

TRANSPARENCY IN AGRICULTURAL LAND LEASE BY LOCAL GOVERNMENT

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1. Introduction

The demands of the information society point to the importance of public administration operating responsibly and transparently in modern digital economies. Consequently, innovations in the public sector based on the concept of 'openness' and data disclosure aim to improve transparency and accountability of power stakeholders (Park and Gil-Garcia, 2022; Lnenicka and Nikiforova, 2021). The importance of a data-driven 'transparency' approach has greatly increased greatly in the business and scientific environment (Cahlikova and Mabillard, 2020) and for the conditions, obligations and responsibilities of government in the conduct of operations and policies (Birchall, 2015). This approach contributes to good governance based on democratic values, strengthens policy making, promotes a positive impact on citizens' trust (Corrêa et al., 2017; Wiencierz and Lünich, 2022) and provides knowledge sharing for different stakeholders in the public and private sector (Park and Gil-Garcia, 2022).

Transparency implies the government's approach to providing citizens with the necessary information about decision-making, visibility and monitoring of the process as well as the outcome of government decisions (Mayernik, 2017; Lnenicka and Nikiforova, 2021; Birchall, 2015). Accountability refers to the government's ability to justify actions and decisions that affect its citizens. The operations of government institutions supported by a culture of transparency and accountability create increasing enthusiasm for the community (Cahlikova and Mabillard, 2020). Government transparency encompasses three key aspects, namely: transparency as an institutional relationship, transparency as information sharing and transparency of operations and performance (Meijer, 2013).

The implementation of government policy involves a wide range of processes and activities carried out by public institutions, and it is desirable that society is informed about them. This includes the availability of data and information on tenders, public procurement, budget management and other current issues that are important to society. Responsible and transparent management of government and public institutions is also reflected in a fair approach to the management of state

assets, e.g. state space capacity, data capacity and other resources, as well as the appropriate redistribution of all forms of state assets and resources. The creation of public value based on openness and availability of data is only possible if certain activities are transparent from start to finish.

In this research, the focus was on analysing transparency aspect of government and public administration, i.e. how transparent tenders for the allocation and disposition of state-owned agricultural land are conducted. The main objective of this work was to investigate and critically examine the practices of publishing tenders for the lease of state agricultural land in the local units of six selected counties in the Republic of Croatia.

2. Research Materials and Methods

Six counties from different parts of Croatia were selected to carry out the preliminary investigation. These are Krapina-Zagorje County, Varaždin County, Požega-Slavonia County, Lika-Senj County, Split-Dalmatia County and Istria County. The counties are distributed in different parts of the Republic of Croatia, with different levels of agricultural production and agricultural practices which ensures the relevance of the results. A total 178 local units, both municipalities and cities, were included in the analysis. The search for published tenders was conducted for the period from 2015 to September 2022.

Data collection was based on a search of the official websites of the local units. The official websites were searched in two ways: (a) checking the category "Tenders and/or Public Calls" or (b) review of the results using a search engine based on the keywords "agricultural land", "agricultural", "lease of agricultural land", "transparency". The data collected refer to tenders for the lease of state-owned agricultural land. The year of publication of the tender, the link to the publication of the tender, the availability of results and decisions based on the tender and whether the local unit has a Program for the management of agricultural land was collected. In addition, data indicating irregularities in the implementation of tenders was collected, if the analysis found that tenders were repeated several times.

Data processing revealed the percentage of tenders published at the county level and the percentage of available decisions for the total number of tenders published. In addition, it was analysed how many tenders the bids of all interested parties were published transparently. Finally, the overall score of the transparency of the tenders for the lease of agricultural land was calculated. In assessing transparency and determining the overall score, the following points were taken into account: (a) whether the local unit announced the tender (1 point), (b) whether it announced the decision (1 point), and (c) whether all bids were published (1 point). In total, it was possible to score a maximum of 3 points. The total number of points achieved was used to evaluate the success rate in the responsible and transparent implementation of tenders for the lease of state agricultural land in the Republic of Croatia.

3. Results and discussion

The research results combined data for a total of 178 local units analysed, 130 municipalities and 48 cities. Of the total number of local units analysed, 54 local units were identified with published tenders for the lease of state agricultural land in the period studied. For the other 124 local units,

it cannot be said whether they have announced the tender or not, as no data is available, so further steps need to be taken to validate these results.

In the Republic of Croatia, local units are responsible for conducting tenders for the lease of state-owned agricultural land. Local units are obliged to publish the tender publicly, i.e. make it available on websites or notice boards (Ministry of Agriculture, 2019). The decisions of the local units should be made public, while there is no obligation to make the bids public.

The first part of the research involved an analysis of data at the county level. When analysing the collected data, it was found that Požega-Slavonia County had the highest percentage of published tenders for the lease of state agricultural land in the period from 2015 to 2022 (60% of local units in the county published their tenders). For the announced tenders in the local units of Požega-Slavonia County, 50% of them also published the decision on the tender. Požega-Slavonia County has the largest agricultural land capacity in the Republic of Croatia and offers space for the production of large quantities of food that could meet the needs of the population (The World Bank, 2020). Lika-Senj County was the county with the second highest percentage of published tenders (50% of the local units announced tenders, and in half of the conducted tenders the decision was also published). In Istria County, 41% of local units announced the competition and for 41% of them the final decisions were announced. Varaždin and Krapina-Zagorje counties have generally similar results, where 29% and 28% of local units respectively published tenders for the lease of state agricultural land. Varaždin County publishes the results more transparently through 38% of published decisions, while in Krapina-Zagorje County the results of only 22% of decisions on the conducted tenders are available. In Split-Dalmatia County, only 15% of local units published a tender and the results were available for 53% of the tenders conducted. Accompanying material on the details of the bids for the lease of agricultural land by interested stakeholders was available only in Požega-Slavonia County for only 33% of the conducted tenders.

The best result was achieved by Požega-Slavonia County with an average of 1.83 points, followed by Split-Dalmatia County with an average of 1.63 points and Lika-Senj County with an average of 1.50 points (Figure 1). It can be concluded that the mentioned counties are more successful in the transparent implementation of tenders for the lease of agricultural land. Istria County with an average of 1.41 points, Varaždin County with an average of 1.25 points and Krapina-Zagorje County with an average of 1.22 points were rated below average, i.e. it was found that the implementation of tenders for the lease of agricultural land is less transparent for the interested public. The results of this research are based on data collected from the official websites of local units, which may be one of the limitations of this research. In local units where it was not possible to collect data through this research, there are two possibilities: (a) the tender was not conducted or (b) the tender was conducted, but not published on the website. The data currently collected will be validated against the local units' responses to our inquiries about the tenders. Indeed, it is possible that some of the tenders were published on the notice boards at the location of the local units or in the official gazettes. Moreover, some of the local units have updated their official websites in recent years and there is a possibility that publications or documents have been lost in the process, i.e. the old archive is not implemented on the new official websites.

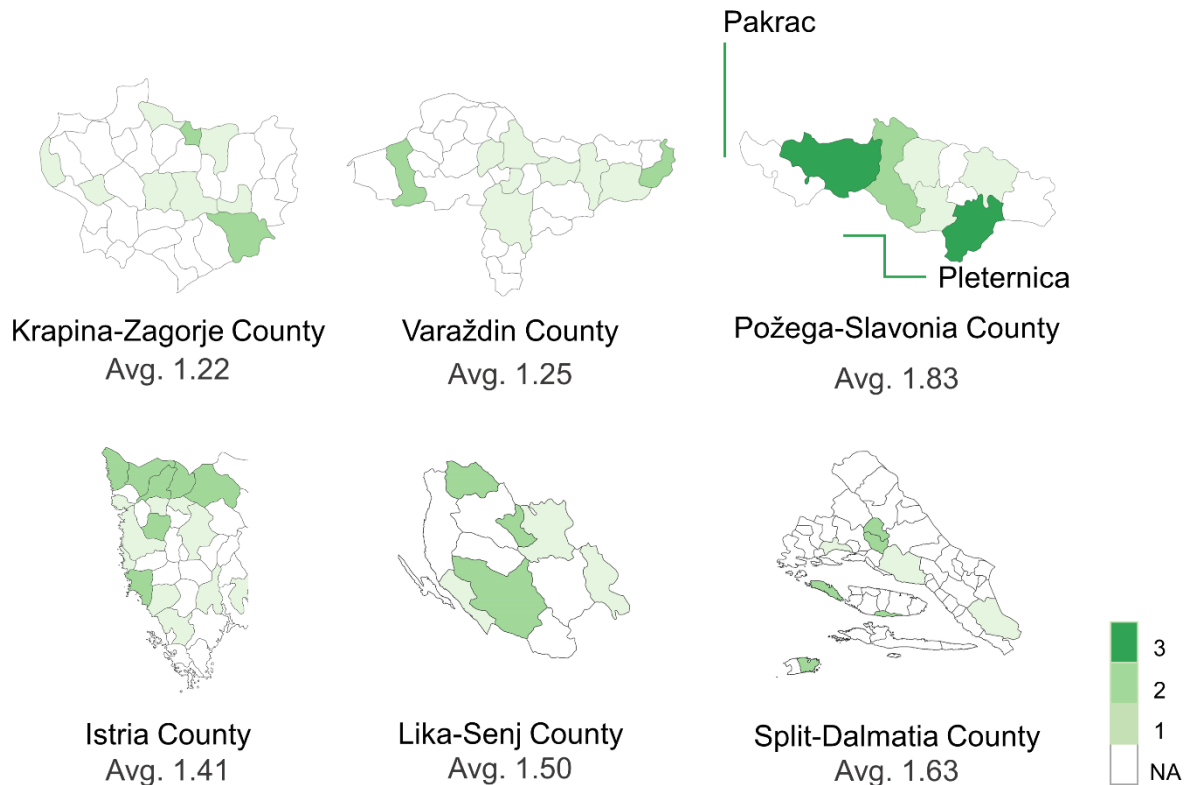


Figure 1. Transparency analysis results of public tenders for six Croatian counties.

The second part of the research involved the analysis of the collected data regarding terms of the type of local unit. It is expected that cities, as progressive local units, should be more responsible in conducting tenders by providing a transparent process. The results show that cities, as primarily urban environments, are more transparent in terms of their tenders, although there are fewer of them, i.e. 46% of the cities in the sample have announced tenders and only 25% of the municipalities. The publicly available tender results, i.e. the decisions made, followed the tenders at the level of the two types of local units to about the same extent. Thus, 41% of the cities and 44% of the municipalities announced their decision regarding their tender.

Only 9% of the tenders at the city level were followed by bids from interested stakeholders, while none were recorded for the municipalities. Although it was expected that cities would lead in the transparent conduct of public tenders, the overall score shows small differences. For cities, the overall score is 1.50 points on average, while for municipalities it is slightly lower, averaging 1.44 points.

Only two local units, the cities of Pakrac and Pleternica (Požega-Slavonia County), have published the complete documentation of their tenders, including bids from interested parties. The local units are not obliged to publicly disclose the bids received. There are concerns regarding the General Data Protection Regulation (GDPR), as the bids contain personal data of private or public persons involved in the tender. Furthermore, the publication of all documents represents an additional effort for the local units and also requires knowledge and skills in dealing with the new GDPR regulation.

Visibility of the whole tender process and availability of documentation would reduce the possibility of fraud in local units. The results show that there is evidence of fraud and manipulation in tenders in some local units, which is confirmed by several newspaper articles investigating them (Mandarić, 2022a; Mandarić, 2022b).

4 .Conclusions and future work

At the level of the Republic of Croatia, the analysis of a representative sample of local units included in the research showed an average transparency score of 1.44 points (out of 3). This means that while there is awareness of the public accessibility of tenders, a more mature level of transparency, such as publication of decisions, is still lagging behind. In addition, one-third of local units announced a tender for the lease of state-owned agricultural land, and of the total number of tenders conducted, only 43% had a decision on the selected bid. In only 4% of the tenders conducted were the bids of all interested parties presented transparently. Even though the publishing of this data is in contradiction with the GDPR regulations and local authorities are not obliged to open it, opening it is considered the highest level of transparency. The fact that cities that open this data exist, proves that it is possible to achieve the highest level of transparency and not violate personal data regulations. Based on the results, it can be concluded that there are certain obstacles that prevent the full transparency of tenders for the lease of agricultural land but it also proves local governments are familiar with the presence of open data regulations.

Future work will include the analysis of all counties in the Republic of Croatia and investigate how transparent the entire tender process for the lease of state-owned agricultural land is. The mentioned limitations in the conducted research will be removed in the next phase, as the local units have been contacted and the data that is the subject of this research has been requested from them.

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