

Croatia

Self-rule

INSTITUTIONAL DEPTH AND POLICY SCOPE

Croatia is divided into twenty-one *županije* (counties) with an average population of about 200,000.¹ *Županije* were set up with the first subnational elections of 1993, two years after independence. They are decentralized governments and implement policy in the domains of education, health care, zoning and town planning, economic development, and traffic and traffic infrastructure (Alibegović 2006: 11–13; Council of Europe: Croatia 1999, 2007, 2016; Ivanišević et al. 2001; Law No. 75/1993 and No. 33/2001, Art. 20; Maleković, Puljiz, and Bartlett 2011).

The city of Zagreb (*Grad Zagreb*) is the capital of Croatia that has its own law which declares it to be both a city and a *županija* (Law No. 62/2001, Art. 2). Zagreb's population is close to 800,000 inhabitants (almost 19 per cent of the total population) and the city is subdivided into seventeen urban quarters with their own councils and mayors (Council of Europe: Croatia 2016; Law No. 62/2001, Art. 17). Zagreb does not exercise additional competences compared to other *županije* except for fiscal autonomy (Law No. 90/1992, Art. 2 and No. 62/2001).

In 2007, as required by the European Commission, Croatia agreed to establish regions at the NUTS II tier (above the *županije*), but these were not created until 2013 when two regional development councils (*vijeće za regionalni razvoj*) were set up (Bache and Tomsic 2010). Regional development councils are chaired by a county governor of one of the counties included in the respective development region. A majority of the council members are central government representatives and regional development councils have no budget and executive powers are reserved to central government (Law No. 147/2014, Arts. 18–20; Magaš 2017). *Županije* have set up development agencies for strategic planning and regional development (Đulabić and Manojlović 2011; Law No. 153/2009, Art. 20).

FISCAL AUTONOMY

¹ We do not consider Glina and Knin as autonomous regions. Between 1991 and 1995 a self-proclaimed, but internationally not recognized, Republic of Serb Krajina (*Republika Srpska Krajina*) was established by minority Serbs in Croatia. With the creation of the *županije* on December 30, 1992, the Croatian government set aside two autonomous *kotarevi* (regions) for ethnic Serbs in Krajina: the Autonomous Districts of Glina (*Autonomni kotar Glina*) and Knin (*Autonomni kotar Knin*). However, the provisions concerning the *kotarevi* were not implemented, and the entire region of Western Slavonia was placed under UN administration. When the Croatian government took control of the two districts in September 1995, the parliament suspended implementation of the constitutional law relating to the Serbian minority (Domini 2000; Law No. 68/1995; Petricušić, Kmezić and Žagar 2008: 17–23). The law was amended in 2000 and the articles concerning the special autonomous districts were repealed (Law No. 51/2000). The parliament also restricted special minority rights (such as language protection and seats in local and regional councils) to ethnic minorities who constitute less than 8 percent of the population. This excluded the Serbian minority from special protection (Petricušić, Kmezić, and Žagar 2008: 18 and note 60).

Županije have no tax autonomy except for the city of Zagreb which can set the surtax on personal income to a maximum of eighteen per cent (was thirty per cent until 2015) (Alibegović and Slijepčević 2012: 8; Council of Europe: Croatia 2016; Law No. 90/1993, Art. 30a). The other *županije* receive their revenue from own and shared taxes. The base and rate of own taxes are set by national law (Bache and Tomsic 2010: 72; Council of Europe: Croatia 2007, 2016; Law No. 117/1993, Arts. 8–28 and No. 73/2008, Arts. 9–27). Own taxes include levies on inheritance and gifts, motor vehicles, boats and vessels, and the organization of games and sports events (Law No. 117/1993, Art. 5 and No. 73/2008, Art. 5; Ott and Bajo 2002). In 2003, own taxes amounted to just 4.4 percent of *županije* tax revenues (Alibegović 2006: 15). In addition, part of the centrally collected income tax and profits tax is distributed to the *županije* (Council of Europe: Croatia 1999; Law No. 117/1993, Art. 45 and No. 73/2008, Art. 45).

BORROWING AUTONOMY

Since 2003 *županije* have been permitted to take on loans and issue securities for capital investment with prior ministry of finance approval (Ott and Bajo 2002; Alibegović 2006: 14). In principle, *županije* can issue without prior approval loan guarantees for public institutions and companies in which they are the majority owner. However, the law requires that all borrowing, guarantees, and obligations do not exceed 20 percent of total revenues from the previous year and borrowing requires previous approval by the central government. In addition, the national auditing office supervise cantonal budget and debts (Alibegović 2006: 14; Alibegović and Slijepčević 2012: 9–10; Council of Europe 2000; Council of Europe: Croatia 2007, 2016; Law No. 117/1993, Arts. 83–86 and No. 73/2008, Arts. 61 and 88).

REPRESENTATION

Županija assemblies are directly elected every four years and the assembly elects an executive board (*poglavništvo*) which is headed by a prefect (*župan*) (Law No. 90/1992, Art. 21 and No. 33/2001, Art. 29; Ivanišević et al. 2001). Until 2001, prefects, and the mayor of the city of Zagreb who also functions as the prefect (*župan*), were elected by the assembly, but their appointment had to be approved by the president of the republic. If a candidate was rejected and the *županija* assembly failed to elect a replacement acceptable to the president, the president could appoint a prefect (Council of Europe: Croatia 1999; Law No. 90/1992, Art. 56e). In 2001, the law on local self-government was amended and the prefect was to be elected from among the members of the county assembly (Law No. 33/2001, Art. 40), so executive representation increases to 2. Beginning with the 2009 cantonal elections, prefects are directly elected (Council of Europe: Croatia 2016; Marcou and Davey 2007; Law No. 109/2007, Art. 2).

Shared rule

LAW MAKING

Until 2000, each *županija* had three directly elected representatives in the upper house, the

Županijeski dom (chamber of counties) (C 1990, Art. 71). The upper house was the junior legislative partner (*L4*). It could give its opinion on proposed legislation and send the proposal back to the lower house, which could then legislate by absolute majority. A proposal that passed the lower chamber with a two-thirds majority could circumvent the upper house (C 1990, Art. 81). The upper house was abolished in 2001. From 1993–2000, the *županije* were the unit of representation in the upper house (*L1*) and constituted a majority in that chamber (*L3*). From 2001 the *županije* have no law making authority.

EXECUTIVE CONTROL

Županije have no executive control.

FISCAL CONTROL

Županije have no fiscal control.

BORROWING CONTROL

Županije have no borrowing control.

CONSTITUTIONAL REFORM

A constitutional amendment requires a two-thirds majority vote of all representatives in the lower chamber. Until its abolition in 2001, the upper chamber was consulted, but could not amend or block (C 1990, Art. 138).

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Self-rule in Croatia

			Institutional depth	Policy scope	Fiscal autonomy	Borrowing autonomy	Representation		Self-rule
							Assembly	Executive	
Županije	I	1993-2001	2	2	0	1	2	1	8
	I	2002-2018	2	2	0	1	2	2	9
Grad Zagreb	I	1993-2001	2	2	3	1	2	1	11
	I	2002-2018	2	2	3	1	2	2	12

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Shared rule in Croatia

		Law making						Executive control		Fiscal control		Borrowing control		Constitutional reform		Shared rule	
		L1	L2	L3	L4	L5	L6	M	B	M	B	M	B	M	B		
Županije	1993-2000	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	1
	2001-2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Grad Zagreb	1993-2000	0.5	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	1
	2001-2018	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

National legislature has: L1 = regional representation; L2 = regional government representation; L3 = majority regional representation; L4 = extensive authority; L5 = bilateral regional consultation; L6 = veto for individual region. Total for shared rule includes the highest score of either multilateral (M) or bilateral (B).

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