1. Introduction

When at the beginning of the new millennium Croatia finally managed to lift the burden of the system with distinct democratic deficiencies, it was possible to put on the agenda some issues of utmost importance. One of them is the problem of the centralised, politicised, unprofessional, neglected public administration, which in its largest part did not acquire the standards of the classic Weberian model in organization and in functioning. All these problems appeared at the time when public issues and public policies in Croatia, together with the circumstances of the European integration process and global world interdependence, required many quick changes and adaptations of the Croatian public administration.

What are actually administrative reforms, what are their objectives, and what kind of administrative reforms exist? Politics is rather prone to see public administration reform even in the smallest interventions into public administrative system, in almost insignificant reorganizations that affect but several administrative bodies, in small improvements of human resources management, or in tiny upgrading of certain administrative functions. However, administrative reforms are considered to be only those changes that represent important institutional innovations in the public administration system of a country. They are conducted periodically, usually with
significant resistance due to the changes in power structure of the political-administrative system.

It is the insufficient semantic precision is the substance of one of the key public administration paradoxes. On one hand, changes, reorganizations and reforms are rather frequent, so frequent that they are in fact considered to be a trade mark of public administration (Czarniawska-Joerges, 1989; Farazmand, 1999). On the other hand, in spite of the continuous preoccupation with public administration, changes of organizational solutions, and efforts at improvement of public administration, one sometimes really thinks that administrative organisations are immortal, i.e., indestructible (Herbert Kaufman).

Administrative reforms often do not result in the expected official objectives of improvement, adjustment to the alternated circumstances, increased institutional capacity, etc. However, they are not without effect, since along with or instead of the desired results, they also have various other effects. These are: redistribution of power, renewal of social legitimacy – both of public administration and of the whole political-administrative system – breaking of the administrative routine, amusement, intimidation, etc. (Czarniawska-Joerges, 1989).

According to the common classification, administrative reforms can be traditional, modernization-oriented, market-oriented, and minimising. The criteria of such a classification refer to the degree of deviation from the traditional, Weberian concept of the state administration, and to the extent of the reform interventions. Traditional reforms are oriented towards improvements in accordance with the traditional Weberian model. Modernization-oriented reforms are deeper; they aim at result-oriented budgets, creation of the autonomous executive agencies and their separation from policy tasks (which are kept within ministries), transition from the status personnel relations to contract labour, etc. They have been inspired by the doctrines of the new public management and of the good governance. Market-oriented reforms aim at the implementation of the market methods and principles to public administration, and at rather rough submission of public administration to the market forces. Minimising reforms try to narrow the public sphere and to widen the sphere of the private initiative by radical reduction of the public administration. Since the traditional reforms are generally not corresponding to the needs
of modern times, while market-oriented and minimising reforms bring numerous risks, the majority of continental European countries has oriented towards public administration modernization (Pollitt and Bouckaert, 2001: 179).

2. Public Administration Development in Croatia 1990-2004

After the secession and the Constitution of 1990, the most important changes in Croatian public administration in the period 1990-2004 were concentrated in 1993 and 2001.

2.1. Croatian Public Administration From 1990 to 2001

The Constitution of 1990 introduced the semi-presidential system based on the French model. From 1990 to 2001, public administration in Croatia developed in the conditions of etatization, centralisation and politicisation of an authoritarian type. Besides an ever-increasing number of civil servants, the characteristics of these period were an 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 law was regarded as the mere instrument of politics. The lack of co-ordination was compensated for by arbitrary, ad hoc political interventions. Political-administrative system was closed and bureaucratised, imbued with the climate of secrecy (more in: Koprič, 2001).

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 the new administrative organizations in a new State (foreign affairs, defense, customs service, etc.). The strong communes, inherited from socialist Croatia 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. 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.

The first systematic law that regulated Croatian state administration was the Act on the System of State Administration of 1993 (ZSDU; NN 75/93). It determined the ministries, state administrative organizations and county administrative departments as the state administrative bodies. The ministries were divided into the state ministries and ministries. Although according to the legal formulation the difference between them should have been only structural, it was in practice considered to be a difference in political importance. The personal authority and political influence of the President of the Republic were wider in the state ministries than in others.

A large proportion of the public services that had until the end of 1992 been provided in the communes were taken over by the central state, which founded the county administrative departments and state administrative branch and field offices. A large number of previously local civil servants were transformed into the state administrative officers in the county administrative departments and branch and field offices belonging to the ministries and state administrative organizations. It was a massive operation of etatization, i.e., a situation in which the state appropriates the public services from the former (nominally) self-government units, followed by redistribution of public revenues, responsibility, significance and power.

The reform at the local level was carried out in 1992/93 through the Law on Local Self-Government and Administration (ZSLU; NN 90/92, 94/93, 117/93) 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 one side and the local units on the other (more in: Koprić, 2003).

The Law on the State Civil Servants and Employees of 1994 (ZDSN; NN 74/94) regulated their status for the first time. The Law on the Salaries of the Civil Servants and Employees in Public Services (NN 74/94) was passed simultaneously. Until 2001, the status of the local civil servants was regulated by the provisions on the civil servants in the Law on Administration of 1978 (NN 16/78, 50/78, 29/85, 41/90 and 53A/91).
The number of employees in certain public services (research and development, culture, sport, art and 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. Also, there occurred an intensive process of replacement of the existing civil servants with new personnel based on meta-expert, political criteria (approximately 20 percent of the state civil servants and approximately 10 percent of the servants in public services were replaced). The same, meta-expert criteria were decisive when it came to the possibilities of promotion, salary rise, or promotion to managing positions (Koprić and Marčetić, 2000).

2.2. Reforms 2000/2001

The Revisions of the Constitution of 2000 (NN 41/01) marked the beginning of the decentralisation process. The new constitutional provisions meant a radical turn: they considerably constrained the powers of the central government by granting citizens the right to local and regional self-government, and by accepting the concept of local self-government as a counterbalance to the central government. The Croatian legislature began to harmonize the relevant provisions of the domestic law with the European Charter of Local Self-Government more than three years after its ratification (NN – International Agreements 14/97).

The Constitution transferred the responsibility for certain groups of public affairs to local and regional units as a real substratum of the citizens’ right to local and regional self-government and accepted the principle of subsidiarity and solidarity. The Law on Local and Regional Self-Government (NN 33/01) enabled all self-governing units to autonomously determine their scope of affairs, excluding only those affairs that have

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1 Communes and towns, which are the local self-government units, are entrusted with the affairs of local jurisdiction which directly serve the citizens’ needs, in particular those related to the regulation of zoning and housing, spatial and town planning, utility services, childcare, social welfare, primary health care, elementary education, culture, physical education and sports, consumer protection, environmental protection, fire protection and civil defence. Counties as regional self-government units are entrusted with the affairs of regional significance, in particular those related to education, health services, spatial and urban planning, economic development, traffic and traffic infrastructure together with the planning and development of a network of educational, social, cultural and health institutions.
been assigned to the central administrative bodies by special laws (the method of the general clause of stipulation in favour of local affairs).

The previous semi-presidential system was substituted with the parliamentary one. Directly elected President of the Republic has certain powers over the state administration, particularly in defence and foreign affairs. The state administration below the central level has been undergoing rationalization, so that the state administrative bodies at the middle level have been reduced from the previous eight to ten county administrative departments to just one state administrative department per county. The Government appoints the head of the department by public competition and entrusts him with the usual powers of local self-government supervision (novelty in ZSDU – NN 59/01). The number of civil servants has been reduced, particularly in defense, internal affairs, and in the state administrative departments.

The lines of subordination of the local self-government to the central government administration have been cut by redefining the institution of the county governor and limiting or specifying the powers of the central government administration bodies over the local self-government.

The status of the state civil servants has been regulated by the new Law on State Civil Servants and Employees (NN 27/01; ZDSN-01). The main intentions of that Law were the following: shift away from the former personnel classification (regardless of their position in the state administration) to the classification according to job complexity; unification of the remuneration system for state civil servants and employees in all state administrative bodies and other state organizations, and the attempt to define the salary so that it reflects job complexity of each civil servant. The intended unification of the remuneration system included all public services, according to the Law on the Salaries in Public Services (NN 27/01). The Bill on Local Civil Servants has not been passed, even though it went through the legislative procedure.

2.3. Current Croatian Public Administration System - Croquis

At the central level, parliamentary system was designed by the Constitutional Amendments of 2000. Before that, there was a semi-presidential system similar to the
French one. The Croatian public administration consists of the state administration, local and regional self-government, and public services. There are two levels and four types of the state administrative bodies. At the central level, there are ministries, the (so-called) state administrative organisations and the (so-called) central state offices. There are 14 ministries, 8 state administrative organisations and 4 central state offices, one of which is in charge of the public administration system and administrative development. The difference between the ministries and the state administrative organisations is in political importance and political influence, as the ministers are members of the Government and the heads of the state administrative organisations are not. The central state offices are in the closest relation with the Prime Minister. They are, in a way, Prime Minister’s special management tools. At the lower level, there are the state administrative departments, one in each county. They are in charge of the first degree administrative procedures.

The system of local and regional self-government consists of 426 communes, 123 towns, 20 counties and the City of Zagreb, which has twofold status and is allowed to perform both local and regional self-government scope of affairs. Communes in predominantly rural areas and towns in predominantly urban areas perform local self-government scope of affairs. Counties are regional self-government units, strictly separated from the state administrative departments, which perform state administrative affairs at the first instance.

Some public services are in closer relation to the central state, because they are mostly centrally financed. These are education, health service, social security service, science, and the like. The previous Government launched administrative decentralisation of some of these services. Some of the public services are locally financed, for example, pre-school education and kindergartens, libraries and museums, utility services, etc. Institutions which perform public services are autonomous, but their personnel is financed through the central state budget or through the budgets of the local and regional self-government units. Of course, they are allowed to charge for their services, at least partially.

In the whole public sector, there are five categories of the civil servants. In the state administration there are approximately 52,000 civil servants. In all local and regional self-government units there are approximately 10,500 civil servants. Centrally
financed public services are employing about 180,000 people, and locally financed public services additional 15,000. The fifth category are the employees of public companies, e.g., in utility services, state oil company, state postal service, state electric power industry, and the like.

3. Framework for Public Administration Reform

3.1. Administrative Doctrines – From the New Public Management to the Good Governance

Modern administrative development is characterised by two influential doctrines – the new public management and the good governance.

The new public management doctrine has been very influential since the 1980s. It is characterised by orientation towards 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). Measures and effects produced by the managerial reforms of public administration are structural, functional, personnel oriented and others (financial, legitimation measures, political, social, etc.). (More in: Koprić and Marčetić, 2000: 44-59; Koprić and Marčetić, 2003: 217-219).

The new public management has been most widely accepted in New Zealand, the United Kingdom, Australia, Canada, and the USA. Managerial approach has spread both in Europe and on other continents at different speed and to a different degree. The international organisations, such as the World Bank and the International Monetary Fund, were among the most important advocates of the managerial approach.

However, certain unfavourable effects of the minimising and market oriented public administration reforms have been noted since the 1990s. 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. Under these circumstances the UN, the EU, the OECD, the IMF, and the WB have begun advocating the good governance.

Among the principles of the good governance, the EU emphasises openness, participation, responsibility, effectiveness, and coherency. The new doctrinal orientation emphasises the role of the citizens and civil society, transparency, legitimacy, responsibility, efficiency, human and citizens’ rights, the rule of law, better quality of the public services, implementation of the 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 the strengthening of the institutional capacity, the doctrine of the good governance states that it is necessary to renew the democratic political legitimacy of the modern countries. It also calls for the strengthening of the policy capacity in public administration, i.e., of its ability to analyse and create public policies. It claims that good results can be achieved through cooperation, supplementation, and harmonisation of the citizens and local self-government and/or central government. Only well-balanced and widely accepted public policies can result in efficient economic and social development. All in all, “good governance is … a combination of democratic and effective governance” (UNDP, 2002: 1).

3.2. Goals and Values

Considering the contemporary administrative processes and developmental needs, there are two basic goals of public administration reform in Croatia: *Europeanization and modernisation*. In the process of association with the European Union, Croatia must adjust to the European experience with public administration and adopt the administrative standards that are spreading through the currently created European administrative space (Cardona, 2004; SIGMA, 1998a; SIGMA, 1998b; SIGMA, 1999). European public administration standards are usually not written – they are less concerned with the concrete structure, organization, and size of the public administration, and more with its
characteristics and ability to implement *acquis communautaire*. In most cases, we talk about the experience that is sometimes transferred into guiding principles, such as the rule of law, the principle of subsidiarity, the principle of transparency, etc. Citizens are put in the lime light and the policies are result-oriented. SIGMA programme (a joint initiative of the OECD and the EU) has achieved certain concretization of the criteria for determination of administrative capacity, but these are still in outlines (Dimitrova and Verheijen, 2002).

Modernisation means deeper changes in the structures and processes within the public administration, inspired by today’s influential administrative doctrines of the new public management and the good governance. Since the Croatian public administration has not yet reached even the standards of the traditional Weberian model of an organized, well-document, impartial, ethical, professional, and efficient public administration, the third objective of the reform must include *administrative development based on the traditional model*.

The values that should be incorporated and respected by the modern public administration are traditional and “new”. The traditional values have been settling in the course of the past development. These are: democratic political values (political legitimacy, political accountability to the elected representatives, responsiveness to the citizens’ interests and wishes, publicness and transparency of administration, availability, etc.), legal values (the rule of law, legality, legal security, equality in administrative procedure, impartiality, protection of human and citizens’ rights, fair administrative procedures, legal responsibility of public administration (material, disciplinary, and criminal), judicial supervision of public administration, etc.), social values (social justice, solidarity, social sensitivity, welfare, charity, compassion, assistance to the citizens, etc.), and economic values (efficiency, economy, and effectiveness). The new, or rediscovered values are education, expertise and professionalism; subsidiarity and decentralisation; morality, impartiality and noncorruptness; quality of the public services; coordination, horizontal networking and computerization; entrepreneurship, competitiveness and market orientation.

3.3. *Stimuli and Limitations*
In the period following the independence and transfer to the democratic political system, the main stimuli for the reforms emerged from the need of creating the state institutional mechanism and strengthening its capacity to perform public tasks, provide public services, and solve public problems. Since the whole society was deeply politicised, the public sphere was dominated by the ideas and concepts of the narrow political elite, who ignored scholars and professionals and failed to adopt the best comparative standards.

One of the stimuli ensued from the task of creation of a modern market economy and of the complete normative and institutional infrastructure necessary for its functioning. Those stimuli gained importance, although politics tried to dominate over the economic system, economic life, and the processes in the economic sphere.

Political democratization and decentralisation have also become increasingly important encouragement for changes in the political-administrative system. The establishment of democratic standards in political life started at the beginning of 2000, after ten years of an authoritarian political system and one party domination (HDZ – Croatian Democratic Union). The constitutional amendments of 2000, which introduced parliamentary system instead of semi-presidential, significantly influenced these processes.

One of the strongest factors in favour of modernisation of the political-administrative system is the process of association with the EU. Association has required the creation of an institutional backup in the state administrative system, which resulted in the establishment of the Government Office for European Integrations and of the Ministry of European Integrations, respectively. Proactive and agile activities of the Ministry have set the tone of all the efforts for harmonisation with the European standards. The European administrative space and the standards it has been based on will continue to inspire and direct public administration reform and adjustments.

However, there are factors that present limitations to public administration reforms, such as deeply rooted authoritarian political, administrative, and social culture, inherited from the past. The changes towards democratic, participative culture have been rather gradual. In spite of the fact that the leading political actors could give the strongest
endorsement to these processes, political bodies have been showing the greatest reluctance in supporting general participation in the political processes and political decision-making. Not even the democratization of intraparty processes, which was attempted through the Bill on Political Parties prepared by scholars and experts, got the support of the parliamentary parties. The party elites are closed mechanisms, which is also a characteristic of the whole political system.

The influential political actors still show neither strong political will nor consensus on the basic directions of public administration reform and reform measures. Neither of the reform concepts has been formally accepted, so that the political debates are reduced to individual reform measures. There is neither a clear reform plan nor agreement on how to form the expert base for the reform.

Public administration is still seen as the mere executive mechanism which obediently implements political decisions. Such views are supported by the majority of political actors. Policy culture is weak, and the capacity for monitoring, analysis and public policy suggestions is relatively small. Regulatory impact assessment is also neglected.

It is because of such an obsolete role of the public administration, particularly stimulated in the period of non-democratic systems, that the administrative personnel is still undereducated and less than professional. A basic, specific, modern university public administration programme still does not exist, and the disciplines dealing with public administration are taught at different university institutions. On the other hand, there has appeared a wide range of poor quality education services for public administration in-service training and a number of equally unacceptable institutions that have spotted in-service training as an opportunity for easy money.

The presentation and perception of the public administration reform and the meaning of public administration have been rather simplified, which has resulted in predominantly negative public attitude towards public administration and in insufficient support to the quality reform measures. The situation is worsened by the simplifications and lack of expertise among several foreign consultants.

4. Reform Areas, Recommendations, and Measures
Since public administration (state administration, local self-government, and public services in the realm of education, health, welfare, science, etc.) represents a major part of the state institutional mechanism, which, generally speaking, in Croatia does not function very well at the moment, it is necessary to undertake comprehensive, systematic, gradual, but resolute reforms oriented both to the short term and long term favourable effects:

a) To rationalize, depoliticise, and professionalize the state administration, and to make it efficient, reliable, transparent, citizen and user-oriented, based on the doctrines of the new public management and the good governance.

b) To rationalize the system of local and regional self-government, with further decentralisation on the principle of subsidiarity. To insist that the precise regulation of the territorial self-government, integrated strategic planning, and the efficient supervision of legality become the basic integrative instruments of the whole state system.

c) To rationalize and modernize public services – welfare, health care, education and science – with a careful privatisation of those parts that can be transferred to the private sector - and to provide for ethical standards and quality.

d) To develop professionalism of all civil servants – state, local and public – by developing public service education in different segments of the public administration, particularly for the top positions, and by developing the sense of public interest, proactive attitude and the corresponding types of organizational culture in public administration (legalist, participative, and entrepreneurial).

A number of structural, functional and personal measures are necessary in the course of the public administration reform. The basic assumption is that behind each recommendation lies a weakness or space for further administrative development. One
should be critical, but one should not be a fault-finder; one should show the way forward in the administrative development. The main recommendations are:

1. Rationalisation of public administration,
2. Strengthening of the institutional capacity,
3. Strengthening of the professionalism and ethical standards and depoliticization of the administrative service (and PA in whole),
4. Debureaucratisation,
5. Orientation towards results, transparency and openness,
6. Decentralisation,
7. Partial privatisation in public administration.

4.1. Public Administration Rationalization

In order to strengthen the principle of rational organization, it is necessary to do the following:

a) To rationalize the central state administration by reducing the number of ministries, state administrative organizations and central state offices, some of which could be organized as independent public institutions outside the state administrative system.

b) The state administrative offices (the first level of the state administrative bodies) and the complex network of territorial branch and field offices of different ministries and state administrative organizations need to be separated from the structure of the local self-government units, reduced in number and personnel employed therein. These measures would simplify this expensive, inefficient, and rather nontransparent structure.

c) To eliminate functional overlap between the systems of the state administration and local self-government and to put an end to duplicating and overlapping of the tasks belonging to different administrative bodies within the state administrative system.

d) To introduce a modern regional self-government on the basis of previously prepared quality studies. The basic objective of such self-government should
be to stimulate regional (economic) development and to re-examine the role of the existing counties, or even to abolish some of them.
e) To rationalize the structure of the basic local units (communes and towns) by analysing the impact of polytypic organization and of a large number of rather small, weak local self-government units.

4.2. Strengthening the Institutional Capacity

It is necessary:

a) To concentrate and strengthen the Government and the Prime Minister in relation to the ministries and other state administrative organizations. Along with a clear-cut scope of power and authority, it is of primary importance to strengthen the Government’s professional service, whose structure must provide continuous contact and communication with individual ministries, so as to primarily reflect the groups of administrative fields, not the structure of individual ministries. Such a service should be given a stronger and wider powers over the ministries, which should not exceed support to and counselling of, the Government and the Prime Minister.
b) To separate creative-professional from repetitive tasks in the state administrative bodies (the ministries and the state administrative organizations) so that the ministries would primarily deal with the professional tasks of situation monitoring, policy analyses, the creation of public policies, and preparation of the new regulations. The number of ministries and other state administrative bodies could thus be reduced. Executive and repetitive tasks should be delegated to the executive agencies.
c) To ensure personnel, IT support, finances, and technical support to numerous independent regulatory and supervising bodies provided by different laws in order for them to take over their important tasks.
d) To do a systemic regulation of the common basic issues concerning establishment, organization, and functioning of the independent (or quasi
independent) regulatory agencies, in order to ensure their independence and protect the interests of the citizens and entrepreneurs.

e) To computerize and network all state administrative bodies, as well as local and regional self-government units. The emphasis should be put on quality computer programmes which would stimulate efficiency and coordination, provide access to public information to citizens and entrepreneurs, and significantly limit the space for corruptive behaviour among the civil servants.

f) To create and introduce the methods of the public management and entrepreneurship into public administration.

g) To prefer the matrix structure to the traditional rigid hierarchy in order to maximise the use of professional and other potentials of the administrative personnel. Matrix structure makes space for more flexible labour arrangements.

h) To establish a number of mechanisms and instruments for the harmonisation of public policies, beginning with strengthening of the Government’s coordinative capacity, primarily in administrative-technical and policy sense. This should be followed by the establishment of matrix structure in the state administrative system (expert work groups for policy harmonisation) and by strengthening the relations with professional and scientific institutions, local and regional self-government units, civil sector organizations, etc.

i) To apply the modern standards of e-administration and records management.


The following measures are suggested:

b) Establishment of a university institution for administrative education, with a curriculum for university degree in public administration and public management. The administrative generalists and public managers who
graduate from such an institution would take over the top executive positions in the state administration, local and regional self-government, and public institutions.

c) Establishment of reliable, detailed records of the state, local, and public civil servants.

d) Establishment of the permanent in-training system for all civil servants. Introduction of the point system for participation in in-service training and sanctions for its neglect.

e) A different concept of the State Exam, i.e., pre-entrance exams adjusted to the educational level, type of profession, and tasks that will be performed by the individual civil servants.

f) Re-education of the civil servants who lack the appropriate administrative education.

g) Introduction of the remuneration and advancement system based on work efficiency, and not (only) on education and the length of work experience. Introduction of the peer review.

h) Establishment of an efficient disciplinary system.

i) Reduction of the number of politically appointed functionaries at all levels of public administration and depoliticization of the administrative service (elimination of the political and other metaprofessional criteria from the process of recruitment, review, advancement, remuneration, and continuance in the service).

j) Definite and specific regulation of the legal status of the local civil servants (their legal status has not been regulated since 1990!).

4.4. Debureaucratization

The accent should be placed on the following measures:

a) Simplification and acceleration of the administrative procedures with the creation of one-stop shop system for citizens and entrepreneurs (a system
where all licences required for a legal start of a business are obtained in one administrative procedure and in one place).

b) Provision of electronic access to public administration for citizens and entrepreneurs.

c) Development of the entrepreneurial culture in public administration and of the civil servants’ proactive attitude towards their work.

d) Orientation towards time-limited labour legal arrangements connected with the realisation of the previously accepted administrative programmes. A more flexible overall labour and employment policy.

e) The civil servants need to acquire a responsible attitude towards their service to the citizens and entrepreneurs. To stress serving to the public (not private) interest.

f) Creation of an efficient, comprehensive system of legality, work quality, and professional ethics supervision, together with the system of inspection in public and utility services.

g) Citizens and entrepreneurs should be well-informed about the procedures, legal regulations, decisions made by the local self-government units, and about their own rights. Information should not only be published in official gazette, but also in leaflets, other media, on the Internet, etc.

4.5. Orientation towards Results, Transparency, and Openness

Several measures will enable their realisation:

a) Newly established executive agencies need to be given a higher degree of independence. Their managers should get one-year contracts, which would oblige them to produce results. They should be paid variably, in accordance with the performance of their respective agencies.

b) Greater part of administrative activities should be performed within the framework of the previously designated strategic plans (administrative programmes). These plans need to be well-formed on the basis of reliable anticipative methods and need to encompass the strategic objectives of the
legitimately elected political bodies. In reality they represent a formal expression of well-prepared public policies. Depending on the nature of the administrative programme, strategic plans can include not only state administration, but also local and regional self-government units and public institutions.

c) Budgeting should be done in accordance with projects, which places the costs in relation to results, and not to the number of permanently employed civil servants.

d) Budgets and yearly balance statements have to be publicised at all levels. Tax payers should be granted certain legal means that would enable them to monitor public spending and initiate accountability proceedings.

e) Access to public sector information has to be granted.

4.6. Decentralisation

In order to reduce the administrative obstacles, it is necessary to render local and regional self-government units capable of reliable, efficient, and responsible performance of the important public services. The following measures are necessary:

a) To rationalize the structure of the local units by a more realistic regulation of self-government below the local level (so-called territorial committees), by reducing the number of local units and by formulating the concept of the modern regional organization.

b) To strengthen the legal position of the local self-government by regulating it with a constitutional law.

c) To provide sufficient financial resources, especially fiscal ones, for the local and regional self-government units, as well as a reasonable financial autonomy, with an efficient central government supervision over local finances.

d) To widen local self-government scope in accordance with the comparative European standards. To delegate to the local level those central state
administrative tasks that local units in other countries usually perform for the central government.

e) To strengthen democratic political legitimacy of the local political bodies and to simultaneously strengthen the role of the professional, well-educated local administration.

f) To ensure a more efficient legal protection of the citizens and entrepreneurs in relation to the rules, regulations and decisions of the local self-government units.

4.7. Partial Privatisation of Public Administration

It is necessary to identify all parts and sections of public administration and the public sector that can be privatised and to create a realistic plan of their privatisation. Privatisation should, with careful monitoring and pilot projects, begin at all levels, in the sections where it can bring about cheaper products and services, e.g., in some of the local utility services. It is also necessary to apply other methods of strengthening the private initiative in the public sector (outsourcing, concessions, etc.).

5. Conclusion

Croatia does not need just any reform; it needs modernisation of the whole public administration (state administration, local self-government, and public services), its improvement by adopting the European public administration standards and adjustments inspired by the doctrines of the new public management and the good governance.

The main suggestions for the public administration reform refer to:

1. Separation of policy tasks and other creative-professional tasks from the routine and repetitive tasks. The ministries would thus retain professional tasks of situation monitoring, expert analysis, policy-making, regulatory impact assessment and regulation drafting. Implementation and executive tasks would be given to the independent agencies, whose directors would have binding contracts and result-dependent salaries.
2. These measures would lead towards the reduction in the number of ministries, strengthening of the institutional capacity of the whole system, a better coordination, and a smaller, more efficient government. Needless to say, numerous other measures are necessary for strengthening the system’s capacity to promptly respond to public issues and solve public problems.

3. The development of education, expertise and professionalism of the administrative personnel would ensure depoliticization, reinforce ethical standards, improve efficiency and bring public administration closer to the citizens. Mechanical measures, such as layoffs and personnel substitutions, cannot have desirable effects without investments in education and professionalism.

Public administration reform is one of the most difficult tasks awaiting Croatia in the near future. The experience of other countries has shown that the implementation of a comprehensive reform project takes years, usually longer than one political mandate. The preparations for project implementation are as important as the implementation itself, and they require special attention.

The public administration reforms can be systematised as the short-term and long-term reforms. Preliminary measures are regulative and normative. Expert preparation of the reform project has to create a comprehensive vision of the modernised public administration, so that the realisation of the individual reform interventions could be placed within its framework. The defining of administrative development policy should be followed by systemic and other legislature – primarily by the Law on the System of State Administration; the Law on the Government; the Law on the Independent Regulatory Committees, by Amendments to the Law on Administrative Proceedings, by passing the Bill of Civic Rights; the Law on Civil Servants; the regulations on records management and public records, etc. The corresponding structural, functional and personnel modifications can be initiated when the aforesaid laws and regulations come into force. The modifications will require further regulation adjustments and other decisions of the Government and of the Croatian Parliament.

Measures such as the establishment of a new university institution for public administration education, information networking, rationalization, decentralization, or personnel reduction, all depend on available funds. Furthermore, even if the initial steps
are realised at desirable speed, these measures require time and continuous effort in order to become fully realised. Long-term measures are those concerning the development of entrepreneurial culture within public administration, well-established ethical standards, anticorruption, etc. Needless to say, their realisation ought to begin as soon as possible.

The organisational prerequisite for all these measures is an urgent establishment of a well-staffed expert-administrative centre for public administration development, which would be attached to the Government, and would have continuous relationship with a new, high-quality university institution for public administration.

**References:**


