

# EDITORIAL

## SOMETHING ABOUT RESTRUCTURING

The positive report on Croatia's credit rating issued by the Fitch Agency gave rise to hopes for the progress of Croatian economy in the near future. The Prime Minister and the members of the Government commented on the report, thanked the citizens for their patience and announced further tasks aimed at fostering the growth of economy. Talking about measures to be undertaken in state companies, the Minister of Finance stressed that they should first be restructured. He gave the example of Croatian Railways, Croatian Roads, Croatian Waters and Croatian Forests and concluded that there would also be layoffs, because we need our own means for investments and not for spending.

We constantly hear about restructuring: let us first clarify this term and propose measures for restructuring in forestry, or more precisely, in the company *Hrvatske Šume*. According to the dictionary of foreign terms, the Latin term *structura* means to construct, put together, organize, compose: hence, to restructure means to reconstruct or reorganize something. Instead of being restructured by the Austrians, whom we refused, we were restructured by the Irish, to whom we paid several hundred thousand dollars for teaching them something about forestry, then the economists who also learned about forestry for an indefinite sum of money, but all this came to nothing. As usual, Croatian forestry experts and scientists were not good enough for the job, despite the 250-year-long tradition of successful work and over 100 years of higher forestry education, offering, among others, courses in economics and organisation of work in forestry. The Croatian Forestry Association expressed its own attitudes ([www.sumari.hr](http://www.sumari.hr)), which are still very topical. One former head of the company Croatian Forests said at the beginning of his mandate that "we should restructure ourselves, otherwise somebody else will do it for us", but again, nothing was done. Yet, the prediction was right, and we should not be in wonders now. The company Croatian Forests is not the creator of forestry policy; instead, it executes tasks of rational management set down by the owner (the State) via the Ministry equipped with the most expert personnel. In the opinion of the forestry profession, the primary things that require restructuring are the organisational structure, competences and controlling. We do

not at all agree with the General Manager of Croatian Forests, who claimed at the 116th regular meeting of the Croatian Forestry Association Assembly that there were no developed technologies of work in forestry. Our tradition of over 250 years of organized work in forestry, where technologies developed in accordance with new scientific-specialist knowledge, has resulted in the best preserved forests in Europe. We agree that some things, but only if based on a coherent concept, should be changed. This refers particularly to decentralisation and to the number of Services in the Directorate, which increase with every political change in the power structure, leading to a growing number of employees, who constantly arrive but never go back to the operational level. This constitutes yet another form of centralisation and leads to unnecessary multiplication of jobs, as well as the reduction or even abolishment of competences of managers of forest administrations and forest offices as the basic cells of all economic activities. It is not enough to "decentralize" people: competences related to independence in the choice of expert personnel at all levels should also be decentralized. Personnel should be selected according to the knowledge criteria and not according to party membership. Financial freedom should be subordinated to positive business making, since this stimulates creativity, new ideas and general success. The first step would be made if a well equipped Planning Service in the Directorate and forest administrations and Internal Control Services were formed at all levels, who would focus on general rationalisation of work and business. As for layoffs – it is pointless to even discuss this issue in view of the immediately available quantities of energy wood lying in forests, burned areas to be reforested (otherwise there will be erosions), and neglected silvicultural activities. The point of restructuring in forestry is not in laying off redundant personnel but in the necessary execution of the prescribed tasks and in the broadening of economic activities that are geared towards the general progress of the society. We remember the time when politics did not meddle into the forestry profession, and when all the forestry tasks based on the principle of sustainable management were carried out, about 16,000 workers were employed, a number of economic activities in rural areas were activated and business was positive.

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