Summary

The paper considers the role of policy analysis tools in preparing decisions within the Croatian public administration system, concentrating on the specific phase of adoption or formulation of public policy. The starting argument in the paper is that the application of the policy analysis is fairly limited in the Croatian public sector. Policy science in Croatia is mostly confined to the analysis of policy, and not as the analysis for policy. Analysis for policy, including systematic comparison of options, collecting information for policy or policy advocacy, has just started to be applied in the public administration structures. The failure in applying policy analysis is shown by the institutional deficiencies in running vertical and horizontal coordination and by the failure in introducing RIA (Regulatory Impact Assessment) toolkit into the Croatian system of public administration.

* Associate Professor at the Faculty of Political Science, University of Zagreb, Croatia, teaching Public Policy and Economic Policy (zpetak@fpzg.hr).

** Research Associate at the Faculty of Political Science, University of Zagreb, Croatia, assisting in teaching Public Policy at the Faculty (ana.petek@fpzg.hr).
Introduction

One of the indicated steps towards a reform of the public administration in Croatia relates to the wide spectrum of problems connected to framing, coordinating and estimating impacts of public policy. The problems connected with introducing systemic analytical tools for planning and formulating public policy, as well as for policy implementation and evaluation, is not the Croatian peculiarity. In many countries the very process of public policy-making lacks adequate policy analysis and planning modes, relying extensively on improvisation and non-systemic decision-making. In exploring the specific role of policy analysis in Croatian public administration we found many similarities with the exploration which Israeli political scientists Iris Geva-May and Aharon Kfir used for answering the question of why the application of policy analysis as a systematic tool for preparing decisions in the public sector is so limited in Israel (Geva-May, Kfir, 2000). The limited usage of policy analysis as the basis for making policy decisions showing therefore as one of the basic prerequisites for modernizing public administration.

The above-mentioned modernization in Croatian case goes in the opposite direction in comparison with most Western countries, in particular to the United States of America, where the policy analysis as a separate approach to public affairs actually initially appeared. Beryl Radin (Radin, 2000) arguably showed that this type of analysis in the formative years of development of the discipline first and foremost was aimed at the initial phases of the policy making process - like putting the policy onto the agenda, formulation and the way of legitimizing the policy. The implementation and evaluation of policies were not given any remarkable attention until the policy analysis became mature as an individual administrative profession (Radin, 2000: 46).

In this paper we will try to show that the direct consequences of such development are significant problems in the coordination of public policy, in which the initial phases in the process of policy making are particularly critical, especially the phase of formulation.

---

1 On the basis of substantial review of decision-making practice in Israel they showed that there do exist a systemic “lack of established norms, functions, and skilled practitioners, particularly in policy analysis and evaluation” (Geva-May, Kfir, 2000.: 409).

2 Her book Beyond Machiavelli: Policy Analysis Comes of Age probably represents the most complete review of the development of policy analysis as a profession of its own within the American system of public administration (Radin, 2000).
Politics or Policy – How Public Policy Issues are Labeled?

The discussion about the policy approach to public administration affairs makes it necessary to first differentiate between the notions of policy and politics. In Croatian, as in the majority of languages (Heidenheimer, 1986), there are no separate words for English expressions *policy* and *politics*, as both expressions in Croatian are expressed by the word *politika*. It does not come to a differentiation until the policy is given a specific content, such as social, educational, fiscal or cultural policy respectively, when we move from the general level of discussion about public policy over to the level of adjective policies. But the translation of the notion of policy becomes problematic when we leave the content-related aspect of political life linked to some concrete policy and enter the field of general definition of policy as an aspect of political life, regardless of whether we look upon it from the point of view of formal or informal actors. It is a kind of political activity which we in literature describe as a part of political life which represents a way of achieving goals, as a rational way of trying to solve a problem, and only in English we can specify this by a separate word – policy, which is different from the usual understanding of politics as the striving for political power.

Politics and policy are thus two strongly intertwined concepts that, as Yehezkel Dror, one of the founders of that very discipline (2006: 81), points out, they “often overlap, and in part cannot be separated, even analytically”. At the same time, as he says, this is probably the main reason why there is no clear differentiation between these two aspects of political life in the majority of world languages. But this does not mean that such a differentiation is not important. Moreover, Dror emphasizes some sort of normative principle according to which not even the rulers should cease to make a difference between politics and policy. As policy basically a value orientation and the realization of fundamental social objectives, and the only way of materializing these objectives is to give preference to the basic demands of the policies over the compromises of everyday political life (Dror, 2006: 82).

Distinguishing between policy and politics is in a way balanced by distinguishing between public policy and public administration (Colebatch, 2004: 64-66). Political life is what leads to a specific policy, whereas the administration is what derives from it. When the decisions on the objectives that should be perceived have been taken (public policy), people carry out the decisions (public administration). This is an analytical distinction equalised by the division of work between the participants: there are people, whose task is to choose objectives (those who
make public policy) and the rest, whose task is to implement the set objectives (public administration).

**Policy Formulation and Public Policy Process in Croatia**

The way in which it is possible to integrate policy analysis as a part of Croatian public administration system still remains an open question. Without pretending to give a systematic interpretation of such a possibility, it seems that we can at least point out the critical points of such endeavor. They concern, first and foremost, the critical points of the process of policy-making. If we start with the basic assumption that the cycle of policy-making, can be split up into five or six phases - from putting a policy on the agenda, formulation (policy design), legitimating the policy, implementing it to evaluating and deciding whether to continue or discontinue the implementation of a certain policy - it seems that it is possible to abstract at least three fundamental problems to which one should pay attention. The first one concerns possible lack in coordination in formulating particular policies, the second one possible lack in monitoring and the third one the unsystematic evaluation of policies (Petak, 2008a.: 160-164).

In this paper we are going to concentrate on the particular phase of formulating or adopting public policy, emphasizing a specific role of the Croatian public administration in the whole process. That step in the policy-making process could be labeled as the coordination of different actors in adopting specific policy proposals which are then sent to the approval by policy-makers (Grdešić, 1995). In Croatia, this process involves four basic steps: intra-ministry review, inter-ministry review, review by the coordination bodies of the Government and review and approval by the Government (James, Staronova, 2003:15). The main problem connected with the coordination of public policy is the fact that one kind of public service is in many cases provided by more ministries at once. For instance, different aspects of the war veterans’ policy in Croatia were caught by the measures of more ministries – the Ministry of War Veterans, the Ministry of Defense, the Ministry of Education and the Ministry of Finance (Crnković-Pozaić, 2006.).

The fundamental precondition for good coordination of public policy lies within the very way in which the formulation of policy is worked out, as the key phase in policy-making before the policy is legitimized. That phase includes the estimation of alternative options in the
implementation of a policy and is therefore regarded as the vital phase in the making of the policy itself. The estimation of alternative options in the designing of a policy includes at least five successive steps (Kraft, Furlong, 2007: 98). The first step concerns the definition and analysis of the problem, the second one the generating of alternatives related to a policy, the third one the development of criteria of evaluation of the policy itself, the fourth one the estimation of alternative solutions and the last step relates to coming to a decision about what policy is a better solution to the problem the political community is faced with.

Apart from the problem of coordination of public policy from the standpoint of governmental (state) policy actors (government, parliament, central regulatory agencies, judiciary, units of local self-government), there is also the problem of stakeholders – actors that act in the horizontal sphere of policy-making. Although the expression “public policy” could suggest that the discipline exclusively analyzes the activities of the public sector and actors in the sphere of governments, it is strongly oriented towards a number of stakeholders in the private sector, as policy networks or policy communities. Given that this sort of stakeholders is getting more and more importance in policy-making, the problem of how to coordinate their role in that process remains.

**Inter-organizational Tension, Policy Coordination and the Concept of “Joined-up” Government**

Inter-organizational tension in forming public policy, identified so superbly by Allison (1971), requires carrying out a comprehensive coordination of various sectors’ policies. Australian *Public Policies Manual* (Althaus at al., 2007), for example, tersely indicates this fact as well. Its chapter that deals with the coordination of public policies follows after a discussion on consulting and precedes a text on decision making. Since the mechanism of government is not a single, homogeneous body, but a set of more or less connected organizations, the coordination “reflects the ideas about efficient interaction of various parties trying to cooperate in order to achieve a common goal” (Althaus, 2007: 124). In addition, coordination includes various procedures and structures, such as an efficient system of consultations, organizing of central agencies, departments for coordination in ministries etc. All this ends with the establishment of “public policy guidelines” (policy alignment), which essentially acquire two basic forms – horizontal and vertical guidelines.
While horizontal guidelines refer to organizational cooperation and assistance in the elimination of the hindrances that encumber efficient interaction of the sectors’ organs of administration, the vertical ones refer to the joining of goals, structures and resources in order to establish a connection between policy design and delivery of services on one hand and basic intentions planned to be achieved with this policy on the other (Althaus at al., 2007: 138). In addition, the conceptualization of the issue of policy coordination primarily refers to the horizontal dimension and it concerns the integration of various sectors, programs and projects at a single level of government (Peters, 2006: 119). The reduction of overlaps, contradictory guidelines and duplication in using of resources is the basic characteristic of the horizontal public policy management (Christensen, 2006: 461). In this respect, the horizontal type of coordination is largely related to the categories of efficiency and rational use of public resources in satisfying the needs of the community. The vertical dimension refers to another aspect – “signaling” to subordinate administrative bodies or to “lower levels of government”. This way, the above-mentioned institutions have a better understanding of basic political intentions or goals of the core executive. Thus, central agencies or crucial public companies can get closer to political leadership, which is one of the important ideas upon which the new public management insists.

We deal with what is known to researchers of policies as the four types of coordination in public administration affairs (Peters, 2005: 5-7). The types are in a hierarchical relation, depending on the level of complexity necessary to carry out in each of the specified types of coordination. The simplest is the negative coordination, which specifies the non-existence of negative overlap in the work of individual administrative organs, respectively the ensuring that everyone does his/her work and does not interfere with the work of others. The more demanding form of integration in the work of administrative organs is represented by the positive coordination, which the common activities of two or more administrative organs are described with in order to offer a better service to the clients.

The following form of coordination concerns the policy integration that coordinates not only the offering of services, but also the objectives to be followed by individual administrative organs. This sort or coordination calls for a top-down approach, which typically requires the establishment of some sort of office for policy analysis by the government. Only in this way would it be able to effectuate the integration of the objectives of the particular public policy between the ministries and solve the problem of integrating different policies. The last and
The highest level of coordination includes strategic planning as a form of the government’s activity, where it is not sufficient to have in accordance the resources and objectives between administrative organs, it is also necessary to include the development of public policy and programmes connected to the activity of individual administrative bodies in the vision.

The growing use of the expression “joined-up government” and, sometimes, “whole of government” in the literature on public policy and public management indicates the importance of the issue of coordination for modern public-policy forming (Christensen, 2006, Christensen, Lægreid, 2007; Davies, 2009; Parsons, 2001, Parsons, 2004; Peters, 1998a, 1998b, 2004, 2005, Pollitt, 2003). Whichever of the two expressions is used, it refers to the increase in the level of coordination of the executive branch of government and to the improvement of the quality of its work. Such expressions are particularly used in the countries strongly oriented to the new public management, such as Great Britain and other Anglo-Saxon countries (Christensen, 2006: 460).

The above-mentioned types of successive levels of coordination (Peters, 2004: 5-7) are: negative integration, which designates the fact that there are no job overlaps in the activities of public administration and various types of agencies; positive integration, which refers not only to avoiding of overlaps in the activities of various agencies and organizations, but also a clear agreement on cooperation in provision of services; policy coordination, which includes not only cooperation in provision of services, but also the fact that organizations should follow common goals; government strategies, which not only ensure cooperation in the provision of services and joint pursuit of goals, but it also gives a clear picture of the future of particular policy sector and the government’s role in it should be, further, considered as a part of JUG framework. Or, on the other hand, in the context of discussions on modernization of governance, which have led to the afore-mentioned concepts of “joined-up government” as a form of modernization of government activities that was supposed to ensure higher efficiency and effectiveness in service provision (Pollitt, 2003: 34-35; Christensen, 2006: 460-462). The concept itself is based on four fundamental motives: the elimination of the opposites and tension in public policies, better use of the resources used in forming of these policies, the cooperation of all stakeholders affected by these policies and the creation of an integrated, uninterrupted set of services being provided to citizens, or provision of all services in one place (Pollitt, 2003: 35).
The discussion that has started to unfold around the concept of “joined-up government” has encompassed a few important questions (Pollitt, 2003: 37-38). First, it has addressed the issue of consolidated creation of policies which are very complex in nature, such as youth policy or elderly persons policy. In addition, the above-mentioned access has also been applied to the consolidated provision of public sector services in various types of agencies, such as a one-stop shop. Second, the “joined-up government” literature has additionally underlined the interconnectedness and interwoven nature of the phases in the policy process, as well as the fact that it is hard to separate those who “make policy” from those who “pursue it”. Third, this literature makes a clear distinction between horizontal and vertical connections in forming of public policies; as a result, the expressions “horizontal” and “vertical policy management” are being introduced now. The former expression is being used for the consolidation of actions of two or more ministries or agencies that make policy (e.g. youth policy) and the latter one is used for the coordination of policies toward higher or lower levels of authority and for connecting the policies of individual ministries and agencies with the fundamental priorities of the government. Fourth, a difference is now being made between “joined-up government” and “joined-up governance”; the latter expression is now used for strengthening the ties between vertical structures of power of one part and the profit sector or non-profit NGOs of the other. And finally, a difference is now being made between joining-up of organizations and joining-up of the citizens’ activities. The former, for example, includes the opening of one-stop shops and private-public partnership, while the latter refers to the increasing in citizen participation in the formulation of policies and provision of services.

Whether the above-mentioned concept of horizontal and vertical management in the realization of public policies has actually led to better results is still an open question. Can the expression “smart policy” be linked with horizontal and vertical policy management and with expressions like “joined-up government” or “whole of government”? Most authors doubt whether the concept of “joined-up government” actually creates a better policy. This is reflected in the fact that the discussion on this subject was published in the latest Oxford Handbook of Public Policy under a title consisting of the latter expression, followed by a large question mark (Christensen, 2006.). Although giving an answer to this question will require a more thorough analysis, it can already be said that the various concepts of “joined-up government” are but a reaction to the fragmentation and disintegration of the public sector, resulting from the two different kinds of reform based on the new public management (Perko Šeparović, 2006).
In his above-mentioned article, Pollitt suggests that evaluation of the successes of “joined-up government” should include answers to at least three types of questions (Pollitt, 2003: 43-46). The first question refers to adhering to best practices: have the right things been put to the right place? The second question, thinks Pollitt, should be put to the stakeholders of this process – whether coordination is a good thing or a bad thing. Does it contribute to the better formulation of policies and better provision of public services to the citizens? Third, adequate measures should be found for the outcomes and results of integrated policies and programs, which should be oriented a bit more to impact assessment than to the process itself.

**Institutional Obstacles in Policy Formulation in Croatia**

The problem of coordination in public administration matters is labeled as one of the basic obstacles for an effective public policy-making in Croatia. Although we have just a limited number of empirical studies on that issue, it is evident that the limited usage of policy analysis in planning and formulating public policies could be pointed out as the basic obstacle in the improvement of public policy process in Croatia (Petak, 2009; James, Staronova, 2003.).

The Rules of Procedure in the Croatian system of public administration provide a three-layer system of inter-ministry ‘filtering’ instruments for resolving differences between ministries. Additionally, there are four different inter-ministry bodies for coordinating policies: Domestic Policy; Foreign Policy, Social Services and Human Rights; Regional Development, Reconstruction and Revitalisation of Returnee Areas; and Economic Affairs. All issues are discussed at one or more of the task forces, which reports its conclusions to the corresponding ministerial committee. Some issues may also be discussed in the Inner Cabinet of government. At each level, discussions focus on issues not resolved at an earlier stage (if any). In addition, a fifth committee, consisting of all ministers, on Croatia’s EU Accession Negotiations, meets after the weekly government meeting. The membership of this meeting is the same as the membership of the government.

The system of policy formulation is showing, however, two basic difficulties. First, the whole process is extremely compressed: the task forces of officials meet on Mondays, the ministerial committees on Tuesdays and the ‘Inner Cabinet’ just before the Government meeting on Thursdays. Debates of the task force may require some additional policy work, based on an
applied policy analysis, to be carried out before an appropriate solution can be presented to the ministerial committee, yet there is only a day available for this, and only two days between the ministerial committee meeting and Inner Cabinet / Government meeting. For that reason it is very hard to establish a formulation process based on evidence-based policy approach, as a prerequisite aimed at achieving enhanced “results and improving public services (“delivery”) and on producing better policies rooted in evidence-based analysis, well designed and capable of successful implementation” (Sanderson, 2009).

In Croatia, there is obviously a whole array of disputes in enabling horizontal public policy management (Peters, 2006). As not even the minimal scope of policy analysis connected with public policy coordination is carried out very often, the introduction of fundamental tools of this kind of decision-making in public sector arises as one of important requirements of the public administration in Croatia (Koprić, 2008; Petak, 2008a, 2009.). The materials included in the process of formulation undergo a quite limited type of policy analysis in terms of estimates of the costs and that accompanying the implementation of the newly proposed regulation.

But, has the introduction of the said evaluation tools ensured the conditions required for a high-quality horizontal public policy management? Basic reviews of this field (Peters, 1998b) usually hold that at least three preconditions should be fulfilled for raising the level of inter-sector coordination of public policy. First, some kind of assessment of the extent of overlapping should be in place – in other words, it should be established to what extent two or more programs/organizations deal with the realization of the same goals without prior coordination of their actions. Second, some kind of assessment of the extent of incoherency – i.e. of establishing to what extent two or more programs/organizations that should have identical courses of action tend to achieve opposite goals – should be in place. And third, the horizontal public policy management assumes the identification of the issues that have not been included in the agenda yet and that constitute an essential condition for the development of some sectors’ policy. It is a problem that the literature on public policy calls policy gaps.

Second, central government bodies that support policy-machinery described above are weak and fragile and unable to provide any policy advice, to undertake any proactive policy coordination or to undertake any kind of policy analysis. As a consequence, this weakness reduces the coordination capacity of the whole system by the inability to provide cross-
ministerial perspectives on proposals and to assess their coherence with other government policy and strategic objectives. The non-existence of one kind of policy analysis unit at the level of central government appearing therefore as one of the essential institutional obstacles in the process of policy-making in Croatia (Petak, 2009).

The above-quoted assessment of the situation indirectly points to the inadequacy of the realization of the process of vertical public policy coordination. Although the author does not mention concrete institutional arrangements for the implementation of vertical public policy coordination directly, she is really talking about the lack of the institution which in modern policy literature is called a central policy agency (Althaus et al., 2007: 132-134). In a concrete example of Croatia, we are talking about the lack of a central policy agency of the Government, and a central policy agency of the Prime Minister. The main role of such an agency, as well as of the state treasury and other government agencies, is to provide relevant ministries and directorates (and coordination bodies) with vertical guidelines on pursuing fundamental goals of some policy. This means that, in their decisions, two or more departments must pursue the government’s fundamental goals in an implementation policy. If, for instance, employment policy puts an emphasis on employment of young people seeking a job for the first time, then activities and objectives of particular administration bodies must be coordinated with this general goal of the government.

The vertical dimension of coordination also refers to the coordination of public policies with other levels of government, with the supranational government of the European Union and with policies being pursued at the level of regional and local self-government units. For example, the degree of democratization required in the education, social-welfare or healthcare systems is a concern of the vertical policy coordination. In order to get an insight into the complexity of both horizontal- and vertical-policy coordination bodies, one should refer to the relevant literature on this issue beforehand.

In order to answer all of these questions, researchers must have a rather clear idea on how policy work is done in the present-day conditions, which is exactly what various protagonists do when they take part in forming public policies (Colebatch, 2006, Radin, 2000). Is there a universal policy expert comparable with an administrative generalist or is it about many different types of experts using various types of public policy knowledge and its use (Hoppe, Jeliazkova, 2006; Kustec Lipicer, 2008), which, in turn, is strongly connected with the
institutional and cultural context of public-policy making? Another aspect of this problem is the specific role of public administration in the process of public-policy making. Public policies are not made only by the members of political elite and dominant protagonists from the horizontal policy dimension, like major employers; there is also the important issue of policy bureaucracy here. Recently, the latter has frequently been studied by some of the most important public policy researchers (Page, Jenkins, 2006).

**Regulatory Reform in Croatia as a Missed Opportunity: Failure of Introducing RIA into Croatian Public Administration**

In Croatian context the term ‘politicised’ has dominantly negative connotations, in the sense that a political sphere is too involved in some matter with extremely bad consequences. That is also the most often critique connected with the need to reform Croatian public sector, meaning that the usage of expert knowledge in decision making (or policy) is almost always ‘overwritten’ by politics (understood as a struggle for power). This article would like to stress out the hypothesis which consists of quite an opposite idea – Croatian public administration reform is not politicised enough. It has never become a highly positioned (and not just declaratory) priority of any Croatian government. Public administration reform, that would involve introduction of systemic utilizations of policy analysis in Croatian bureaucracy, has never become an important issue on the institutional agenda and never made transformation from the institutional\(^3\) to the decision agenda\(^4\). To emphasize this notion, we could say that to make decision making more rational (more policy-oriented, using more knowledge, or with more policy analysis) it is necessary to have some actor(s) in the process, who are extremely passionate about that orientation – or, firstly, we need to make it more irrational. This can be nicely shown on the example of Croatian regulatory reform, an unsuccessful attempt of introducing policy analysis into Croatian bureaucratic routine, which completely broke down. Many contextual factors could be linked to policy failure of the reform. But not becoming an important issue on the list of Croatian priorities, and not becoming an important issue for any policy actor, could be entitled as the most important one.

\(^3\) Institutional agenda is a list of items with active and serious consideration of authoritative decision makers (Birkland, 2007:65)

\(^4\) Decision agenda are consisted of those issues that are about to be acted upon by a governmental body (Birkland, 2007:65).
Regulatory reform is a part of public sector reform. It contains changes in the way regulations, as a type of policy instrument, are created and evaluated. Policy instruments, mechanisms or tools that are at the government’s disposal for public policy implementation, are systemized into three categories, by the level of state involvement: voluntary, mixed and compulsory instruments (Howlet, Ramesh, 1995: 87-101). Regulations, compulsory policy instruments, are decrees of government (Kraft, Furlong, 2007:85), and they come in forms of laws mostly, but also include different kinds of statues, protocols, ordinances, directives, etc. The preparation of regulation and its implementation is a major job of public administration. Historically, main impulses for regulatory reform came from economic crises in the 1970s, which brought up the reorientation of state goals towards more competitiveness, and the trend of privatisation also fostered its development. To achieve those aims, higher levels of efficiency and effectiveness of public administration were necessary. Today, regulatory reform is a global trend, present in almost all OECD countries.

Regulatory reform started with the phase of deregulation or with the efforts of simplifying regulatory systems to reduce burdens, costs, risks and barriers for business sector activities – with the economic policies as final reform objects. This framework of understanding goals and objects of regulatory reform is referred in literature as ‘quantity’. Deregulation, as the least sophisticated way of reforming regulation creation (Radaelli 2004:737), became a critical juncture (see Thelen, 1999) in the development of regulatory reform. The second phase of regulatory reform was development as better regulation policy with regulatory management (usually in a form of special governmental office for coordination of regulatory reform). Better regulation policy means the application of new principles and techniques of creating regulation onto non-economic sectors as well, and the quality of regulation is understood as public good per se (‘quality’ framework). So, in last 15 years, the term regulatory reform has been applied on different trends of deregulating and re-regulating, and same changes can be noted at the EU level (Majone, 1996). First initiatives for regulatory reform at the EU level started in the early 1990s, but in the late 1990s and by the beginning of the new century better regulation policy became broadly accepted among EU member states. Better regulation policy is a meta-regulation which governs regulatory process with a distinct set of standards and procedures (rules on regulatory process) of formation, implementation

---

5 Compulsory policy instruments are those which are characterized by high level of state involvement in solving some collective problem and they shape individual, group or organizational behavior with no or little discretion left for their response.

6 The UK has to be stressed out as an exception, because it is in the intensive deregulation stage since the 1980s.
and evaluation of regulation in all adjectival policies (Radaelli, 2007). Or, in EU language, better regulation policy should accomplish not just a single market, as regulatory reform started off, but also sustainable development and social cohesion.

The symbol of regulatory reform, its most important part and central element in its discursive properties (Radaelli, 2007) is a Regulatory Impact Assessment (RIA). RIA is a special kind of policy analysis applied onto regulation, dominantly in a formulation stage of policy process (as an *ex ante* evaluation), but also for evaluation of existing regulation (Radaelli, 2008). RIA has a special focus on evaluating different alternatives, on the one hand, and on the systematic process of consultations with stakeholders on the other. Hence, RIA tends to expand an empirical base for decision making (to enhance evidence-based policy making) and to make regulatory process more transparent and accountable (Radaelli, 2004). The special purpose of using RIA is to evaluate the effects some regulation has on its final users/targets. It is conducted in several steps: “… identification of the purpose and intended effect of the regulation, consultation, analysis of alternative options (including the option of not regulating), comprehensive assessment of costs and benefits of the major options, monitoring and evaluation, and final recommendation“ (Radaelli, 2004:745). The broadening of the scope of regulatory reform with better regulation policy was accompanied by the development of different kinds of RIA (besides the fiscal one, grounded on financial cost and benefits), as a broader economic RIA and environmental and social RIAs. This rich set of techniques was an opportunity for Croatia to, with its own regulatory reform, introduce overall and systematic policy analysis under the label of RIA (Petek, 2009).

In the field of regulatory reform, Croatia is a ‘latecomer’. Regulatory reform, as a discourse or a normative concept on the one hand, and as policy practice on the other, has already been well developed throughout Europe for the last 20 to 30 years. Croatia has started with its regulatory reform in 2005, and has not gone too far. In Croatia, regulatory reform has never been seriously implemented. As a latecomer, Croatia simultaneously introduced both phases of regulatory reform, with both frameworks of goal understanding (with the domination of ‘quantity’ framework over the features of ‘quality’), but quite soon the process was completely “frozen” or stopped. One of crucial problems of Croatian regulatory systems that
regulatory reform should “solve” – the lack of expert knowledge in the process of regulation formation\textsuperscript{7} – in that way stayed mostly unaddressed. This is how it appeared in practice.

Croatian regulatory reform came onto the institutional agenda dominantly because of the influence of international actors and domestic experts working for international organizations operating in Croatia. Especially USAID (United States Agency for International Development) and FIAS (Foreign Investment Advisory Service, which is a part of the World Bank) with the OECD and the European Commission (SIGMA\textsuperscript{8}) should be emphasized as those who proposed the special project called HITROREZ to the Croatian Government. Besides the HITROREZ project, as a Croatian version of deregulation, in the autumn of 2006 a temporary government’s unit was formed for the creation of deregulation recommendations. An analysis of regulatory system that affects business was carried out with a quite comprehensive consultation process. In the early summer of 2007 recommendations on how and what to deregulate (which regulation should be cut off, which should be simplified and which should be left in the existing shape) were written down and pompously announced by the Prime Minister. In addition, the reform got support from the Croatian business lobby. Still, the implementation almost completely failed.\textsuperscript{9}

As a part of the second phase of regulatory reform, a special new governmental body – the Government Office for the Coordination of the RIA System – was founded, as a regulatory management that should coordinate and evaluate the development of regulatory reform. It took almost two years (from the formal decision in June 2007 to January 2009 when its head was appointed) to get that government’s office to start to work. It was never fully equipped, it was understaffed and without other resources. Two million euros from the European Union IPA fund were intended for the building up of Croatian RIA Office, but never used. At the end, with last changes in Croatian executive in the summer of 2009, even that symbolic introduction of regulatory management was abolished. The Office was dissolved by the new Prime Minister, as a cut in spending due to the economic crisis. The RIA Office, the only body - at least as an idea - that had some resemblance to the central policy agency, was

\textsuperscript{7} Sometimes even the legal profession, in Croatia still understood as crucial expertise within public administration, is underrepresented in the process of creating laws, as a major form of regulation. There are many examples of Croatian laws literally written in one night or laws that state 0 kuna as the amount of financial resources necessary for their implementation (for an example see Kekez, Petek, 2007).

\textsuperscript{8} SIGMA is a joint initiative of the EU and the OECD, which promotes the introduction of RIA in potential EU Member States.

\textsuperscript{9} Two and a half years later (November 2009) only a bit more than 20 % of recommendations are implemented (www.hitrorez.hr).
eliminated as non-efficient and too expensive – as a body that nobody knows its real purpose. It was even called a ‘broom depository’ in the Croatian media.\footnote{See Jutarnji list – Goran Penić’s text with the title „Osnovali su ih prije dvije godine. Još nisu ni počeli raditi. Kaže, spremaju se. Ima ih 7 i sjede 5 metara od Cha rliea“ (“They were founded two years ago. They still haven’t started to work. They are preparing to. There are 7 of them and they are sitting 5 meters from the bar Charlie”) that shows an ironical tone of the article (http://www.jutarnji.hr/magazin/clanak/art-2009,6,6,,165832.jl).}

The most important for this article is the fact that, as a part of better regulation policy, different RIA procedures were formally introduced. By the Government’s Rules of Procedure (from 2005) fiscal, economic, social and environmental RIAs were introduced as an obligatory part of creation of any new regulation. Standard methodologies for those different kinds of RIA were created (after two- or three-year delay, depends on the type). Even so, still almost all regulations, from different policy types, are voted in without the application of RIA (except the Ministry of Finance and basic fiscal RIA in some cases). In 2007, with the new Government Rules of Procedure, the RIA system and demands for impact assessment were simplified. The so-called preliminary RIA, the simplest variant which would oblige regulation proposers to answer few typical policy analysis questions,\footnote{The idea was to make anybody who proposes a new regulation to answer undergraduate policy handbook questions such as: what is the problem to be solved; what is the aim to be accomplished; what are alternative solutions to the problem; what are positive and negative effects of the recommended solution; by which method implementation of the solution should be monitored? (see Antoljak, 2008).} was put as the only obligatory assessment. Through the preliminary RIA, the RIA Office would estimate the necessity of doing other, more complex RIA procedures. This simplification could enhance the application of policy analysis, even in a basic form, and that was the way to force different parts of Croatian public administration to introduce at least basic ‘policy thinking’. But, no preliminary RIA standard methodology has ever been created. The chance to propose it by the last change of the Government Rules of Procedure in 2007 (with the establishment of the RIA Office) was not used. This task was left to be done by the failed RIA Office. And that is the \textit{circulus vitiosus} of Croatian regulatory reform.

Regulatory reform experienced a complete breakdown, not only as a specific set or rules and procedures or implementation practice, but also as an (European) discourse. There was not enough political will to seriously start with it and enforce it within the Government as key policy actors. Also, no other actor (any political party, or independent experts, or interest groups, or the media…) saw regulatory reform as their own interest or priority to advocate it. Also, RIA was a good label for the introduction of policy thinking as a rudimentary analysis, but no actor recognized it as significant. RIA, even in the preliminary form of basic policy
questions, could force all actors in the regulatory procedure to give better structure to their argument pro or against some regulation, and to make their argumentation more comparable with each other. Paradoxically, regulatory reform, as a severe project, even though being a European project, is contra productive for Croatian accession to the EU. The Croatian context and the way of harmonizing regulation with EU acquis communautaire put speed as the only goal and criterion of success, which would be deeply disrupted if RIA would be applied on every regulation.

Conclusion

In Croatia, there is a significant limitation of the institutional network for the creation of public policy. The problems in policy-making are not limited, however, to the placing of a particular policy onto the agenda (the period of the policy process during which the goals of a policy are defined) and the policy formulation (the period during which different possibilities for a policy are evaluated), where policy analysis often playing a poor role or no role at all, but likewise the role of policy analysis is very limited in the rest of the process as well. It should be mentioned, however, that by implementing the model of estimation of the impacts of legislation in the four above-mentioned ministries, the process of creating the institutional preconditions for monitoring and evaluation of public policies began, but it is obvious that this is just the beginning of introducing policy analysis into the Croatian system of public administration. Can we therefore, in accordance with the emerging reform of public administration, ensure more coordination in the implementation of public policies and stricter and more precise measures for their evaluation? It is, definitely, possible, but to that end institutional innovations are needed, having a strong political support and being designed by leading domestic and foreign experts. The fundamental direction for the design is shown in this article, but the operative plan for their introduction would require a much more detailed analysis into which we cannot enter at this point.

If we use the aforementioned taxonomy of Guy Peters, in Croatia, there is a large problem of achieving higher forms of coordination in forming public policies. However, problems exist at the lower levels of coordination too – in the classical issues of horizontal policy management linked with the consolidation of inter-organizational activities. The concept of

---

12 Similar situation do exist in other transitional countries (Dimitrov et al. 2006; Saner et al. 2008).
“joined-up government” still does not have a substantial impact on the course of reform of the state administration in Croatia\textsuperscript{13}, so no clear position has been taken yet on how to determine the criteria required for the implementation of a high-quality horizontal public policy management – the assessment of the extent of overlapping, assessment of the degree of incoherence and assessment of the level of non-included issues (Peters, 1998b). It is not hard to conclude that the said assessments can only be made by policy analysts. However, they are scarce in Croatia. The problem, therefore, lies in the supply of policy-related knowledge, in the insufficient number of experts able to carry out policy analysis efficiently.

Another problem is vertical coordination, although this issue is also connected with the insufficient supply of policy analysts. Croatia simply does not have a body for vertical public policy, something like the Prime Minister’s or the Government’s central policy office. With a brief overview of institutional practices of vertical policy coordination in developed democracies, we have shown that such a body closely cooperates with the state treasury and all other agencies of central government. Since there is no central government’s policy agency in Croatia, the overall authority for carrying out such assessments lies expressly in the hands of the Minister of Finance. He or his representative takes part in the work of all coordination bodies and makes decisions on all disputable issues. He thus becomes some kind of a “policy switchman” who acts as a substitute for a central government’s policy agency. The problem is in the fact that, this way, decisions are made on the basis of a rough estimate and not on the basis of a systematic policy analysis. To paraphrase the title of a Beryl Radin’s (2000) book, policy analysis in Croatia has still not matured and become an unavoidable part of modern public administration. Until this happens, it will not be possible to talk about horizontal and vertical public policy management in Croatia. In the meantime, the system of policy-making will be based on the actions of the switchman and not on systematic policy assessments. The problem is in the fact that such a public policy decision-making system can only establish the “cost price” of the proposed regulations that the state budget would incur; it cannot lead to an effective formulation and implementation of public policy.

The existence of public policy-making mode based on improvisation and discrete decisions instead on systemic approaches to policy analysis in the Israeli case is explained by a couple

\textsuperscript{13} The document adopted by the Government in 2008 and prepared by the Central State Administrative Office for Public Administration called “State Administration Reform Strategy for 2008-2011” is an evidence of this. It can be found on http://www.uprava.hr/strat-hr.pdf
of reasons. The first one were dual public administration structures and traditions inherited by the establishment of the State of Israel - the Commonwealth administration and Jewish agencies (where the latter have been characterized by political activism, internal political subdivisions, and strong nationalism), and the fact “that the new Israeli public administration did not inherit any tools for systemic policy planning, analysis, evaluation and implementation” (Geva-May, Kfir, 2000: 411). The other one was the political instability of the state, which has passed through six wars and strong military retaliation. Political instability was additionally influenced by an extreme level of emigration and irregular flows of budgetary revenues which also imposed obstacles that made systemic policy analysis hard to achieve. The third element which led to pragmatism and improvisation instead of systematic policy planning was the politicization of the public service caused by the structure of political system, dominated by one political party over the long period and large number of extremely confronted parties, which from itself, “has led to pragmatism and particularly to a lack of influence by experts and academia on public administration and policy-making patterns” (Geva-May, Kfir, 2000: 412). Therefore, there was no awareness about the importance of the policy analysis as the approach to public sector problems or the capability to apply it the real policy-making process.

The Israeli example is directing to the strong importance of taking into account the explanation of historical institutionalism as the possible way of answering the question of “why policy analysis has not come of age” in Croatia. The argument stressing the strong “political activism” of bureaucracy as one of the most important features of inherited structures is evidently one of the possible answers. The structure of political system, with the failure of dominant political parties to state clear policy goals, can serve as an additional explanation. These two arguments are very well accommodated with the line of path-dependency logic developed in historical institutionalism approach (Thelen, 1999). The limited application of systematic policy tools in formulating public policy in Croatia can further be explained by the non-existence of the separate units for monitoring and evaluation within the system of public administration (Crnković-Pozaić, 2006; Petak, 2009), which is indirectly stressing the fact that policy analysis is not a real basis for formulating public policy in Croatia.
LITERATURE


Hitrorez results. 2007. www.hitrorez.hr


Ordinance of Establishing the Office for Coordination of Regulatory Impact Assessment System. Narodne novine: 68/07.


http://centres.exeter.ac.uk/ceg/research/riacp/documents/RadaelliEvidenceandpoliticalcontrol.pdf


