being realised in a country at a particular time. This leads us to conclude that the following elements should be treated in each comparative analysis: an outline of the particular administrative system, the phases in its development, the main problems, current reform efforts, perceived environmental influences, and possible future development.
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SUVREMENA HRVATSKA JAVNA UPRAVA NA VALOVIMA REFORME


Ključne riječi: hrvatska javna uprava, novo javno upravljanje, dobra europska uprava, institucionalna stabilizacija, profesionalizam, politizacija.