



The characteristics and effects of public participation in Croatian e-consultations in fiscal matters

PETRA ĐURMAN, Ph.D.*
ANAMARIJA MUSA, Ph.D.*
TEREZA ROGIĆ LUGARIĆ, Ph.D.*

Preliminary communication**

JEL: Z18

<https://doi.org/10.3326/pse.47.1.3>

* This paper is connected to the bilateral project Development of transparency in tax procedures and data in the EU, Slovenia and Croatia (BI-HR/20-21-010), which is (co)financed under the Slovenian Research Agency and the Croatian Ministry of Science and Education. The authors would like to thank the two anonymous reviewers for their very useful comments and suggestions.

** Received: April 24, 2022

Accepted: September 7, 2022

Petra ĐURMAN

Faculty of Law, University of Zagreb, Trg Republike Hrvatske 14, 10000 Zagreb, Croatia

e-mail: pdurman@unizg.pravo.hr

ORCID: 0000-0002-8287-3686

Anamarija MUSA

Faculty of Law, University of Zagreb, Trg Republike Hrvatske 14, 10000 Zagreb, Croatia

e-mail: amusa@unizg.pravo.hr

ORCID: 0000-0002-4061-0335

Tereza ROGIĆ LUGARIĆ

Faculty of Law, University of Zagreb, Trg Republike Hrvatske 14, 10000 Zagreb, Croatia

e-mail: tereza.rogic.lugaric@unizg.pravo.hr

ORCID: 0000-0003-0732-6591



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Abstract

Public participation in the formulation of fiscal policy is particularly salient, since public finances is a topic relevant for the public in general, although it requires certain level of knowledge about fiscal matters. The purpose of this paper is to investigate the level and the type of public interest in the area of fiscal policy, and to assess the influence of the interested public on the regulation of fiscal policy. In order to do so, authors analyze the implementation of electronic public consultations (e-consultations) in Croatia conducted by the Ministry of Finance in a three-year period. Research findings suggest that even though the level of participation in fiscal policy area does not significantly derogate from the average of e-consultations at the state level, public interest appears to be quite well organized and informed, which positively affects the level of administrative responsiveness in this policy area.

Keywords: public participation, electronic public consultations (e-consultations), fiscal policy, regulation process, interested public, Ministry of Finance, Croatia

1 INTRODUCTION

During the past two decades, the principles of government transparency and openness have become an inherent part of public governance (see Musa, 2017). Both principles pertain to the category of political values and refer to the relation between the government and the public, changing the traditional “top-down” constellation of power to something more collaborative (Koprić, 2017: 6). Contemporary public governance has become increasingly complex because of different socio-economic and technical developments and tendencies. Although there is an increasing number public problems combined with their growing entanglement, the capabilities of societies to resolve collective problems have also widely progressed. In contemporary decision-making processes, the public has become one of the inherent actors that can provide a useful input for the formulation of solutions to complex public problems. Due to a high level of information, knowledge and interconnectedness, the interested public is able to provide an additional, “fresh” perspective, thereby widening the decision-making basis.

In this paper, the focus is on public participation in the area of public finance. The main research question is related to the level, characteristics and the effects of involving the public in the process of formulating fiscal policy. In order to address the research question, the electronic public consultations (e-consultations) conducted by the Croatian Ministry of Finance (MF) in the period 2016-2018/2020¹ are analyzed. Due to the specificities of the fiscal policy area as traditional government department, a lower level of public interest in relation to public services sectors (such as education, health policy, etc.) is expected, as well as a lower level of government responsiveness to public input. However, it is also expected that members of the public interested in fiscal matters possess a certain level of knowledge of public finances and are able to provide informed comments on the regulation.

¹ The main part of the research covers the period from 2016 to 2018, while some research data have been supplemented with the year 2019 and 2020. On methodology design see section 4.

After the introductory part, a discussion of the principles of transparency and openness in public governance in general and in the area of public finances in particular is presented (2). In the next section, the main research questions and hypotheses on public participation in fiscal policy area are presented (3), followed by an explanation of the research design (4). Within the research part of the paper, we first explore the state of fiscal transparency and openness in Croatia in general, and then we analyse the instrument of e-consultations in the fiscal policy area, by presenting and discussing the research results (6). In the concluding section we summarize the main research findings and give recommendations for further research as well as for the practice of conducting e-consultations (7).

2 THE PRINCIPLES OF TRANSPARENCY AND OPENNESS IN PUBLIC GOVERNANCE AND FISCAL POLICY

The principles of government transparency and openness, although interrelated, imply different conceptualizations of the relationship between government and public and are not to be treated as synonyms. While transparency implies the visibility and availability of different types of information and data from government to the public, the principle of openness includes the inverse as well – the ability of the public to provide feedback (opinions, suggestions, etc.) to the government. There is a spectrum of instruments contemporary governments use for providing information to the public and for involving the public in the regulatory process. Government transparency is mostly achieved via official websites providing catalogues, brochures, databases and other types of information owned by government organizations (the proactive provision of information), or alternatively, via requests of a natural or legal person for information (passive provision of information) (Musa, 2017: 35). When referring to formal participatory instruments², a distinction has to be made between the instruments for the participation of the narrower interested public³, such as working groups for drafting regulation, and the instruments for involving the wider, general public, such as public consultations, citizens' panels, questionnaires, etc. Different countries rely on different instruments, which differ in the mode in which they involved the public, the level of inclusiveness and influence provided to the public, etc. Nevertheless, information-communication technology (ICT)-based participatory instruments (such as e-consultations, e-petitions, e-referenda, etc.) predominate today as innovative participatory instruments in contrast to conventional, mostly offline, instruments.

The relevance of the two government principles is particularly emphasized in the area of public finances, which actually intersects with the concept of transparency. It represents the reflection of a relatively recent change of paradigm towards higher levels of protection of human rights, citizen participation and taxpayer protection on the one hand and the increase of public authorities' accountability on

² Public can also exert influence via informal channels, as in the case of lobbying or clientelistic networks (narrower public) or via different media platforms (wider public).

³ Such as experts and professionals, representatives of civil society organizations (CSO) and other organizations and institutions involved in policy implementation.

the other hand. Therefore, transparency occurs in two predominant forms – budget (fiscal) transparency and tax transparency. The former relates mostly to the expenditure side, while the latter relates predominately to the revenue side of the public finance system. For the purpose of the paper, the concept of budget (fiscal) transparency is used.

The principle of budget transparency is one of the youngest budget principles. In modern times, it is tightly connected to the evolution of the idea of responsible budgeting. Within that framework, a public budgeting system is recognized as one means of holding a government accountable for its actions. As the budgetary law is often “a sword without a blade”, one of the methods for achieving results is through reinforcing (social) values, i.e. to strengthen public disapproval of and pressure on non-compliant behaviour. Nevertheless, although the budget is the most important instrument for financing public needs, it is just one of them. Therefore, it could be said that the aim of budgetary and fiscal transparency is the same. The notion of fiscal transparency, however, is wider in its scope taking into account the complexity of the public finance sector (and its different instruments and aspects) and trying to comprise “complete” financial dimension of public sector. Consequently, it is used more often, especially in public policy and soft law documents on national as well as on international levels.

Therefore, separate concepts of fiscal transparency and fiscal openness have been established in academic, professional and public discourse. Fiscal transparency has been vigorously advocated by international organizations, such as the International Monetary Fund (IMF), World Bank, United Nations, and others, particularly within the initiatives such as Open Government Partnership (OGP) and other anti-corruption programmes. Fiscal transparency refers to the comprehensiveness, clarity, reliability, timeliness, and relevance of public reporting on the past, present, and future state of public finances (Bronić, 2013: 29; IMF, 2019a). According to the IMF’s Fiscal Transparency Code (IMF, 2019b), it comprises four areas: (i) fiscal reporting; (ii) fiscal forecasting and budgeting; (iii) fiscal risk analysis and management; and (iv) resource revenue management. Fiscal transparency is extremely important because the public is informed on the means of collecting and spending government budget, which enables the public to have oversight of the public finances. As stressed by Ott and Bronić (2017: 478), public oversight promotes government accountability and reduces opportunities for corruption.

While including fiscal transparency, the concept of fiscal openness goes further by encompassing the possibility for the public to be able to influence the formulation of fiscal policy, that is, to provide the government with the suggestions on public expenditures. Instruments through which the public can be involved in the process of formulating fiscal policy are more commonly applied at the local level of government. They include “usual” participatory instruments, such as public consultations, citizens’ panels or forums, questionnaires and similar, when conducted on issues of fiscal policy. Participatory budgeting is one specific instrument, which

gained global popularity from 2000s onwards, after its successful introduction in Brazil (Porto Alegre) in 1989.⁴

In sum, fiscal transparency and openness can enhance public trust in politico-administrative institutions, contribute to better regulations, that is, the regulations meeting the needs and preferences of citizens and the private sector, which can consequently facilitate the implementation of such regulations, but also produce positive economic effects, such as promoting market confidence and investments.

3 PUBLIC PARTICIPATION IN FISCAL MATTERS – RESEARCH QUESTIONS AND HYPOTHESES

While transparency and openness have become well-established principles in public governance in general, their importance in the domain of fiscal policy derives from several specificities of the respective policy domain. Fiscal matters can be perceived as a topic relevant for the public in general, not only for specific target groups such as patients, students, teachers and similar. The context of fast and deeply changing socio-economic conditions provides additional reasons why public policies should acquire legitimacy, support and input from the public. The purpose of this paper is, therefore, to investigate the level and the type of public interest in the area of fiscal policy as well as to assess the influence of the interested public in the fiscal policy formulation process. In addressing these research questions – the level of public interest, the characteristics of public interest and the level of public influence – we compare the area of fiscal policy to other policy areas.

When dealing with the phenomenon of public participation in the regulatory process, at least three specificities of fiscal policy area can be identified. First, public finances fall within the purview of traditional government departments, together with justice, internal affairs, foreign affairs and defence. The traditional departments differ from departments of public services (social, such as health and education; technical, such as transport and telecommunications; communal, etc.) in their basic purposes. Namely, while public services are preoccupied with providing a spectrum of necessary and required functions which satisfy public needs, traditional departments are primarily focused on ensuring order, security and stability (Koprić et al., 2014: 32-34). Consequently, in relation to the public, within traditional departments, the government appears as a legitimate law enforcer, which significantly differs from its role of a provider of socially useful services. This distinction in “*government role*” could reflect itself in the level of openness and responsiveness towards the public in particular government departments. Second, public finances can always be described as a “hot” topic, since the public are usually interested in knowing “where their money goes” and how it is spent. Therefore, a *wider interest and greater motivation of public* to be involved in formulation of more general policy decisions and regulations in the area of fiscal

⁴ Participatory budgeting has become quite popular worldwide in a number of implementation variations. In countries such as Germany, France, Italy and Spain it has become well established (more in: Wampler, 2012; Wampler, McNulty and Touchton, 2021).

matters could be expected. However, in contrast to some other policy areas, the area of fiscal affairs requires certain *level of familiarization and knowledge* about public finances, instead of pure “user” experience that could be sufficient on some issues within health or education policy. This especially refers to more technical, specific regulations (by-laws).

In order to address the research questions, three hypotheses are formulated based on explained specificities of public participation in the area of fiscal policy. First, we expect public interest in fiscal matters to be higher than in other traditional departments’ policies (justice, internal and external affairs), since we suppose the public is interested in being informed and involved in matters of acquiring and spending public finances. However, in relation to social (education, health, employment, culture, and pensions), technical (environment protection, spatial planning, transport, and communications) and economy (business and entrepreneurship, agriculture, tourism) policy areas, the public interest is expected to be lower. Namely, those policy areas largely address citizens as users in their everyday life (e.g. as workers, patients, and similar) or are continuously gaining more salience as public issues (environment pollution, urbanization and traffic, etc.). Nevertheless, the public participates more often in the regulation of more general and value-laden issues (strategic and planning documents, laws) than in drafting more specific and technical acts, such as by-laws. Second, we expect public input in the e-consultations on fiscal matters to be more informed compared to other policy areas. Finally, the level of responsiveness is generally expected to be lower within traditional government departments compared to social, technical and economy public services, due to explained distinction in governmental role towards the public. However, for expert input from the public we assume greater acceptance than in the case of non-expert comments.

4 RESEARCH DESIGN

In the first research part of the paper we explore the level of fiscal transparency and openness in Croatia in general, relying on desk research method. We present brief overview of legal framework for fiscal transparency and openness and the existing secondary data, both national and comparative. The second part of the research addresses our main research questions in order to test formulated hypotheses. Here we focus on the instrument of e-consultations with interested public conducted by Croatian Ministry of Finance. E-consultations are one of the common instruments (often legally binding) for involving general public in the process of issuing regulation worldwide, and one of rare participatory instruments widely applied in Croatia⁵. Therefore, they appear as a solid ground for investigating the subject of public participation in fiscal matters.

⁵ At the central state level, e-consultations are the main policy-making instrument which involves the wider public in the policy formulation. Local participatory instruments, such as referenda, initiatives and forms of submunicipal government are very rarely used (see Koprić and Klarić, 2017; Milošević, 2017; Manojlović Toman and Vukojičić Tomić, 2018).

TABLE 1

State-level administrative organizations included in the research

Traditional government departments	Administrative organizations by function		
	Social	Technical	Economic
Ministries of			
Finance	Science and Education	Environment and	Economy,
Defence	Health	Energy	Entrepreneurship
Internal Affairs	Culture	Construction and	and Crafts
Justice	Work and Pension	Spatial Planning,	Agriculture
State Property	System	Maritime Affairs,	Tourism
Public	Demography, Family,	Transport and	Regional Development
Administration	Youth and Social Policy	Infrastructure	and EU funds
	Croatian War Veterans		
State administration organizations			
State Administration			
Organization for Civil Protection	State Institute	State Geodetic	State Metrology
State Administration Organization for Radiological and Nuclear Safety	for Intellectual Property	Administration	Institute
Agencies			
Croatian Agency for the Oversight of Financial Services		Croatian Energy Regulatory Agency	
Croatian National Bank	Croatian Agency for Health Insurance	Croatian Regulatory Authority for Network Industries	
		Croatian Civil Aviation Agency	

The research is based on the data collected within previous research of e-consultations conducted by Đurman (2019), and supplemented with the data for two additional years – 2019 and 2020.⁶ Applied research methods include quantitative content analysis of the reports on e-consultations that were conducted in a three-year period (2016-2018) by Croatian administrative organizations.⁷ For the purpose of research subject in this paper, we have extracted the data for the MF and compared them with data from other traditional government departments (TGD), as well as to those of other state-level administrative organizations (SAO). Alongside the MF, the category of TGD includes five ministries, two state administration organizations and two independent agencies. The category of TGD is compared to SAO performing social, technical and economic functions, which also include ministries, state

⁶ The data collected for 2019 and 2020 include only basic information on the number of conducted e-consultations, number of participants and comments, and the acceptance rate of comments, without the analysis of the type of participants and comments, and the correlations between them, which was made only for the period 2016-2018.

⁷ Administrative organizations in this paper include government organisations at the central-state level (19 ministries, 5 central state organizations and 6 regulatory agencies), for which 1.643 e-consultations procedures were analyzed.

administration organizations and agencies. All types of analysed SAO are listed in table 1.⁸

Analyzed aspects of e-consultations include their procedural attributes (number of conducted e-consultations, duration and clarity of e-consultations), features of the interested public involved in the process (number of participants, type of participants and type of comments) and the results of e-consultations (acceptance rate of the comments). More precisely, the following data are included in the research. On behalf of procedural attributes: (i) the number of conducted e-consultations; (ii) the duration (in days) of conducted e-consultations; and (iii) the clarity of conducted e-consultations (the comprehensiveness of the explanations of why an act is issued). Features related to the interested public involved in the e-consultations encompass: (i) the number and the type of participants (individuals, private sector organizations, civil society organizations, chambers, other state and public sector authorities); and (ii) the number and the type of the comments (technical, opinions, well-supported and very well-supported comments)⁹. Finally, the acceptance rate of the comments was analysed, which actually represents the level of responsiveness to public suggestions (the status of comments in the e-consultation process can be marked as accepted, partially accepted, denied or noted). In addition, correlations among the type of participants, type of comments and the level of the acceptance of comments are made.

5 FISCAL TRANSPARENCY AND OPENNESS IN CROATIA

In Croatia, the legal framework for fiscal transparency is in place. The legal obligation for public authorities to publish financial documents derives from two basic acts – *Law on the right to access information* (LRAI)¹⁰, a systemic regulation for ensuring government transparency, and the *Budget Law*, a specific regulation. According to these legal acts, financial acts and documents that have to be published openly include: budget and budgetary projections, revisions and amendments of the budget, decisions on temporary financing, reports on budget implementation, annual financial reports, strategic documents, financial plans, and public procurement procedures.¹¹ In addition to prescribing the principle of proactive

⁸ After conducting the research, certain reorganizations took place within the system of state administration in Croatia in accordance with the new Law on the State Administration System of 2019 (see Koprić, 2019; Lopžić and Manojlović Toman, 2019). Therefore, the names and scope of some of the mentioned administrative organizations here has changed.

⁹ The category of technical comments refers to nomotechnic and grammarly remarks as well as minor technical observations without reasoned support. The category of opinions refers to comments reflecting a pure attitude, opinion or preference, also unsupported. The other two categories refer to supported comments, with the difference between them in the level of expertise in the reasoning. The criteria for differentiating very well reasoned comments were expert terminology, referring to scientific and professional sources, providing and explaining data, and similar.

¹⁰ Law on the right to access information, Official Gazette (25/13, 85/15).

¹¹ Budget Law, Official Gazette (144/21) article 12; LRAI, article 10.

transparency¹² for public authorities, in accordance with the most recent trends, LRAI also mandates an open format for the publication of information held by public authorities. This implies that financial documents and information (as well as the other types of information LRAI refers to) should be published in easy searchable and machine-readable format, that is, published as open data that can be re-used for various other purposes.¹³ Within the OGP, a number of measures referring to financial transparency have been embraced within the action plans. For instance, in 2015 the MF published Recommendations for drafting local budgets¹⁴, containing all the relevant information for timely and accurate publication of key budgetary documents on the official websites of local units, including the instructions for preparing a Citizens' Guide, with all the basic information and explanation of crucial financial terms and the content of the budget.

A continuous and significant improvement in the level of government fiscal transparency has been achieved at the national, local and regional level. This is the result of a more consistent government transparency and openness policy during the last decade.¹⁵ Namely, in addition to legal framework on government transparency and openness, an institutional mechanism for its oversight was established in 2013 – the Information Commissioner (IC). With its rights and duties of oversight and promotion of different aspects of government transparency and openness at all levels of government, noticeable shifts in practice have been achieved from 2013 onwards. For instance, as shown by the Information Commissioner (2021: 71-72), the level of proactive transparency is the highest for the category of financial documents – 85% of all public authorities published financial reports in 2020 (83% in 2019), 83.4% of public authorities published financial plans/budgets in 2020 (82% in 2019) and 76.3% published reports on budget implementation (75% in 2019).

While financial transparency in the broadest sense for all public sector bodies is monitored by the IC, local financial transparency has in particular been assessed by the Croatian Institute of Public Finance since 2013. The level of financial transparency is systematically measured by the number of budgetary documents published on the official websites of local and regional units, including annual and semi-annual execution of budget, budget and budgetary projections, and citizens' budget. The results clearly show that the level of local and regional transparency has been increasing every year, with counties (Croatian regional units) being the

¹² The obligation of proactive transparency consists of four main elements: decision-making transparency (availability of decisions and acts, as well as the opportunities for the public to get involved in decision-making processes); financial transparency (includes financial acts and documents, allowing the control of government spending and its financing of various activities); operational transparency (information on organizational structure and functioning, i.e. planned activities and projects, regulations that apply to citizens' individual rights, public calls, etc.); communication transparency (transparency in providing public services to citizens and in citizens' communication with the government and officials) (Musa, Bebić and Đurman, 2015).

¹³ On open data in general see van Loenen, Vancauwenberghe and Crompvoets (2018); for open data in Croatia see Musa, Đurman and Hadaš (2021).

¹⁴ In 2021, new recommendations for the period 2022-2024 were published as well (MoF, 2021).

¹⁵ Government transparency and openness were inherent elements of anticorruption policy, which became a very salient issue during the process of Croatian accession to the European Union, one of the crucial prerequisites for the EU membership (see Đurman, 2016).

most transparent, followed by cities (urban type of local units), while municipalities (rural type of local units) proved to be the least transparent (however, with the largest discrepancies within the category).¹⁶

The level of openness in the processes of formulating fiscal policy can vary from consultative to partnership relations with local governments. In terms of normative framework, there is a general obligation for public authorities to consult the public via e-consultations when drafting acts that affect the interests of the public. Since 2013 when the new LRAI was adopted, e-consultations have been legally mandatory for all public authorities in all policy areas during the process of drafting laws, bylaws, strategic and planning documents and other acts that affect the interests of general public. E-consultations represent an instrument for collecting suggestions and opinions from public during regulation process, before a legal act or policy document is adopted. After closing an e-consultation, the public authority decides which comments received from the interested public are to be accepted and which not.¹⁷ In the procedural aspect, e-consultations are mandated to be open for public comments for 30 days in general. At the central state level, public authorities such as ministries, agencies and other state administrative organizations conduct e-consultations via the portal eConsultations¹⁸, which appears to be transparent and user-friendly for participants as well as easily operated on behalf of public authorities conducting e-consultations (Đurman, Musa and Koprić, 2022). Local and regional units, as well as other legal entities with public authority conduct e-consultations via their own websites. After closing an e-consultation and analyzing comments, a public authority is supposed to publish a report with explanations for non-accepted comments. Since 2013, significant progress, both in the number and the quality of conducted e-consultations, has been achieved in general (Đurman, 2020: 408-409).

The provision of LRAI on consulting the public allows for additional participatory instruments, but does not mandate them. The application of instruments such as participatory budgeting is, therefore, facultative and a result of sharing and applying good practices. Although participatory budgeting is becoming more popular within Croatian local units, only four cities (Pazin, Trogir, Rijeka, Dubrovnik) implement this participatory instrument in its “genuine” variant, while others can be described as “attempts” at participatory budgeting (Džinić, 2021). Some other successful examples of the involvement of the public in creating fiscal policy can be find at the local level, but unfortunately, more as an exception. The city of Rijeka provides its citizens with opportunities to get engaged in the formulation process of budgetary cycle via an educational budgetary game (*Proračun(ajme)*). Local citizens can also take part in planning the distribution of part of the budget via programmes called *Small communal actions* and *Local partnership programme*.

¹⁶ See: <https://www.ijf.hr/en/transparency-2022/>.

¹⁷ More on e-consultations in general and in Croatia in: Đurman (2020); Đurman, Musa and Koprić (2022).

¹⁸ See: <https://esavjetovanja.gov.hr/ECon/Dashboard>.

From a comparative perspective, according to the International Budget Partnership (IBP, 2019) ranking of budget transparency, in 2019 Croatia was placed within the category “sufficient” transparency with score 68 out of 100 (57/100 in 2017 and 53/100 in 2015). This dimension is measured by using 109 indicators in relation to 8 key financial documents. In the second dimension – budget oversight (legislative and audit) – the Croatian score is 61 out of 100. With respect to the third dimension of the survey – public participation – the Croatian score is far more modest (22 out of 100 in 2019). This dimension includes “formal opportunities offered to the public for meaningful participation in the different stages of the budget process. It examines the practices of the central government’s executive, the legislature, and the supreme audit institution”. In comparison to other countries in the region, Croatia scored best in the public participation dimension, while in the budget transparency aspect it shares the highest rank with Slovenia.¹⁹

6 ANALYSIS OF E-CONSULTATIONS IN FISCAL AREA: RESEARCH FINDINGS AND DISCUSSION

In this chapter, we compare the data on different aspects of e-consultations conducted by the MF, other TGD and SAO. Analyzed aspects of e-consultations include their procedural attributes (number, duration and clarity of e-consultations), features of interested public involved in the process (number and type of participants and comments) and the results of e-consultations (acceptance rate of the comments).

The MF is one of the most regulatory “active” ministries – in general and especially within the category of TGD – which is reflected in the number of implemented e-consultations. In three-year period (2016-2018) this ministry conducted 105 e-consultations, while, for instance, the Ministry of State Property conducted 13, and the Ministry of Defence only 10 e-consultations. Although there is a problem of inconsistent implementation of e-consultations in all legally mandatory situations (in accordance with the LRAI), the frequency of their implementation mainly reflects regulatory activity, which depends on the policy area and the type of administrative organization. With respect to procedural aspects of e-consultations, the MF suffers from the same deficiencies as most other SAO. E-consultations were mostly open less than 30 days, as legally required, and for the majority of the acts issued, a full explanation of the goals of the act / its changes was lacking, especially for the bylaws. Besides the duration, clarity is a weak point of the e-consultations conducted by the majority of SAO, except some agencies.

¹⁹ In both dimensions, Albania, Bosnia and Herzegovina, Hungary, Macedonia and Serbia are lagging behind Croatia and Slovenia.

TABLE 2

Characteristics of e-consultations conducted by the Ministry of Finance compared to other administrative organizations (2016-2018)

	Duration (average, days)	Clarity (median value 1-4)	Number of			Acceptance rate of comments (%)
			E-consultations	Participants	Comments	
Ministry of Finance	19.8	1	105	736	1,543	34.8
Traditional governmental departments	23.2	1	606	2129	6,016	34.3
State-level administrative organizations	24.8	1	1,643	13,615	32,906	23.8

Source: Authors based on data collected by Đurman (2019).

TABLE 3

Characteristics of e-consultations conducted by the Ministry of Finance (2016-2020)

Duration (average)	Number of			Acceptance rate of comments (%)
	E-consultations	Participants	Comments	
19.1	230	1,285	2,638	29.4

Source: Authors.

In the period from 2016-2018, 736 participants were involved in the e-consultations conducted by the MF, submitting 1,543 comments.²⁰ In a five-year period (2016-2020) the number of participants increased, to 1,285, as did the number of comments, to 2,638. An average number of participants per e-consultation conducted by the MF is 7, which is slightly higher than the average for TGD (4.6 participants). However, compared to other administrative organizations' functions, the interest of the public within TGD is the lowest, while e-consultations conducted by administrative organizations performing social functions are characterized the highest number of participants (13.6 participants per e-consultation) (Đurman, 2019: 368), which is in line with our first hypothesis.

With respect to our second hypothesis on the type of public input, the results suggest that comments submitted to the MF are more informed and in significant share submitted by organized and expert stakeholders. As shown in table 4, although individuals are the most represented category of participants in the e-consultations in general (MF included), in the case of MF, chambers and private sector organizations constitute 1/3 of the participants. Chambers and professional associations as expert organizations, and private sector organizations as actors involved in implementation, are able to provide elaborate and useful comments

²⁰ The number of participants differs from the number of the comments, because a participant can submit more than just one comment.

for the respective Ministry. Although 28.6% of comments in the e-consultations of the MF are classified as attitudes, which is slightly higher than the average for SAO (21.9%), the share of very well-reasoned comments is almost as twice as great as in the case of SAO (40.8% in relation to 22.9%).

TABLE 4

Characteristics of participants in the e-consultations conducted by the Ministry of Finance and state-level administrative organizations (%)

	Ministry of Finance	State-level administrative organizations
Interested public (participants)		
Individuals	42.7	50.0
Chambers	16.8	5.9
Private sector organizations	15.6	10.0
CSO	15.2	17.2
Public companies	3.0	6.2
Other	6.7	10.7
Type of comments		
Technical	13.6	28.8
Attitudes	28.6	21.9
Reasoning	15	22.1
Very well reasoned	40.8	22.9
Other	2	4.3
Status of comments		
Accepted	34.8	23.8
completely	26.6	15.7
partially	8.2	8.1
Not accepted	32.6	43.5
Noted	32.1	28.1
No response	0.6	4.7

Source: Authors based on data collected by Durman (2019).

In addition, there is a correlation between the type of comments and the type of participants, as well as between these two variables and the level of administrative responsiveness to public input. In general, individuals (physical persons) submit most comments categorized as “opinions”, while at the same time they submit the least very well-reasoned comments. On the other hand, more organized type of participants (state and public sector authorities, CSO, private sector organizations, etc.) submit a higher share of well-reasoned comments and fewer opinions. For instance, at the level of SAO, 37.4% of comments submitted by the chambers are very well-reasoned, 35.8% are technical comments, while only 7.4% are opinions. In the case of the MF, chambers are more often involved in the e-consultations than in the SAO average (see table 4), providing 67.6% very well-reasoned comments and only 7.7% opinions.

The type of comments and participants further reflects the responsiveness towards public input. In general, administrative organizations more often accept well-reasoned, well-informed comments – which they find useful in issuing a regulation – than non-supported opinions. Also, comments submitted by organized interests and institutions are accepted more often than the comments of individuals (Đurman, 2020: 81-82). In the case of the MF, the widest share of the submitted comments is accepted (34.8%, with 26.6% completely and 8.2% partially accepted), while average rate of responsiveness for the SAO is 23.8% (15.7% fully accepted comments and 8.1% partially accepted). In relation to the average rate of responsiveness for the SAO, the level of responsiveness is higher within traditional policy areas – 34.3%, and the same applies for the MF (34.8%). For comparison, the average rate of responsiveness for social-function administrative organizations is 20%. This is not in line with our initial hypothesis on lower responsiveness within TGD compared to public services departments, but it can be explained by two factors. The first one refers to the significantly well-informed type of public input in the case of the MF, which has proven to be crucial factor for explaining the level of administrative responsiveness. The second reason is related to the level of public interest (i.e. the number of participants) which is lower in TGD (slightly higher in the case of the MF in relation to other TGD) compared to public services departments. Namely, as shown by Đurman (2019), higher numbers of participants and comments negatively affect the level of administrative responsiveness, due to reaching a limit with respect to the usefulness of information and resources of the participants (comments tend to overlap or duplicate).²¹

7 CONCLUSION

The aim of this paper was to explore the level, characteristics and effects of involving the public in the process of formulating fiscal policy, by analyzing e-consultations conducted by the Croatian MF. Our research results revealed three interesting findings. First, public interest in participation has been slightly higher in the fiscal policy area than in the areas of other TGD, but at the same time lower than in social, technical and economy public policy areas which are more directly related to citizens' everyday life and needs.

Second, public input in the area of fiscal policy is well informed when compared to other policy areas. However, the explanation behind this finding is slightly different from our initial theoretical assumption. The higher level of informed public input in the fiscal policy area is largely a result of the participation of experts and/or professional associations and organizations involved in the implementation of policy, rather than that of the informed general public, i.e. individuals interested in public finances. The MF receives significant share of well-reasoned, expert comments submitted by participants with knowledge and/or practical experience in the area of fiscal policy. One third of the participants consists of chambers and

²¹ Although it may appear illogical at first, this finding is actually similar to some other empirical findings (Schalk, 2015) and is also in accordance with theoretical premises of communication theory on information overload of organizations.

private sector organizations which possess the capacities to provide useful inputs in the regulation process.

Third, the level of responsiveness is higher within traditional departments' policies, and even higher in the fiscal policy area than the average for TGD, than that related to public service departments. As already explained, this is primarily related to the characteristics of the interested public involved in the e-consultations (the type of participants and comments).

In sum, the research has indicated that the variables such as the type of public and the quality of input make a difference when it comes to public participation. It has primarily revealed the importance of supported and well-informed inputs as a valuable resource for administrative organizations in general, and in the fiscal policy area in particular. Additionally, our research has pointed at some deficiencies in the e-consultations procedure in general, based on which some practical recommendations can be made. On the one hand, procedural aspects of conducting e-consultations should be improved, especially when it comes to the consistency of the implementation of e-consultations, their duration and clarity, as legally mandated by the LRAI, but not always implemented in practice. In addition, administrative organizations could rely more on other, optional participatory instruments, such as participatory budgeting, educational budgetary games, and similar. This could be positively reflected in public interest in participation as well as in their knowledge and familiarization with fiscal policy matters.

Finally, it is necessary to point at some methodological limitations of our research. The most important research findings are derived from empirical research conducted in a three-year period (2016-2018), and should be upgraded with additional data from recent years. More longitudinal research would enable more comprehensive data to be obtained about e-consultations conducted by the MF, now limited in scope. Therefore, our research findings should be taken as tendencies which require further research. A study including some other participatory instruments in the fiscal policy area would also be useful in order to formulate more well-founded conclusions on public participation in fiscal policy regulation.

Disclosure statement

No potential conflict of interest was reported by the authors.

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