

Case Study: Croatia Competitiveness Initiative (CCI)

Formation of the Croatia Competitiveness Council (CCC)

The purpose of the CCC is to make Croatia more competitive in world and regional markets through specific actions to remove barriers to investment, strengthen public agencies that provide supporting services to business, improve the strategic positioning of selected industry clusters, and contribute to public understanding of the importance to Croatian society of meeting the competitive challenges.”

Result 1. Institutionalize private-public dialogue to improve business environment, including that for small businesses

The **Croatian Competitiveness Council** of business leaders has fully consolidated and is now recognized as an effective vehicle for public-private dialogue. The **National Competitiveness Council** of leaders from business, Government, labor, and education was transformed from an idea to a virtual reality in late 2001.

Objective indicators of effective, institutionalised dialogue were identified and include the following:

- ① Number of formal meetings between the public and sectors.
- ① Identification of priorities that are shared by all sectors.
- ① Number of initiatives being implemented.
- ① Opinions regarding the quality of dialogue.

Result 2. An improved business environment through modified practices / policies of Government agencies benefiting from technical assistance

The CCI has continued to contribute to the **reduction of administrative barriers** to foreign investment through our assistance in the operation of a Secretariat for the implementation of recommendations by the Foreign Investment Advisory Service, FIAS. Objective indicators of are:

- ① Satisfied public sector clients.
- ① Modified practices / policies.

Result 3. Improve competitiveness in selected industry clusters

Work has proceeded in two of the three industry clusters that were identified for in-depth assistance: the tourism cluster and the wood products cluster. Key indicators, which provide information on the **tourism** cluster are:

- ① Revenues per tourist night.
- ① Total employment in tourism.
- ① Revenues per employee.
- ① Customer satisfaction.
- ① Attraction of investments in upscale tourism.

Wood cluster success is measured by:

- ① Export revenues from wood furniture products and % value added.
- ① Relative prices of Croatian furniture exports.
- ① Increase in local demand

Result 4. Improve public understanding of competitiveness

The CCI implemented the **Conference on Croatian Competitiveness** with over 200 participants on November 7-10, 2001 in Zagreb, in partnership with the Croatian Business Intelligence Institute, ZAPi. JAA provided the two keynote speakers, Jose Maria Figueres (Managing Director of the World Economic Forum and former President of Costa Rica) and Garret FitzGerald (former Prime Minister of Ireland). This event was widely reported in the press.

Result 5. Undertake competitiveness initiatives in one or more secondary cities in Croatia.

The CCI is performing a competitiveness initiative project in City of Bjelovar, the capital of Bjelovarsko-Bilogorska county. This project was initiated in response to a request from the Mayor and assistant minister of economy for investment promotion. The main goals of the project are: help process of strategic planning in city of Bjelovar, identify initiatives for increasing competitiveness and assist in creation of a local competitiveness council to promote private-public dialogue. In order to reach these goals, the CCI has planned and carried out a series of four workshops for business leaders and government officials in Bjelovar.