Alen Jugović[*]
Ante Bistričić[**]
Borna Debelić[***]

UDK 338.246.025.88:338.465(497.5)>:656.61.072.4
Review
Pregledni rad

ECONOMIC EFFECTS OF PRIVATISATION OF PUBLIC SERVICES SECTOR IN THE REPUBLIC OF CROATIA EMPHASISING MARITIME-PASSENGER TRAFFIC

ABSTRACT

Economic effects of every strategic decision on national economy level are important aspect of total economic policy and are strong determinant of generating future economic prosperity and development from the microeconomic, thru mezoeconomic pending to macroeconomic level of observing competitive performances. In this scientific work the analysis of economic effects of privatization is carried out in dependence on the particularities of the public services sector. The methodology of scientific work includes the comparison of specific sensitivity of these sectors caused by specific long-term position, which are a strong determinant and limiting factor in adoption of optimal decisions about their privatization. The purpose of this scientific work is, in the context of complex issues about selection of time frame and the model of privatization in case that privatization is final decision, to modulate basic parameters to make optimal decisions. The results of the research show that the economic outputs of privatization of the public services sector depend primarily on the chosen model of privatization and the implementation time framework, what indicates that privatization of such sector requires a sui generis approach to determinants of the privatization process since they incorporate important characteristics of a public good, and the problem extends from the pre-phase elements of privatization and market position consolidation of the privatization object to the care for the creation of preconditions for successful accomplishment of micro-competitiveness in the sector and institutional environment to promote growth and competitiveness.
Keywords*: economic effects, privatisation, entrepreneurship, public good, public services, maritime-passenger traffic*

1. INTRODUCTION

Economic effects of every strategic decision on national economy level of individual national economy are important aspect of total economic policy and are strong determinant of generating future economic prosperity and aggregative development. Particularities of public services sector and specific sensitivity of this sector caused by specific long-term position are the strong determinant and limiting factor in decisions adoption about their privatization, also in decisions for privatisation in time horizon and privatisation model selection.

In Republic of Croatia maritime-passenger transport sector can serve as an example of public services sector considering economical and geopolitical determinants of Croatian part of Adriatic Sea. Privatisation of such sector demands sui generis approach to all significant determinants in privatisation process, from pre-phase privatisation elements and privatisation objects market position strengthening to concern about achieving preconditions for successful competitiveness achievement in competitive sector and for institutional environment for growth and competitiveness improvement. One of the most important elements in

---

[*]   Ph.D., Assistant Professor, University of Rijeka, Faculty of Maritime Studies in Rijeka, ajugovic@pfri.hr
[**]   Ph.D., Associate Professor, University of Rijeka, Faculty of Maritime Studies in Rijeka, abistricic@pfri.hr
[***]   Assistant, University of Rijeka, Faculty of Maritime Studies in Rijeka, debelic@pfri.hr

privatisation process preparation phase is microeconomic strengthening of future privatisation object, and defining clear market position in competitive conditions trough total financial and economic strength verification, what requires maintaining, development and improvement of business and competitive position.

Privatisation process, so as business continuity maintenance, and its development and improvement in privatisation context, demand optimal volume of financial assets obtained in optimal conditions. Obtaining financial assets from other resources is complex process which contains many decisions, and one of the most important decisions is choosing an external resource of financing in specific case, in order to optimise charging process.

In Republic of Croatia, business financial business aspects of key companies in sector are important determination of whole maritime-passenger transport sector situation. Total economic effects of maritime-passenger transport sector and Jadrolinija d.d. development are seen as insurance of higher level quality in maritime-passenger services, with achieving effective business processes and better economic results of those business processes. Maritime traffic service, as a public good, has a strategic importance for total Croatian economy development and represents one of the most important components in competitive improving spectrum, especially in total island and costal region, but decision making person has to decide whether to choose privatisation or further prevailing government ownership.

2. OVERVIEW OF PREVIOUS RESEARCHES

In preliminary phases of turning from social ownership to market economy in transitional countries, institutional assumptions for public capital privatisation are created by conversion processes. All this processes are argued with tendencies towards modern economic trends that in privatisation find fundamental assumption for transition from socialistic to modern market economy and growth of its efficiency and competitiveness (Kalogjera, 1993). Gregurek (Gregurek, 2001) also brings out statement which declares that fast public sector privatisation is favourable in order to faster ensure company efficiency, whereas country manifested as a bad entrepreneur, and that privatisation is precondition for normalisation business of not privatised companies. However, that argumentation can only partly be acceptable and with significant limitations considering all functioning elements of present transitional countries, modern market economies and less developed countries which are strengthening their economy very fast and record high growth rate.

In transition and later phase of country development at the end of transitional processes, as well as after process of transition, and in the phase of developed evolved economy, many modern authors believe that privatisation is dominating precondition for economic success. By observing only transitional countries which had crisis in 80s of last century for specific reasons, and which found their way out in turning to market economy, it is possible to say that privatisation in that time had extremely dominating importance, but it is needed to emphasise also, that privatisation processes and their particular methods had an essential role in further competitive economy achievement. Privatisation processes were the main determination of bigger or smaller success, or even failure in achieving good economy and sector structure, as well as achieving wanted economic results of total national economy (Gouret, 2007).

3. ECONOMIC ASPECTS AND EFFECTS OF PRIVATISATION

Many researches, like ones that were carried out by *Zinnes and associates* (2001.), *Bennett and associates* (2004.), and *Gouret* (2007.), were made in order to determine intensity and direction of whole privatisation and its processes, with achieving outputs level of national

economy in transitional countries and achieving level of average annual GDP-a growth rate. Results indicate some main conclusions. Privatisation *per se* does not have any influence on output level. There is expired result which shows that transitional countries with gradual privatisation, achieves higher output levels than countries which had privatisation by mass and fast public property abandonment.

Economical treatment of privatisation effects and its implications is made by IBDP measure usage, as index of real GDP in relative relation to GDP of observed European transitional countries in year 1989., in way that value 100 is taken as a basic measure of GDP achieved in year 1989. This simplified model reflects also recovery index of every observed national economy, representing GDP in time *t* as a percentage of pre-transitional GDP.

This model of economic privatisation effects analyze issue comes from the fact that transitional phase did not started in all transitional countries at the same time, and in order to minimise inconsistency it is needed to take into consideration specific time for each observed transitional national economy, when the pre-transitional system had stopped to operate and was exchanged with new system. Therefore is also used IBDPTRY indicator, as a real GDP index in relative relation to pre-transitional output. Making further accuracy of model for measuring economic privatisation-transitional effects, it is possible to identify indicator IBDPTRY as index of real GDP in relation to real GDP in year before dominate privatisation model has been adopted in observed national economy. The aim of such settlement of IBDPTRY indicator is to solve issues that appear in transitional phases, and which were manifested in a way that elapsed time between the moment of transition to new system till the moment of implementation of dominant privatisation model was not the same in all transitional countries. Privatisation model and its economic effects are objects of the main interest, therefore is needed to "clean" data from time gap influence meaning time period between turning to new system in formal way and time of specific dominate privatisation model implementation.

In observing economic effects of privatisation, it is also used indicator CFDIpc which indicates cumulative direct foreign investments *per capita*, made in way of putting in relations net direct foreign investments with population, as it is shown in formula:

$$CFDI_{pc_{it}} = \sum_{T=1989}^{t} FDI_{i,T}/Nstan_{i,T} \qquad (1)$$

Where is:
Nstan – number of residents

This research model *sensu lato* includes observing three basic privatisation models in majority transitional countries in year 1990, which European Bank for Reconstruction and Development defines as (Gouret, 2007):
1) mass – MASS – fast mass voucher privatisation
2) middle – MEBO (managers/employee buy out) – managerial and working privatisation
3) gradual – VEN – gradual selling/privatisation

Results are indicating to the situation of dominative usage of privatisation models in Republic of Croatia, which in 1990. was not clearly defined, and then in phase from year 1991. till year 2001. was dominating fast privatisation model with relative important managerial and working privatisation share.

In conducted research, summarising dominative models for all European transitional countries and putting this result in correlation with recovery output indicators and cumulative direct foreign *per capita* investments, it is obtained summarised casual connection

relationship of economic privatisation effects in dependence on chosen dominative model, actually on privatisation implementation time frames. (cf. Table 1).

Table 1:
Average recovery output of all transitional countries in dependence of dominative privatisation method

PRIVATISATION METHOD	IBDP IN YEAR 2001.	IBDPTRY
mass	*average*	*average*
	62,47	69,71
	standard deviation	*standard deviation*
	19,68	16,89
middle	*average*	*average*
	87,02	88,98
	standard deviation	*standard deviation*
	18,89	19,26
gradual	*average*	*average*
	107,31	107,28
	standard deviation	*standard deviation*
	16,61	10,39

Source: Author analysis according to Gouret, F. (2007). "Privatization and output behavior during the transition: Methods matter", Journal of Comparative Economics; Mar2007, Vol. 35 Issue 1, p3-34, 32p.

Analysed period from year 1990. till year 2001., is chosen because until year 2001., in observed countries, was carried out important part of privatisation processes, and for some of them can be concluded that they had already came out from transitional phase. That is dominative reason why researches do not consist observed economic performances after year 2001. It is necessary to mention, if period after year 2001. had been included, the results of direct foreign investments movements in other group of countries, which represents south-eastern Europe countries, would have been significantly different because these countries achieved considerable FDI income in further years.

Table 2:

> **Average cumulative direct foreign investments per capita in all transitional countries expressed in American dollars in dependence of dominative privatisation method**

PRIVATISATION METHOD	CFDIPC IN YEAR 2000.
mass	*average*
	492,83
	standard deviation
	597,16
middle	*average*
	290,26
	standard deviation
	291,54
gradual	*average*
	4.727,59
	standard deviation
	586,94

Source: Author analysis according to Gouret, F. (2007). "Privatization and output behavior during the transition: Methods matter", Journal of Comparative Economics; Mar2007, Vol. 35 Issue 1, p3-34, 32p.

By observing the average index value of real GDP and comparing it to the real GDP in 1989 (Table 1 and Table 2), it is obvious that the transition countries which implemented gradual privatization have accomplished, on average, 72% higher GDP recovery rate than those who implemented privatization by using a model of mass and fast sales and state ownership solutions. Furthermore, transition economies which implemented gradual privatization processes have generated, on average, 23% stronger output recovery that those countries which implemented privatization by using a model of medium-fast privatization, which includes management and employees. By taking into account index value of real GDP in comparison with real GDP in the year which preceded the implementation of predominate privatization model into the considered national economy, the results show that countries which implemented gradual privatization accomplished, on average, 54% higher GDP recovery rate that countries with fast privatization, as well as 21% stronger recovery than countries with medium-fast privatization.

Analysis of the size of cumulative foreign direct investments per capita in transition countries shows that countries which implemented privatization by using a model of gradual privatization of public companies acquired in the period between 1990 and 2001, on average, as much as 860% higher cumulative foreign investments per capita than countries with mass and fast privatization, as well as 1529% higher cumulative foreign investments than countries which implemented privatization by using a model of medium-fast privatization with management and employee privatization.

A survey shows that countries which favored gradual privatization of public companies have higher output recovery rate than those countries which gave advantage to mass and fast privatization. By analyzing annual growth rate, the survey shows that there is no difference in achieved level of GDP growth rates between these two privatization types of transition countries. From this survey, the authors concluded that privatization methods which

lead to permanent changes in ownership structure have different influences on output level, but do not have influence on annual growth rates, as it is schematically shown hereafter.

Scheme 1:
Different influence of privatization methods on the achieved output level and annual growth rates

Privatization method	Different influence on achieved output level	Different influence on annual growth rate
Gradual privatization	YES ↑	NO –
Fast and strong privatization	YES ↓	NO –

Source: Author analysis according to Gouret, F. (2007). "Privatization and output behavior during the transition: Methods matter", Journal of Comparative Economics; Mar2007, Vol. 35 Issue 1, p3-34, 32p.

Accordance with obtained results, which show that privatization methods are key element of influence on economic performances of national transitional economy, similar to those resulting from Gouret's research, was discovered also earlier by Roberts' (1999) research, in which the author concludes that the influence of privatization on national economy varies in dependence with selected and implemented privatization scenario, which largely has influence on economic variables (Roberts, 1999).

Researches have partially confuted common theoretical conclusions that privatization can be equalized with efficiency increase. In many theoretical analyses, privatization is the same as efficiency increase, but, if we take into account results of empirical researches, this equality cannot be accepted completely and with certainty.

Further consideration of the issue of privatization in transition countries and of privatization policy as an antecedent of privatization model excels Bolton's and Roland's analysis (Bolton, et al, 1992), where the authors ascertain the influence of privatization policy on economic performances, especially concerning budget, and the results of the conducted research, emphasize that it is likely that, on a scheme of fast renunciation of public ownership, privatization will create budgetary crisis, by developing and stimulating inflation, and thus destabilizing young and fragile economy of a transition country.

The argument for this statement is in the loss of cash-flow at budgetary level, which is caused by the loss of ownership of, up till then, big public companies, which are now privatized. Furthermore, insufficiently developed institutional framework, in a situation when privatization was faster than the development of stabile institutions necessary in the system of modern market economies functioning, can cause difficulties in orderly tax levying after the public companies become privatized. Also, one of the significant problems which occurred in privatization processes of transition countries was evident in the fact that privatization was, in some cases, implemented without the inflow of fresh capital, neither domestic nor foreign, on the 'paper privatization' principle. Therewith, one of the most important economic benefits brought by privatization process is neglected, and that is inflow of fresh capital which will enable growth and development of a privatized company. In that very year, but on the example of Soviet reform, similar conclusions were made by Fischer and Frenkel (Fischer, et al, 1992) in their research.

Taking into account the specificities of market structure and the research results, it is evident that restructuring and final economic outcome largely depend on the distribution of ownership rights and the choice of privatization method. Functionality of mass and fast privatization is not evident, and such a model does not lead to establishment of favorable

economic equilibrium, and the change of ownership *per se* has got little influence on long-term productivity trend.

By validating common claims that privatization is basic cure for monopoly often made by big public companies, the importance of characteristics determinations of each individual monopoly is shown, as well as the need for comprehensive analysis of situation in entire economic environment before making final decisions about privatization.

By abstracting the results of empirical research and certain theoretical considerations, it is possible to conclude that privatization, as one of the key, but also wider socio-political, events in transition economies of 1990s, had a strong influence on economic performances, but largely not the influence proportional to the intensity and speed of implemented privatization, but opposite and dependent on the specific privatization model.

Besides the influence on GDP and FDI, privatization model with its modalities affects the progress of employment in the observed economy, as well as accomplished degree of work productivity. As explicitly stated before through achieved economic results, the influence of privatization process is mirrored also in the domain of export and balance of payments, as well as in the structural aspect of technology transfer. In addition to these influences, it is also possible to additionally define the influence on the transport system through the parameters of transport economics and multiplicative influence on an entire range of sectors which rely on it.

The results of empirical research (Kallianiotis, 2009) indicate the possibility of the implemented privatization to increase productivity, as well as liquidity on financial markets, taking into account the fulfillment of fresh capital inflow prerequisite. However, it is possible that it simultaneously causes the increase in unemployment, dependent on foreign capital and multinational corporations, as well as the decrease in welfare of an average citizen, together with the loss of national wealth in the sense of the ownership of, up till then, public company of public significance. The conclusion is directed towards the need for additional engagement by the public sector, in an endeavor to increase productivity and efficiency of the public sector, and, at the same time, retaining important public companies, especially public services sector, in public ownership.

This points to the issue in which, to a certain degree, productivity increase can be achieved at the expense of employment decrease, but excessive employment decrease leads to quality reduction, which then leads to the need for deeper review of the idea of the necessity for public services commodification with the result of productivity increase.

With the aim of complete economic treatment of privatization topic through the aspect of technology transfer, it is necessary to mention that privatization processes carry within the possibility of the acceleration of technology transfer process. However, for ensuring positive effects at the national economy level, it is necessary to have a well established institutional environment, with the function of ensuring prerequisites for ensuring general business safety, as well as for specific protection of intellectual ownership rights.

Further to these conclusions, in the continuation of this paper, the issues of public services sector as a public good will be considered.

4. PUBLIC SERVICES SECTOR AS PUBLIC GOOD

The importance of the whole public sector, therefore the public services also, in modern economies is undoubtedly extremely big, and in the last two centuries it has recorded a significant degree of growth. Human needs, among them public needs also, are a complex social category. Scientifically looking, the degree of their fulfillment is never completed and finalized. Public (social) needs can also be observed as the needs fulfilled via services which

everyone can use in the same extent (Musgrave, 1973). In the public sector there is a category of public goods and services, unlike the private market, which incorporates a category of private goods and services. The difference between them is big and it comes from the basic distinction of the sense and function of public and private goods and services markets. Goods and services on private goods and services market, first of all, show personal preferences of consumers and their purchasing power. Public goods and services have significantly different characteristics. Purely public good is defined as a good which demands indivisibility of production and consumption, nonexistence of competitiveness and exclusivity (McLean, 1997). Taking into account the nonexistence of competitiveness, by definition, one can talk about certain categories of public services, which entails economic repercussions in achievement of allocative efficiency. For needs of this paper, it is especially important to determine how the service of public sea transport (shipping) can be included into the public goods category.

Public goods are nonexclusive, as well as indivisible in production and consumption. There is no competitiveness in public goods. Usage of public goods is conducted in a way that each individual consummates them in accordance with certain norms. However, before that, one needs to provide, i.e. ensure public goods, prepare, capacitate and organize them for public usage. That function is done by the state, i.e. public government. People who do not pay for public services cannot be excluded from the benefits which arise from them, and since they cannot be excluded from the benefits, they will not commit themselves to voluntary payment. There is a case where individuals refuse to give their support to financing public goods. In theory, this case is known as 'free rider problem'. Therefore, standard market cannot satisfy public needs (Musgrave, 1973).

Unlike the private market, on the public goods and services market all individuals – society members take same amount of public goods. However, those takings occur parallel to different tax burdens of the members of that same society. This means that here the prerequisite of all consumers taking goods according to same prices is not valid, because in that case each individual would pay equal tax, and that is not the case because the tax burdens differ in relatively numerous fiscal criteria which are effective in that society. In comparison with conventional private goods market, with public goods there is a significant difference in creating an offer. In the public goods and services allocation mechanisms, their offer is created by political processes, which makes fundamental and the most important difference in comparison with private goods. The answer to the question which public goods and services and in which amount should the public sector make available is connected to political decisions, i.e. relation of political forces in a country (Jelčić, 2001). This feature of public goods and services offer leads to the border of political sciences and economy.

Following chart (Chart 1) shows public and private goods demand. It is presupposed that there are two consumers (Consumer 1 and Consumer 2). D_1D_1 stands for the demand of the first consumer, D_2D_2 stands for the demand of the second consumer, and DD stands for aggregate demand. With private goods, total market demand for a private good is obtained by horizontal summation of individual demands of both consumers. Optimal amount of production on this market is obtained in equilibrium – a balanced point marked with E_p in which the aggregate demand curve cuts (for this example presupposed) offer curve. Unlike the situation with a private good, aggregate demand for a public good is obtained by vertical summation of individual demand curves. Basic difference in comparison with public goods demand is mirrored in the fact that in public goods consumption all consumers, by definition, spend an equal amount of the public good, which basically means total amount of the public good.

In the models there are symbols: CH – marginal Consumer 1 usage; FG – marginal Consumer 2 usage; QpEp – marginal expense; 0Qj – amount of public good or size of product; 0Pj – marginal social usage; QjEj – limiting social expense.

Chart 1:

Private and public goods demand
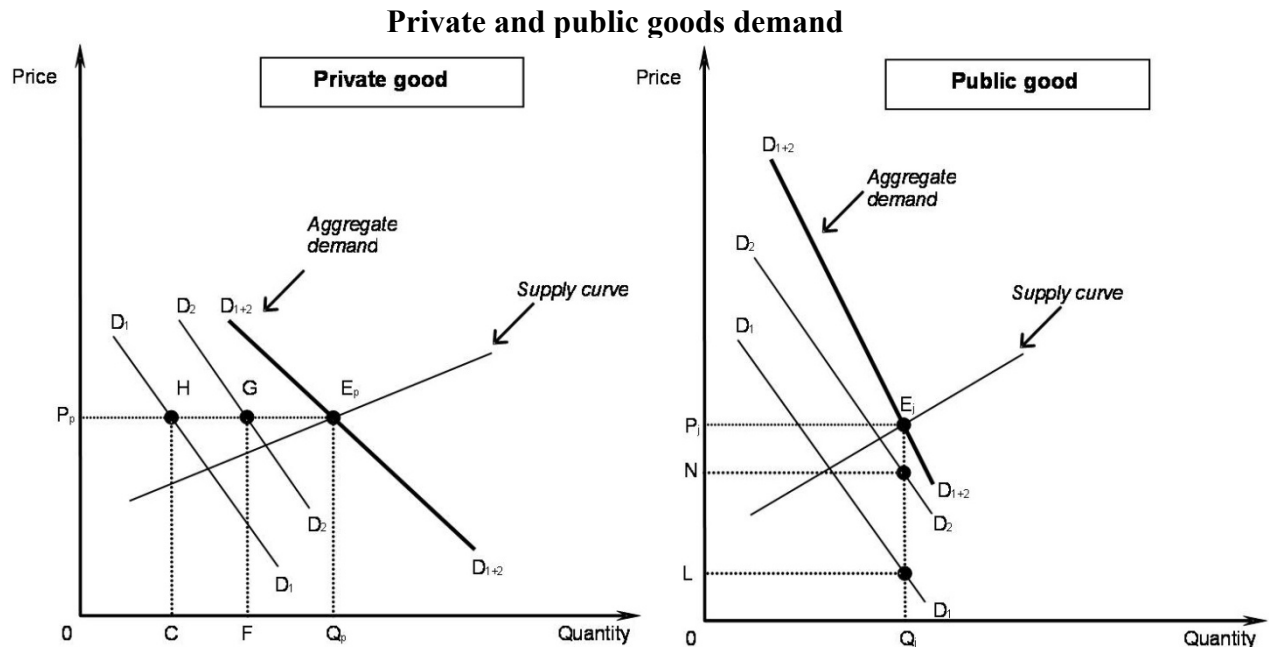
Source: Author analysis according to Petak, Z. (1999). Javna dobra u teoriji javnog izbora: doktorska disertacija, Zagreb: Z. Petak, 1999., p.193.

Goods can be more or less public. Most goods are somewhere in-between those two extremes. The more elements of publicity that they possess the more sensitive they are to the influence of non-payers, so they are provided in lesser quantities than people would want or they are not provided at all.

Further to the previously stated attribution of indivisibility and nonexistence of competitiveness in public goods, in theoretical sense it is necessary to consider the issue of monopoly structure emergence, by definition. Public services sector, such as sea transport services in the Republic of Croatia, has had for many years a dominant attribution of monopoly structure. Simultaneously, a question about the naturalness of that monopoly emerges, i.e. is it a created monopoly.

In a research it is important to concentrate on the issue of privatization of public companies in the specific market of public services. A model has been developed, which calculates gains or losses in welfare, which can occur in privatization of public company with a dominant monopoly position, when it becomes profitable managed private company and retains a monopoly position. Such examples have occurred in the Republic of Croatia in past twenty years. Model incorporates pre-privatization flexibility of demand with post-privatization efficiency changes. Obtained sizes of welfare change imply that improvement in allocative efficiency is not *per se* a dominant reason for post-privatization regulation, which is greatly needed; rather, it is a powerful regulation need with the aim of creation of institutional environment which would be a trigger for investments (Bradburd, 1995).

As an practical example, when analyzing the issue of privatization of public services sector, we can also observe the impacts on the example of maritime-passenger transport in the Republic of Croatia and Jadrolinija d.d. (JSC). It is also necessary to emphasize the indirect link with issuing of Jadrolinija 's bonds, and the attitude of lenders toward the risks and

business continuity maintenance. Jadrolinija is 100% in state ownership, and country's public ownership of Jadrolinija is an important factor of business orientation of a company, on which both infrastructural and suprastructural public functions of transport connection are founded, which is especially evident in the fact that developmental strategy of a company makes a part of state strategy. This also reveals the fact of giving importance to maintenance of transport business of connecting islands with the mainland, for which it is important to be under sufficient degree of control, with the goal of safety assurance and overall development continuation. In the context of mentioned issues, it is necessary in this paper to consider Jadrolinija d.d. privatization process, which is frequently talked about and debated upon. In 2005, a study titled 'Concept and proposition for Jadrolinija privatization' was made and it researched and suggested possible privatization modalities. Essentially, two phases were suggested, where the first phase of privatization would be allocation of 7% of stocks to island local residents and employees, and 4% of stocks to pension and veterans funds. Estimated period for the beginning of second phase is five years after the end of the first phase, and in the second phase what dominates is a public offer of stock packages of 50% plus one stock, where the state would simultaneously retain control package of 25 % plus one stock in its portfolio. The importance of systematical approach to privatization problems solution, taking into account the initial decision on whether to start privatization and which potential model to choose, is evident in the need to prepare Jadrolinija, which does around 90% of whole public maritime-passenger transport in the country, in the best possible way for market business activities in the scope of domestic and foreign competition. This will especially be emphasized as a necessity in the time of Croatia's possible integration into the European Union, and additionally in the context of medium-term strivings for market opening through implementation of public tendering systems in every area.

Regardless the chosen model and time of privatization implementation, if it happens, it is necessary to prioritize public good preservation by quality and sea transport service continuity preservation. Public interest is primarily evident in concern about island and island population, as well as developmental perspectives, and looking through prerequisites for its realization, one can see the need for Jadrolinija d.d. to maintain and improve itself in economic sense through modernization and preparation for competitive market battle. This intrudes the need for a systematic and thorough research, and model and time frames verification, as well as coverage of Jadrolinija privatization, taking into account the interests of all the main participants in this complex and strategically important process.

Strong influence of the state in the sector of maritime-passenger transport undoubtedly also has its negative effects, which are partly evident in the functioning of market competition. However, big strategic importance of line maritime-passenger transport, as well as always present imperfection of market in the process of optimal allocation of public goods, generates the need for public sector interference, with the aim of permanent assurance of transport schedule regularity independent to the price anomalies and possible other market instabilities. Enabled direct influence of public government and favorable relation of domestic and foreign capital, open possibilities of positive effect on economic performances, with the aim of optimization of public good allocation in economic and social aspects of public service of transport.

5. CONCLUSION

Economic effects and implications of every strategic decision at the level of national economy are an important aspect of overall economic policy and future economic progress realization. Specificities of sectors in which monopoly structure is dominant and fragility of those sectors caused by long-time specific position, are a strong determinant and a kind of limitation in making decisions about their privatization.

In this paper, subsequently to analysis of different economic approaches to the issues of public monopolies privatization and connection of privatization processes and models with economic effects, the results have shown that privatization *per se* does not have any influence on the final output level; rather, the key is in privatization methods in every case individually. At the same time, empirical results show that countries which had gradual privatization reach higher output levels than those countries which had privatization on the principle of mass and fast renunciation of state ownership. Also, countries which favored gradual privatization of public companies have higher output recovery rate than those countries which gave advantage to mass and fast privatization. The conclusion is that privatization *per se* is not a significant determinant of economic success; but privatization methods are, which lead to permanent changes in ownership structure of economy and have different influences on output level, but do not have influence on annual growth rates.

From this it can be concluded that the decision of privatization is very complex and before making a final decision, one needs to conduct a thorough analysis of all relevant economic parameters, in accordance with suggested models. If the decision of privatization proves to be desirable option, a new chain of question arises about optimal privatization model, as well as about coverage of privatization and time distribution as especially important elements. Privatization model, and not privatization *per se*, is the key for realization of optimal economic results, on microeconomic and mezoeconomic, but also on macroeconomic levels, and all with the aim of advancement of the quality level of maritime-passenger transport service as a public good and realization of higher level of efficiency, together with stability and business continuity assurance.

REFERENCES

Books:

1. Blanchard, O. (2005). *Makroekonomija, Treće izdanje*. Zagreb: MATE.

2. Foley, B. J. (1998). *Tržišta kapitala*. Zagreb: MATE.

3. Gulin, D., Orsag, S. (1991). *Financiranje poslovanja emisijom dionica i njihovo računovodstveno praćenje*. Zagreb: Progres.

4. Jelčić, B. (2001). *Javne financije*, RRiF-plus, Zagreb.

5. Jelčić, B. (Barbara), Jelčić, B. (Božidar) (2000). *Javne financije*, Birotehnika, Zagreb.

6. Millard, B. J. (1997). *Channel analysis: the key to share price prediction*. Chichester: John Wiley & Sons.

7. Musgrave, R. (1973). *Teorija javnih financija – Studije iz oblasti javne privrede*, Naučna knjiga, Beograd, 1973.

8. Orsag, S. (1997). *Financiranje emisijom vrijednosnih papira*. Zagreb : RIFIN

9. Sever, I (1995). *Javne financije: Razvoj – osnove teorije – analiza*, Ekonomski fakultet Rijeka i Tipograf d.d., Rijeka.

10. Van Horne, J. C. (1997). *Financijsko upravljanje i politika.* IX izdanje. Zagreb: MATE.

11. Vidučić, LJ. (2006). *Financijski menadžment*. Split: RRiF plus.

Articles in Journals:

12. Bistričić, A, Jugović, A., Perušić, J.: *"Investment Projects With Direct Economic Effects From the Investor's - Shipping Company - Point of View"*, Pomorstvo, Journal of Maritime Studies, God. 22., 2., Pomorski fakultet Sveučilišta u Rijeci, Rijeka, 2008.,

13. Bolton, P., Roland, G. (1992). "*Privatization policies in Central and Eastern Europe*", Economic Policy; Oct92, Vol. 7 Issue 2, p276-309, 34p.

14. Domijan-Arneri, I. (2007). "*Promjene u percepciji funkcije morskog brodarstva u sustavu nacionalnog gospodarstva*", Ekonomska misao i praksa, DBK., god XVI. br. 1. (25-39)

15. Fischer, S., Frenkel, J. (1992). "*Macroeconomic issues of Soviet reform*", American Economic Review; May92, Vol. 82 Issue 2, p37, 6p.

16. Gouret, F. (2007). "*Privatization and output behavior during the transition: Methods matter*", Journal of Comparative Economics; Mar2007, Vol. 35 Issue 1, p3-34, 32p.

17. Gregurek, M. (2001). "*Stupanj i učinci privatizacije u Hrvatskoj*", EKONOMSKI PREGLED, 52 (1-2), 155-188.

18. Hansen, N. A. (1997). "*Privatization, technology choice and aggregate outcomes*", Journal of Public Economics; Jun97, Vol. 64 Issue 3, p425, 18p.

19. Kallianiotis, I. N. (2009). "*European Privatization and its Effect on Financial Markets and the Economy from a Social Welfare Perspective*", International Research Journal of Finance & Economics; Issue 28, p66-85, 20p.

20. Kalogjera, D. (1993). "*Privatizacija u stabilizaciji i razvoju hrvatskog gospodarstva*", Društvena istraživanja, Zagreb 3/god, 2, br. 1, str. 51-86.

21. Kiss, Y. (1993). "*Paradoksi privatizacije u Istočnoj i Srednjoj Europi*", Društvena istraživanja, Zagreb 3/god, 2, br. 1, str. 3-30.

22. Njavro, Đ. (1993). "*Privatizacija*", Društvena istraživanja, Zagreb 3/god, 2, br. 1, str. 87-105.

23. Roberts, B. M. (1999). *"Privatization and Performance in Eastern Europe: Alternative scenarios*", Annals of Public & Cooperative Economics, 1999, Vol. 70, 1.

Other:

24. Jadrolinija d.d. (2007). *Prospekt izdanja obveznica Jadrolinija, društvo za linijski pomorski prijevoz putnika i tereta*, Rijeka: Jadrolinija.

25. http://www.mmpi.hr/default.aspx?id=1196 (19.05.2008.)

26. Narodne novine 27/1991. i 11/1996.

27. Petak, Z. (1999). *Javna dobra u teoriji javnog izbora*: doktorska disertacija, Zagreb.

28. Zagrebačka banka d.d., Poslovni biro PBIRO d.o.o. (2007). *Instrumenti financiranja lokalnih javnih projekata*, savjetovanje – konferencija, Rijeka

EKONOMSKI UČINCI PRIVATIZACIJE SEKTORA JAVNIH USLUGA REPUBLIKE HRVATSKE S OSVRTOM NA POMORSKO-PUTNIČKI PROMET

SAŽETAK

Ekonomski učinci svake strateške odluke na razini gospodarstva važan su aspekt ukupne ekonomske politike i snažna odrednica generiranja budućeg ekonomskog prosperiteta i ukupnog razvoja od mikroekonomske, preko mezoekonmske, do makroekonomske razine promatranja konkurentskih performansi. U ovom znanstvenom radu provedena je analiza ekonomskih učinaka privatizacije u ovisnosti o posebnostima sektora javnih usluga. Metodologija znanstvenog rada obuhvaća komparaciju specifičnih osjetljivosti tih sektora izazvanih dugogodišnjom specifičnom pozicijom, a koji su snažna determinanta i ograničenje u donošenje optimalnih odluka o privatizaciji istih. Svrha ovog znanstvenog rada je, u kontekstu kompleksne problematike odabira vremenskog okvira i modela privatizacije u slučaju da je opredjeljenje za privatizaciju konačna odluka, modelirati temeljne parametre za donošenje optimalne odluke. Rezultati istraživanja pokazuju da ekonomski outputi privatizacije sektora javnih usluga ovise prvenstveno o odabranom modelu privatizacije i vremenu provedbe, što upućuju na to kako privatizacija takvog sektora zahtjeva sui generis pristup odrednicama privatizacijskog procesa, budući da isti imaju značajna obilježja javnog dobra, a problematika se proteže od elemenata pretfaze privatizacije i učvršćivanja tržišne pozicije objekta privatizacije do brige za kreaciju preduvjeta za uspješno ostvarivanje mikro-konkurentnosti u samom sektoru te institucionalnog okruženja za unapređenje rasta i konkurentnosti.

Ključne riječi: ekonomski učinci, privatizacija, poduzetništvo, javno dobro, javne usluge, pomorsko-putnički promet