The agency model of public administration in Croatia

Ivan Koprić PhD Sc, Law Faculty, University of Zagreb, Croatia

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Legal regulation of the organizations of the Public Administration

- State Administration: Law on State Administration (2011).
- Local and Regional self-government: Law on Local and Regional self-government (2011) with amendments (9).
- Institutions and public institutions are legal persons with their own financial plan and resources: oko 1,500 kindergartens (1,150 public, 350 private and religious), 850 primary schools, 430 secondary schools, 80 centers and 275 (160 non-state) social welfare homes, etc.

Agencies in the system of the Public Administration in Croatia

- The Public Administration in Croatia:
  a) State Administration (20 Ministries, 8 so-called state administrative organizations, 5 state offices, 20 offices of state administration at regional level); administrative organizations inside the ministries (20 types 1 agencies); inspections
  b) Agencies and similar organizations at the state level
  c) Local and Regional self-government (Regional self-government = 20 counties; local self-government = 428 municipalities, 128 towns out of which 17 major cities, the City of Zagreb, which is a city and a county)
  d) Public institutions which are public legal service providers of general interest (formerly Public Services): established by the State, Regional and local units, and financed significantly from the state budget or from the budget of local and Regional self-government

Agencies in the system of State Administration in Croatia

- Agencies (not always under that name but according to theoretical criteria - type 2, according to the study in late 2012) - 75
  a) ten regulatory and twenty expert; the other are executive agencies
  b) total of 75; the highest number 2009. (87)
  c) during the negotiations on accession to the EU the regulatory agencies were established, as well as a significant part of the expert and some executive (the impact of the EU is not focused only on the regulators)
  d) the highest number of them is in the field of economy (11), science and education, healthcare, transport (9 per each), agriculture (8)
  e) In economic sectors 60 %, non-economic 40 %
  f) They are usually established in accordance with the Law on Institutions (75 %), while the others are formed as “sui generis” of the legal public law person
- The constitutional basis of the provision that according to a special law allows to entrust particular duties of the state administration to legal persons with public authorities (116/2).

Characteristics of the agencification process

- The majority of agencies are financed from the state budget, only some of them have their own income but they are also partially financed from the budget
- The Ministry is appointed by the Croatian Parliament, and governing boards of other agencies are appointed by the Government
- They report to the Parliament only if it is provided by the law, the others could be invited by the Government to report
- The government has the possibility to control the legality of work, but it can not affect the regulations and decisions taken by the independent regulator
- Ministries can significantly affect the operation of the agencies, but even independent regulators share information with the Ministries, cooperated in the process of preparation of regulations, controlling the sector, etc.
- Legal protection through the system of administrative courts
- Financial control of the State Audit + internal financial control
- Legal status of the agencies has significant elements of the private labor law
- Performance management in infancy
Deagencification

- The process of critical review, the reduction of number, introduction of uniform rules, an attempt to introduce mechanisms of coordination and performance management and other forms of rationalization in the state administration - begins in 2009 (abolition of 19 earlier established and the establishment of 7 new agencies, a decrease of 14 %).
- The basis for this process is the final report of the project Functional analysis and support of the restructuring of the State Administration and agencies since the end of 2008, which was performed by Croatian experts for the World Bank.
- The number of employees in 68 agencies in the year 2010 was 16,000 (v. 65,000 in the state administration authorities); eg. Ministry of Education 300, and agencies inside the ministry 450 employees.
- 2010. The plan of reorganization and reduction of the number of agencies – during that year 19 agencies were abolished (it is interesting that 14 agencies that had been analyzed were spending 20 % of the annual personnel costs to pay foreign experts!).
- 2012: data collection about the agencies and other authorities and legal persons with public authorities – 184 of them (questionnaire with 192 questions) – 173 answers.

New initiatives

- Ministry of Public Administration is forcing harmonization of payment system and other rules of employee status, trying to bring it closer to the status of civil servants, to a reasonable extent.
- Pressure by the Ministry of Finance with the aim of strengthening financial discipline, efficiency and effectiveness.
- Preparation of the new Law on performance of public administration duties, which reorients the whole system on duties, with the regulation of certain types and subjects of their performance - system regulation of agencies in all their subdivisions - began in 2013.
- The possibilities of merging even independent regulators, which perform similar duties arose those regulating market competition in different sectors.
- Civil society insists on principles and practices of good management in agencies - GONG has prepared the list with more than 40 elements of good management in agencies and the checklist for the agencies with more than 60 questions 2013; introduced measurement of good management; similar thing was done by the Institute of public administration, Transparency international, etc.

Agencies as a form of state administration performance

- The data from the Ministry of Public Administration show that in 172 subjects there were over 20,000 employees (the number of civil servants and state employees has since been reduced to about 92,000), 1,200 official cars, about 5,000 official mobile phones.
- 58 % funds from the national budget, and 42 % by charges (a large excess of revenues over expenses was found / about 400m euro, which shows that in some cases high fees were charged).
- Revenues of 9.4 billion euro; about 40 % nikkad nije bilo podvrgnuto nadzoru Državne revizije have never been subject to the supervision of the State Audit.
- 43 % have no defined targets for the three year period, only 33 % have published annual report about the work.
- Problems with transparency: only half of them published the Catalogue with the information that should be available to the public, 1/3 did not adopt the Catalogue, 1/3 did not appoint the information officer, 28 % do not have ethics commissioners, 45 % have neither declared tendering on public procurement nor concluded contracts, etc.
- Different payment systems, with wages significantly higher than in other parts of the public sector; only 45% of job vacancies are published.
- Administrative organizations are structurally separated from the system of ministries, formally separated from them, with the status of legal person, perform duties of national importance which are regulated by public law, funded mainly but not only from the state budget, with the employees who have the status of civil servants, with the certain degree of autonomy “sometimes even independence), and certain forms of public accountability and control.
- Three types> independent regulators, expert agencies, executive agencies (these include inspections and other supervisory authorities, if they are structurally separated).
- Advantages of the agencies: specialization, expertise, independence of the changing political constellations, neutrality, efficiency and effectiveness, responsibility, networking at EU level, transparency.
- Questions: focus on results, legality of work, ethical standards, accountability, etc.
- In our tradition public institution are not considered to be agencies, but separate legal public law persons who perform services of general interest, not the state administrations duties.