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Local Self – government in Croatia: Possibility for Change

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Abstract

In Croatia local self –government is introducing on two levels. On the first level are established two types of cities and municipalities. On the second level are counties. Today in Croatia is 20 counties and capital city Zagreb which also have status as county. On the first level in Croatia are established 555 local units – 428 municipalities and 127 cities. Present structure of local self-government has been formatted in 1992 Year, when is abounded earlier system of local self-government. Local units have public authorities and tasks, divided to cities and municipalities' one the first level, and counties on the second level. The public jurisdiction of municipalities and cities are in principle equal. The difference is only between cities which have a status as a "large cities", and they have some additional public authorities. One of the questions in future reform of local self government is how to improve organization of local self-government and how services which provide do more quality, efficiently and available for affordable price.

Key words: Public administration, Local Government, Croatia

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1. Introduction

Local self government in Croatia has organized as a two tier system. On the first level are established municipalities and cities as local self-government units. On the second level are counties. Counties are not regional units, even they were definite in Constitution and in the laws as type of regional self-government units. There is more specific type of local self-government units, with special authorities and tasks. As an existing territorial organization of Croatia, in Croatia we have more than a 555 local self-government units (127 towns and 428 municipalities) on the first level and 20 counties and capital city of Zagreb, which have also status as a county. Originally, this territorial organisation of local self-government is established as a result of reform of local self-government in 1992, when is abounded the old model of municipality system. Old model of territorial organisation was included approximately hundreds of larger municipalities at the same level, on which were divided all territory of Republic of Croatia. Those municipalities have stronger authorities than present local self government units. Public tasks are divided between municipalities and cities on the first level, and counties on the second level. Public authorities between cities and municipalities are basically the same. Only large cities have public authorities as counties. It was intended to facilitate the functioning of large urban centers with those types of local self-government units.

In Croatian scientific and professional community existing opinion that present model of local self-government system need changes, because existing model is overcome, and Croatian public administration need fundamental reforms of civil service administration, public services and local self-government. This paper analyzes present situation in Croatia, main problems in functioning of local self-government system, and adequate solutions. In Croatia, there are two main approaches to the reform of local self government. First approach includes present model of local self-government, with existing territorial division. Some of the politicians and public administration experts think that present system needs some organizational and administrative changes, but the main characteristics of the system must be the same. Other politicians and public experts think that local self-government system in Croatia needs radical changes, which include establishing of two tier system: on the first level larger local self-government units, on the second level 3 – 5 regional units, with large fiscal and administrative capacity, which can provide higher economic development of all part of Croatia. New model of local self-government can also help in reducing of local administration, and that can have positive influence in reducing of public spends. This paper will be analyzing present situation in Croatia, and possibility of the future development of local self-government in Croatia.

2. Some remarks relating of local self-government

Local self-government has significant role in political and economic development of many countries. Political role assures democratic development of local communities, and whole

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society. Economic role assured better economic development of local communities. In different countries are different models of local self-government. Some states have local government which is unified with the same public authorities.¹ Other states have two levels of local self-government system, or local units on the local level, and regional units on the regional level. For example, Sweden is by tradition unitary state, but decentralized with developed local government. Sweden has two-tier elected local systems, where counties are responsible for public health services, while municipalities manage public tasks relating to education, social services and public utilities. On the other side, Germany, as a federal state, has two levels of government: federal level and state level (Länder). In Länder is organized local self-government in two levels: counties (Kreise) and municipalities (Gemeinde). On the first level are counties, who can be metropolitan and non-metropolitan. Metropolitan counties are divided into metropolitan boroughs, while non-metropolitan counties are divided into districts. Metropolitan boroughs have greater powers than districts. In England has two-tier system of local government. In France, on the first level of local self-government are introduced municipalities (over 37.000 municipalities existing in France). On the second level are departments with elected councils and council elected presidents (Wollman, H.2004: 639 – 665). In some states local self-government units have large responsibility in affairs such as education, public health, culture, urban planning, building permits and public utilities with more different communal services. A reform of local self-government is one of the key questions in Europe. Those reforms are different in different countries, but include implementation of many of measures which are connected with neoliberal approach. Some of those reforms are lead to increased political power and authority of executive bodies in local self-government units. Those aims tried to create situation by which more powers are in hand of few politicians can cause high level trust in local government policy and politician. But, research showed that these reforms had no effects upon the relationship between politicians and civil society organisations (Reitan, M. – Gustafsson, K. – Blekesaune, A., 2015: 157 – 160). In analyzing of some indicators, which are important for explanation of local self-government models, can be used some facts like: a) territorial organisation, b) functional decentralisation and c) financial discretion of local self-government, d) horizontal powers relation. Territorial organisation is divided into two variables: number of tiers of elected local and regional governments and territorial fragmentation. Functional decentralisation is value measured by the share of sub – national expenditures in GDP. Financial discretion of local governments is measured by three variables: financial decentralization, the shape of the grant allocation system, local government debt as a percentage in GDP. Horizontal power relations are measured by two variables: position of the mayor in local self-government unit and electoral system in local government unit. According to those parameters, countries in South-East Europe, such as Croatia, Macedonia, Slovenia, Albania, Bulgaria, Romania, Ukraine and Moldova have very similar characteristics of local self-government system. Those characteristics are high territorial fragmentation, with low functional and fiscal decentralisation, and concentration of public authority and material resources in central state administration. In those types of local self-government units mayors and county prefects have been elected directly. Executive power is in hands of directly elected mayors and county

¹ Example how we can use local self-government as a tool for democratic consolidation see in Katsamunskaja, P. – Rosenbaum, A., 2014/15.

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prefects, and they have dominant role in local politics (Swianiewicz, P., 2014: 292 – 211). In that framework, it will be analyze present system of local self-government, and possibility for change and decentralisation in future.

3. Organization of local self-government in Croatia – some theoretic aspects

In Croatian administrative theory term local unit or local self-government unit is usually determinate with the term local community.² This term was systematic analyzed by Professor Pusić. It has few different meanings of local community. Some of them has wider, and some narrower meaning. According to one meaning, local community is form of community which arises when people live and earn in certain area. They produce communal activity to fulfill common needs, true various types of local community action. Local community can be also group of people who leaves in some geographic space, represent some kind of organize community which reflects certain way of life and sometimes takes some forms and ways of collective action. Local community is not a simple social system. Sometime it represents complex system, which is created from more simple social primary systems and subsystems. Some authors think that local community represents type of social community which has territorial character, where on the lowest level arises some local public needs, which must be fulfilled on common way. Pusić argues that local community is not simple social system. It is community with high complexity created from more primary social systems and subsystems. Most of local government units are established by logic of legislators and government (Pusić, E., 1981: 2). Political logic can have different motives, and local governments units can be created by other criteria, which does not necessary reflect local community structure. However, in Croatian administrative theory terms local community and local unit are use oft in the same sense. Basic elements which are common for local communities and local self government units are geographic space, population, common activities and public institutions, which can be divided on administrative and political.

Local system is made by three types of public organizations. Those organizations are different by their own functions, structures, methods and personal structures. First type of organizations is political institutions. In political institutions citizens in local communities directly or indirectly through elective representatives articulate and create their own interests, resolve interest disputes, make political decisions on direction of development of local communities. Second type of organizations is administrative organizations in which local professional servants solves public tasks by jurisdiction of local self-government units. Those organizations have some differences which depend on jurisdiction, types of public tasks and number of local organizations for managing those tasks. They are tool for implementation of local public policies established by representative and executive local bodies. They have special relation to the local political bodies, because they can influence on

² Main part of this theoretic and comparative analysis was given in the presentation paper published on IASIA Conference in Paris, 6 – 10 July 2015.

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process of political deceasing (Pusić, E., 2002: 124 – 125). Third type of organizations are executive organizations, which are composed by one or more individual politicians or collegial bodies, who have tasks and duties to connect political and administrative elements of local political system (Ivanišević, S., 2008: 20). As an object of special analyses in Croatian administrative theory are cities as a type of local self-government units. Some authors in Croatia analyze structure of Croatian cities as local political units in a local system of governing which have some specific characteristics (Pavić, Ž., 2001: 4 – 11). One of those characteristics is specific relationship in process of governance between three three types of intuitions: political-representative, political-executive and administrative (Pavić, Ž., 1999: 231 – 257). Between political-representative and administrative are executive organization, who trying to have dominant role in local political system (Ivanišević, S., 2008: 43 – 51). One of the principles which can be implemented in explanation of organization of local community is principle of self-organization (Lauc, Z., 2010: 23 – 36). According to this principle, local community, as a basic element for establish of local self-government system, has increasing role for organization of local government. In organization of local self-government system local community can have participating role in managing of local tasks and duties. Autonomy of local communities and their local political institutions must be established on some important principles: principle of decentralization, principle of democracy and principle of subsidiary.³ One of the newer principles in organization of local self-government is also principle of sustainable development, which has important influence for development of local communities.⁴ In analyze of organization of Croatian local self-government system in administrative theory has been showed different conceptions: conceptions of administrative decentralizations, conceptions of political decentralizations and marxistic conception of commune. Concept of administrative decentralizations has implementation according United Nations Community development. This theory developing approach that community development is a process where community members are in situation that they can together doing a collective action and generate solutions to common problems. This approach has been recognized as a significant for local social, economic, cultural, political and

³ Those principles represent foundation in organization of Croatian local self-government system. Principle of decentralization is one of the most important principles for establishing efficient local self-government, with different public tasks. At the first sight Croatian local self-government system is a highly decentralized because of exist large number of local self-government units. Even is number of local governments large their public authorities and tasks are relatively limited. For a real implementation of principle of decentralization, it is necessary to provide higher administrative, fiscal and political capacity in local political institutions, with more autonomy in local powers and tasks. Principle of subsidiary is also important principle, where in conflict between central and local public authorities related on public tasks, advantage have local public authorities, if they can be managing those tasks efficient as central public authorities. Principle of democracy is the third principle, and presents implementation of democratic political institutions in local political affairs. Those institutions are systematic implemented in Croatian local self-government system, especially in elective system. Local self-government units in Croatia are formally totally independent, but they have low fiscal and administrative capacity, and cannot manage larger or complex infrastructure project. So they are very dependent on help of central government bodies and institutions.

⁴ According to the highly economic standards, which are also adopted in Croatia, this principle is one of the most principles in organization and functioning of local units, and more local communities and local interest organizations and institutions insist on sustainable development based on green economy and efficient sustainable using of natural sources, with high level of protection of environment. More about this topic in Blewitt, J: 2014: 385 – 402.

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environmental development of local communities, and it has to be implemented by international institutions such as WHO, OECD, World Bank, Council of Europe and European Union. The United Nations defined community development as a process where community members come together to take collective action and generate solutions to common problems.⁵ Community Development Exchange defines community development as a way of working with local communities. The main thing in a local community is a creation of local society based on justice, equality and mutual respect. Community development includes changing relationships between citizens and politicians and public authorities in local community. Concept of political decentralization is based on logic that some public tasks can be better managed if local public authorities take responsibility to their performing. Here comes at first plan advantages such a specific local public needs and interest in local communities. That is connected with idea of decentralization thru strengthening of local political institutions and bodies. Local communities take responsibility for managing some public tasks and have autonomy in their performing. Concept of subsidiarity is one of the principles which is formatted in European Charter of Local Self-government. This principle is one of important principles for political and administrative structure and functioning of European Union. According this principal, all public authorities in doubts of which level is responsible for managing public tasks, accept that lower level of public authorities is responsible for managing of public tasks. This principle in Croatian administrative theory has main role in attempt to create borderers between local and central public authorities.⁶ Marxistic conception of commune is the most radical conception. This conception emphasizes primacy of local political structure. This conception also presents tools for realization of marxistic doctrine of creation so called "classless society".⁷

⁵ Community development, UNTERM, July, 2014.

⁶ Primary, this principle is connected and related with Catholic social teaching as one of the main principle in catholic social doctrine. For principle of subsidiarity pope Pious XI said: "It is a fundamental principle of social philosophy, fixed and unchangeable, that one should not withdraw from individuals and commit to the community what they can accomplish by their own enterprise and/or industry ". „The wreking of civil structures that ensure community participation in decision making was evident both under communist control and uncontrolled capitalism. Where one centralized ownership and power through the command economy other undermined solidarity, true a weakening of the state and promoting of „economic individualism “. Papa Pious said that supreme authority of the state wad to let local communities handle maters appropriate to them. See Quadragesimo Anno (On Reconstruction of the Social Order), http://www.socialjustice.catholic.org.au/files/Social-Teaching/Quadragesimo_Anno.pdf. Text of encyclicals see on http://www.vatican.va/holy_father/pius_xi/encyclicals/documents/hf_p-xi_enc_19310515_quadragesimo-anno_en.htm

⁷ In Croatian administrative theory has been developed approach that United Nations Community Development present a way of acting which can assure that deficient material, economic, personal and other resources need rational and economic spending, according framework determined by central plans, on initiative of central public bodies and under their strong survey. Conception of political decentralization civil service is qualitative different than local self-government. According this conception, local self-government is policy tool for creation political autonomy of local community from central authorities. A local self-government unit does not include possibility that central administration has administrative units on local level. Political decentralization thru strengthening of local self-government authorities and task, at the end leads to dualism of local self-government and local public units of central state authorities. Those two types of units are strictly personal and organizational differenced and separated. Marxistic conception of commune was idealist and unreal, because it lay dawn on hypothesis that is possibly to reduce complexity of managing of local public services and local administrative tasks on level where tgose tasks and services can perform everybody. See Koprić, I., 2006: 253-258.

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In Europa it can be discuss about different models of local government. For example, Sweden is traditional unitary state, but highly decentralized with develop local government. Sweden has two-tier system, where counties are responsible for public health, while municipalities manage tasks connecting with the education, social and communal services. In Germany, as a federal country, has two levels of government: federal and state level (Länder). Länder in Germany has organization of local self-government in two levels: Counties (Kreise) and municipalities (Gemeinde). In England exist several models of local governments: two tier system, unitary authorities, metropolitan authorities and non-metropolitan authorities.⁸ In France on the first level acting municipalities (over 37.000). On the second level are departments with elected councils and presidents elected by the councils (Klarić, M., 2017: 809 – 810).

4. Phases in development of local self-government in Croatia

In Croatia can be detected five phases in development of local self-government. First phase is 1990 – 1993, second 1993 – 2001, third phase is 2001 – 2009, a fourth phase is 2009 – 2017, and the fifth 2017 till now till now. In the first phase local self-government had institutional framework from previous socialistic period. Old units with the same territorial organization are hereditary from the previous system, with the representative and executive bodies.⁹ In that moment, in Croatia has been existed hundred municipalities and capital city Zagreb, as a united municipality¹⁰ (from 01. January 1991). Representative bodies were communal assemblies, and they elected executive bodies called executive councils with president of executive council. Assemblies were constituted from three houses: council of so called “common work”¹¹, social-politic council and council of sub-municipal units. In this institutional framework conducted first democratic elections 1990 Year, in May (Koprić, I., 2010 (A): 665-666). In second phase it is produced new legislation, which regulated totally new organization of local self-government. Also, territorial organization of country is changed, and new local election was maintained for members of the representative bodies of the local self-government units.¹²

⁸ In two-tier system exists two level of local government, which share responsibility in managing of local public tasks. Unitary model includes managing of all local public services. Metropolitan authorities are type of organizations, which manage different public tasks for more of local government units.

⁹ In ex Croatia has been introduced 7 Union of municipalities: Union of municipalities Split – 22 municipalities, Union of municipalities Bjelovar – 10 municipalities, Union of municipalities Varaždin – 5 municipalities, Union of municipalities Sisak – 6 municipalities, Union of municipalities Karlovac – 6 municipalities, Union of municipalities Gospić – 5 municipalities and Union of municipalities Zagreb – 19 municipalities. See more in Lozina, D., 2014: 100.

¹⁰ In socialistic system, Zagreb was divided on city comunes.

¹¹ In ex Yugoslavia, as a socialistic state, was doctrine that all enterprises and working organizations are property of the working people.

¹² New organization of local self-government was highly critiqued by Croatian administrative theory and practice. Special critic was related on institution of county prefect, because that function was not independent from central government and administration. County prefect was head of executive in county, bat also head of state administration. Croatia had semi-presidential system and according the authorities of the President of Republic, counties assembly was electing a county prefect, but he must be confirmed by President. If he was not confirmed by the president, he was not being elected, and election in county assembly must be repeated. At the end of the conflict between the county assembly and the President of the Republic, if the assembly insisted on

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In the second phase are established two autonomic counties, Glina and Knin. Those counties are established for area with a significant Serbian population, but they did never be in force. They were abounded sub municipality units, called “mjesne zajednice”, which had autonomy in managing of local public tasks and services. The property of sub municipality units became property of new local self-government units in first level (cities and municipalities). (Koprić, I., 2010 (A): 666-667). On the first level of local self government system was established municipalities and cities. They have representative bodies (city and municipality councils) and executive bodies (mayors and city governments, municipality mayors and municipality governments). Main public tasks of cities and municipalities were communal services such a waste management, water supply management, maintenance of public areas and local roads, etc. Another task was urban planning and managing of local community development. At the second level were established counties as a local self government units and state administration units on the first level, which cover territory of more cities and municipalities. They managed some public tasks like urban planning and local development of the county. Also they are appeal instances to the acts which were made by the local units on the first level.

Third phase becomes with Constitutional changes in 2000.¹³ Those changes are created new assumption for further development of local self-government system. Constitution treats counties as units of territorial or regional self-government. Constitution gave many public tasks in jurisdiction of local and regional self-government units, implemented principle of solidarity and subsidiarity and introduced general clause in defining local public tasks and duties. According new Local Government Act¹⁴, scope of local public tasks is expanded. New legislation also leads practice which exists in other modern countries that the scope of local jobs very wide. With new legal solutions it is completely divided local self-government from state administration on local level. In Act on organization of state administration is implement part which regulate functioning of central administration on local level. From that moment, for managing of public tasks, which are in jurisdiction of central state, are established offices for state administration in counties. County perfect ended to be head of central administration in counties, and counties became exclusively local self-government units or second level. Head of central administration became person which nominated head of the administration in municipality. New prefect was nominated from head of administration in central government, and state administration became independent on county prefect and county administration.

Municipal sub-government had mini reform. In that reform they got a legal personality. In practice, they had the same jurisdiction as before. That jurisdiction depends on politic of

candidate who is not acceptable President of Republic, assembly is disbanded, and follow new election for new convolution of county assembly. That solution was criticized because it leads in to strong control of local self-government unit by central state authorities. In amended Act of local self-government and local administration was predicted separation position of county prefect as a head of local administration true implementation of institution of county commander. That function had assured that public tasks related on local civil service has been managed and operated by institution which is separated from local self-government institutions and their public tasks. But those institutions had never been implemented in the real life.

¹³ Narodne novine, 56/1990, 135/1997, 08/1998, 113/2000, 124/2000, 28/0001, 41/0001, 55/0001, 76/2010, 85/2010, 05/2014.

¹⁴ Narodne novine No 33/2001.

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local self-government units. According that politics, local public tasks and activities can be transferred to the sub-municipal units. Decision on those questions has local self-government unit. Municipal sub-government units are still local government units important for directly citizenship participation.¹⁵ However, possibility of their including in local public activities depends on will of local self-government units. From that reason, municipal sub-government in Croatia need more proactive role in local public life (Koprić, I., 2010 (B): 46) a traditional form of citizen participation, sub-municipal government has significant role in local political processes.¹⁶ In Croatian Context, it is necessary to change regulatory framework of local self-government, and according to the principle of subsidiarity¹⁷, strengthen local public affairs and institutions. Without reform all system of local self-government which follow process of decentralization and strengthening of local political institutions, it is impossible to renew the role of sub-municipal government in Croatian political and administrative system. After reform of local self-government, it will be possible to expand jurisdiction of municipal sub-government which lead to decentralization of local public tasks and activities and will provide better communal services (Klarić, M, 2015).

Fourth phase began with of introduction of new types of local government units, who have some prerogatives as counties. Some bigger cities and cities that are administrative centers of counties got those prerogatives. The jurisdiction was established in some affairs, such are local public schools, local public health, urban planning, process of obtaining of building permits, etc. Second change was novella of elective systems in local and regional self-government units. It was established new system of direct elections of mayors and county prefects. Their mandate became independent from majority in municipal and civil council or assembly of the county. But they must cooperate if they want to create common decisions, like process of creation of local budget, because mayor and county prefect propose and council and county assembly must adopt that act. In 2013 year that reform was supplemented with novella of Local Government Act. If local representative and local executive body do not adopt proposal of the local budget they dismissed, then follow new local elections.

Fifth phase begin with new novella of Local Government Act in 2017¹⁸, which strengthening executive powers of municipality and city mayors on relation representative-executive bodies. This reform was assessed as not successful like many other unsuccessful reforms of

¹⁵ There are several traditional and modern forms of citizens' participation in decision making at local level. For example, traditional forms are referendum, citizen's initiative, deliberative assemblies and wider types of sub-municipal governments; such are districts, neighborhoods, parishes. As a new form of traditional participations can be recognized direct elections of mayors, strengthening the leadership role of mayors and other local executives, introduction of recall referendum, mushrooming of independent local political actors. See more in Koprić, I.-Klarić, M., 2014.

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¹⁷ For more details, which are related with the principle of subsidiarity in Bakota, B., 2007. See also Wollman, H., 2000: 915-936.

¹⁸ Narodne novine No 123/2017.

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local government before. In that sense, reforms of local government system have been criticized as a badly improvised, with a system of local government described as a “schizophrenic”, “controversial” and “absurd”. (Menger, M., 2019: 106 - 107).

5. Present situation

Present system of local self-government in Croatia is criticized in Croatian administrative theory and practice (Koprić, I., 2015: 993 – 998). One of main critic is present territorial structure of local government organization, complex structure of local self-government units, with many levels of local self-government, sub-municipal government without public jurisdiction, municipal, city and regional organization of local public tasks, with some special public authorities of large cities. According to the data, in Croatia are temporarily established 127 cities, 428 municipalities and 20 counties. Capital city Zagreb has position as local self-government unit and also county unit.¹⁹ Number of sub-municipal government units cannot be certain, because decision of establishing of sub-municipal government has taken independently, from each of local self-government unit, and there is no existing public register of sub-municipal government. Local self-government units have low public authorities and reduced possibility to manage local public tasks and services, which include managing of local communal services and public planning. Regional self-government has some prerogatives in public planning, but other prerogatives depend of the central state authorities, and financing of those prerogatives depends on central budget.²⁰

Today in Croatia administrative theory and practice existing opinion that is necessary reform of local self-government with serious decentralization of public tasks from central government administration to local government units. That reform should be followed by new local territorial organization of state, with introducing a new form of local self-government system. Those new local government system needs to be built from local government units which have administrative, fiscal and organizational capacity to manage decentralizing public tasks and efficiently deliver public services decentralized from the central state bodies. Some of proposals include completely new organization of local self-government, which include reducing of number of local self-government units, especially small self-government units, which existence depends on financial help of central public administration and support of government. Second, most of the public administration

¹⁹ See <http://polis.iju.hr/lokalna/lokalna/terorg.html>. See also Zakon o područjima županija, općina i gradova u Republici Hrvatskoj, Narodne novine br. 86/2006, 125/ 2006, 16/2007, 95/2008, 46/2010, 145/2010, 37/2013, 45/2013.

²⁰ Counties managing public tasks in sphere of education, public health, urban planning, public traffic and infrastructure, renewing of public roads, planning and development of network of educational, social, health and cultural institutions, issuing of building permits, etc. Problem is that those activities are financed by central state budget, and original budget of counties are low. For example, it is impossible create of network of public health, because those network depends on public policy of Ministry of health, or network of public education in county, without support of Ministry of science, education and sport. It is very hard to speak about autonomy, when managing of some public affairs, which are gave counties in jurisdiction, depends on will of central state authorities and their public policy. That is one of the main critics of Croatian system of self-government.

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experts think that is necessary to create qualitative difference in public jurisdiction between cities and municipalities, because formal existing criteria are not enough to clearly restrict public authorities which dispose of those types of local self-government units. Third, sub-municipal government units should get their own local public authorities with public jurisdiction related with some territorial part of municipality or city. This type of local government may successfully to perform public services which are important for daily life of local community (Klarić, M., 2015). Present situation where we have municipal sub-government, which is elected directly by the citizens, and doesn't have any formal prerogatives for managing local public tasks, make this system of local government formally present but irrelevant in local political life of cities or municipalities. In the real life sub-municipal government units are usually totally ignored from relevant political factors in local politics. They only have advisory role, and can be corrective factor in local community. On regional level, some of practitioners and scientists want to promote new type of local government unit: region. Region must be crucial factor for development of bigger community, and it can to replace counties as local government units on the second level. This type of units should cover area with at least 800.000 people. Public authorities of region should be bigger than those who have counties. Also, it would be able that regions manage large number of public affairs, according to the principle of subsidiarity. That include administrative and fiscal autonomy in affairs such a public health, education, culture, public planning and economic development.

The other stand of Croatian scientist and public administration experts is that reform of local self-government is possible in present institutional and organizational framework (se Lozina, D., 2004; Cvitan, O., 2003.) Some of them think that is need to de-professionalize functions in small self-government units, all local functions make voluntarily, and perhaps unify local public bodies in delivery of public tasks for more small local self-government units (Bakota, B., 2014: 113-128). According to that, it is not important how many level of local self-government in Croatian local political system exist. More important is creation of local government system which will be more efficient and induce less costs. In that sense, inducing of new forms and structures of local government units is less important. Most important is how to improve their efficiency in delivery of local public tasks and services. Second important thing is unifying and equalizing of public services managed by local self-government units to affecting of positive consequences, without abandonment of existing model of local self-government in Croatia (Babac, B., 2010: 53-84). The idea of regionalization is also criticized as something which is not familiar with Croatian traditional administrative and political system. On the other side, county as a local government units on the second level, are traditionally and historically introduced as a form of local self-government unit characteristic for Croatian political and administrative system.²¹

²¹ In that sense, counties have continuity thru the past, and represent good choice for a second level of local self-government system. More about that topic and fears that regionalization of Croatia in not good idea for Croatian national homogeneity in Lozina, D., 2004: 147-155).

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6. Conclusion

Croatian local government system is organized in two levels. In the first level of local self-government are two types of local government units - municipalities and cities. On the second level are counties, which are so called regional units. Special position has capital city Zagreb, because it has status as a city and county. Third level of local government organization are sub-municipal units, which existing in some municipalities and cities as a sub-municipal form of local government. This type of units covers parts of local government units, and it is characteristic for the large cities or municipalities. The main purpose of this type of government is to participate in managing of public tasks and services which provide local government units. These services have local character and they impact to the quality of life in local community. Second aim of sub-municipal government is directly contact with the citizens who they live in local community to assure better communications with local government bodies and to improve quality of life and availability of local public services. Croatian local self-government has large number of local unit. Croatia has relatively large number of local government units. On the first level are existing 127 cities and 428 municipalities. On the second level are 20 counties and capital city Zagreb. This suggests fragmentation of Croatian self-government system. Local public authorities which dispose local government units are relatively low, and many of public tasks depend on organizational or fiscal help of central government. Because of that, it is very hard to implement principle of solidarity, which is one of the main principles in European Charter of local self-government. According to this principle, institution of local self-government and municipal sub-government must have stronger administrative, organizational, institutional and fiscal capacity. They must also be capable to influence on direction of development of local community. In this paper has been introduced a few different stands on future development of Croatian local self-government system. First approach follows tendencies in European countries, which include decentralization of local self-government, territorial reorganization, regionalization, implementation of principle of principle of subsidiary. Those tendencies are oriented on strengthening of institutional capacity of local units, reduction of their number and strengthening of secondary level of local self-government. Those tendencies include decentralization and transfer of public authorities and public jurisdiction from the central government administration on local government units, according to the principle of subsidiary. Second approach include also modernization and strengthening of local government, but stands that present system of local government organization is good enough to manage serious reform of local self-government, which also include fiscal, political and administrative decentralization and applying of principle of subsidiary in practice. Croatian public sector is exposed to the reforms whose expects European Commission and other international financial organizations such as International Monetary Fund and World Bank. Many of them are structural, which include improving of efficiency of public administration. Some of them include reform of local government. There are two possible ways. First is radical reform of local government. But, it is impossible, if other parts of public administration wouldn't be also reformed, because reform of local government is only part of complex reform of the entire system of Croatian public administration. Second

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way includes improving of temporarily system of local government system, as a part of Croatian public administration. That means that this model of local government has enough capacity for implementation of reforms which will assure better efficiency of local public bodies, less public costs and higher quality of services and tasks which provide local government units. There is no doubt that in the future will be open question of further reform of local self government, which position should be harmonized with other parts of Croatian political and administrative system. Croatia is still searching model of local government which can assure efficient, affordable and participative local government. There are different views to this matter which induces many discussions about future development of Croatian local government, but in this moment it seems that some radical reforms in this field cannot expect in the near future.

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