

Dinu AIRINEI · Carmen PINTILESCU · Ovidiu STOICA · Olesia MIHAI  
Daniela VIORICĂ · Alin ANDRIEȘ · Mircea ASANDULUI

FOREWORD	11
CURRENT ISSUES	17

(editors)

HIGHER EDUCATION: TRENDS, CHALLENGES AND EMERGING OPPORTUNITIES

STUDENTS PERCEPTIONS OF ACCOUNTING AND ACCOUNTANTS: A STEREOTYPICAL ANALYSIS	21
--	----

MAGDA ALBU, CATALIN ALBU, MARIA MĂMLIGA GERBUNĂ, RILIANA SANDU

INNOVATION PERFORMANCE OF THE HIGH TECH INDUSTRY IN EUROPE: A PANEL DATA ANALYSIS	29
---	----

CĂTĂLINA ALBULESCU, ANCA BRĂGHICI

THE PROCEEDINGS OF THE V <sup>th</sup> INTERNATIONAL CONFERENCE ON GLOBALIZATION AND HIGHER EDUCATION IN ECONOMICS AND BUSINESS ADMINISTRATION – GEBA 2011	37
--	----

**The Proceedings of the V<sup>th</sup> International Conference on  
Globalization and Higher Education in Economics and Business  
Administration –GEBA 2011**

OLGA GURBANU, CLAUDIA

MANAGING VIRTUAL TEAMS IN THE GLOBALIZED ERA: CASE STUDIES IN THE EDUCATIONAL AND RESEARCH ACTIVITIES	43
---	----

ANNA CONSTANTINESCU

ECONOMETRICAL MODEL TO CHARACTERIZE THE ROMANIAN EDUCATIONAL SYSTEM BETWEEN 2004-2010	56
---	----

October 20-22, 2011, Iași, Romania

ROXANA ELENA CRISTACHE, MARIANA VUTĂ, ERIKA MARIN-TEBA  
Iași, Romania

NON-PROFIT UNIVERSITIES AND THE CHALLENGES OF PUBLIC HIGHER EDUCATION IN 21ST CENTURY: THE CASE OF TURKEY	61
---	----

ERDEM EKRE ERKOC

INTERNAL ECONOMIC IMPACT OF UNIVERSITIES	70
--	----

ALEXANDRU CRISTIAN PUȚEA

TRENDS FROM LEARNING IN E-LEARNING ENVIRONMENT	77
--	----

MERCEA GEORGESCU

RESPONSES OF THE ROMANIAN UNIVERSITIES TO MAJOR TRANSITION CHANGES	85
--	----

BOB IANUȘ, GEORGE POMEROY, LORETA CERCLEUX, ILICA VALENTINA STOICA, DANIELA ZAMFIR

RESULTS REGARDING THE DESIGN OF INTERFACES IN COMPUTER ASSISTED LEARNING FOR VISUALLY IMPAIRED PERSONS	93
--	----

ANNA ISĂILA

THE NEW GLOBAL LEARNING FRAMEWORK OF PROJECT MANAGEMENT (CASE OF ROMANIA)	98
---	----

CĂTĂLINA KRANJAC DRĂGĂȘKIMIC

ONLINE MEDIA AS A LEARNING RESOURCE FOR FIRST-LEVEL STUDENTS OF THE 'NET GENERATION': USING ACTIVE LEARNING PRINCIPLES TO EMPOWER CREATIVE AND CRITICAL THINKING	105
--	-----

ALEXANDRU IOAN CUZA UNIVERISTY PRESS

IAȘI – 2011

EFFICIENCY, EFFECTIVENESS AND PERFORMANCE IN CURRENT EDUCATIONAL SYSTEMS	116
--	-----

ANNA MOLDOVAN, MARIA LUNJ-MOLDOVAN



*The current volume reunites part of the papers presented at the International Conference on "Globalization and Higher Education in Economics and Business Administration -2011", that took place on 20-22 October, at the Alexandru Ioan Cuza Univerisity of Iasi, Faculty of Economics and Business Administration.*

ISBN: 978-973-703-697-1

<b>BUSINESS AND MARKETING PROCESS ANALYSIS OF KEY PERFORMANCE INDICATORS IN PUBLIC SERVICES.....</b>	<b>829</b>
BERISLAV ANDRLIC, MARIO HAK	
<b>BUSINESS STUDENTS PERCEPTIONS TOWARD MARKETING AS A DISCIPLINE.....</b>	<b>837</b>
CONSTANTIN SASU, LUCIANA SASU	
<b>CONSUMER BEHAVIOUR – A QUALITATIVE OR A QUANTITATIVE APPROACH?.....</b>	<b>844</b>
GABRIELA ȘTEFURA	
<b>FORMATIVE AND REFLECTIVE MODELS IN MARKETING RESEARCH.....</b>	<b>852</b>
OANA CATALINA VICOL	
<b>STUDY ON SUSTAINABLE DEVELOPMENT OF HUMAN RESOURCES IN AN INFORMAL FRAMEWORK.....</b>	<b>858</b>
PETRUȚA BLAGA, AVRAM TRIPON	
<b>THE INFLUENCE OF SUSTAINABLE DEVELOPMENT PRINCIPLES ON EFFICIENT USE OF ECONOMIC DEVELOPMENT FACTORS.....</b>	<b>863</b>
MIOARA BORZA	
<b>KNOW WHAT WE DO NOT KNOW ABOUT CSR TRENDS IN THE ROMANIAN SMES MANAGEMENT.....</b>	<b>870</b>
AURICA BRIȘCARU	
<b>MANAGERIAL PERFORMANCE – ASPECTS CONCERNING ITS EVALUATION IN A HOTEL.....</b>	<b>879</b>
GINA-IONELA BUTNARU, MIHAI SERBAN	
<b>A POSSIBLE APPROACH TO THE FACTORS OF MANAGERIAL PERFORMANCE DEVELOPMENT IN TOURIST ORGANIZATIONS.....</b>	<b>888</b>
GINA-IONELA BUTNARU, CORINA MATEI –GHERMAN	
<b>COMPARATIVE ANALYSIS OF THE CROSS-CULTURAL GAPS BETWEEN FOUR COUNTRIES FROM DIFFERENT CONTINENTS.....</b>	<b>895</b>
ALEXANDRU CAPATINA, RYM BOUZAABIA, ZHANG XIAOSHUAN, FERNANDO JUAREZ	
<b>CHALLENGES IN ORGANIZATIONAL MANAGEMENT OF CROATIAN EDUCATIONAL SYSTEM TOWARDS THE EU FUNDS.....</b>	<b>902</b>
ANTON DEVCIC, VJEKOSLAV BRATIC	
<b>COMPARATIVE ANALYSIS OF CORPORATE SOCIAL RESPONSIBILITY MODELS.....</b>	<b>909</b>
RĂZVAN CĂTĂLIN DOBREĂ, FELICIA ALINA DINU	
<b>ECONOMIC EFFICIENCY OF ENERGY CONSUMPTION FOR PASSIVE DOME HOUSE.....</b>	<b>917</b>
GEORGETA DRAGOMIR, STEFAN DRAGOMIR, ANA ALINA DUMITRACHE, CARMEN MARINA DRAGOMIR	
<b>HUMAN CAPITAL AND ORGANIZATIONAL PERFORMANCE.....</b>	<b>923</b>
AMALASUNTA GEORGETA IACOB	
<b>THE POTENTIAL OF THE RENEWABLE ENERGY MARKET IN ROMANIA.....</b>	<b>930</b>
COSMIN ICHIM	
<b>THE IMPACT OF GLOBALIZATION ON THE DEVELOPMENT OF INNOVATIVE CLUSTERS.....</b>	<b>938</b>
SZILARD LAZAR	
<b>SUSTAINABLE KNOWLEDGE BASED ORGANIZATIONS. FROM A THEORETICAL TO A SPECIALIZED PERSPECTIVE.....</b>	<b>947</b>
RAMONA – DIANA LEON	
<b>ROMANIAN TOURISM IN THE CURRENT ECONOMIC CRISIS.....</b>	<b>954</b>
ADRIANA MANOLICĂ, TEODORA ROMAN	

# CHALLENGES IN ORGANIZATIONAL MANAGEMENT OF CROATIAN EDUCATIONAL SYSTEM TOWARDS THE EU FUNDS

**Anton DEVCIC**

Regional Development agency of Pozega-Slavonia County

Pozega, Croatia

anton.devcic@gmail

**Vjekoslav BRATIC**

Institute of Public Finance

Zagreb, Croatia

vjeko@ijf.hr

## ABSTRACT

*In each society, educational system is perceived or it should be perceived as one of the pillars of the whole country. The way how the schools as a part of that system are financed and who is concerned with that, has been the same for many years, naturally if we are talking about state or public schools, which is the case in this paper. Namely, public schools in Croatia are primarily and almost only financed from the central budget, and related to that fact, principals and the School boards of the schools, do not have to think necessarily about any other financial resource, or they do not have to care about stability of financial resources at all. However, talking about Republic of Croatia in the light of the approaching the status of full European Union membership, a very important topic is the availability of (pre)accession European union funds. Namely, the stakeholders on the field were dealing with preparation of project proposals for various funds, from various donators, such as World Bank, European Investment Bank, UNDP and other donors, and all with the aim to get financing for their project ideas. Namely, the different funds were available from the war period, from the beginning of the 1990's. It means that there are existing opportunities for funding, and among other stakeholders, schools are also in position to get and use money from the European union funds, so as from other available funds. Accordingly, in this paper there will be no discussion about schools as institutions which have to learn and upbringing pupils, there will be said more about schools as entities which have their potential and resources to prepare, get and implement an European Union funds in a proper way. Therefore, the aim of this paper is to define challenges that schools are facing while they are trying to prepare project proposals and apply them to the available EU funds. Research is based on the interview with principals of all primary and secondary schools in one of the 20 Croatian Counties, in Pozega Slavonia County. Nevertheless, in the paper there are some personal experiences in preparation of the applications for the available European Union funds. This paper presents the results of these interviews and personal experiences in the light of using the available opportunities provided by the European Union funds.*

## Keywords

School, project, European Union, funds, project preparation.

## 1. INTRODUCTION

In this paper schools are perceived as a institutions with many educated employees, with people who are able to prepare project proposal or they are able to learn the procedure in relatively short period. In terms of project preparation and implementation, and for that needed human capital, primary and secondary schools in Croatia has much more potential than the other groups of stakeholders, for example family farms or crafts, they are in much more better position. Also in economic theory, some authors perceive schools as institutions, and some as organisations or educational bodies [1].

However, in actual moment Republic of Croatia is approaching to the European Union, and (no) using of available EU funds is very important issue. Namely, in this period for stakeholders in Croatia is available unique fund, called Instrument for Pre-Accession Assistance, better known as IPA fund. This fund contains five components, and fourth component of IPA is Development of human resources. This component is key frame for the use of the European Union funds in the area of employment, education, vocational training and social inclusion. For this funds can apply various applicants, but these funds are mainly predicted to be conducted by subject in the area of education: polytechnics, secondary schools, primary schools etc. So talking about this available component of IPA and having into consideration the number of primary and secondary schools existing in Croatia, with the potential with which they dispose, we can say that depending on the attitude and approach of those schools, this funds will be reached and implemented or not. Hence, there is for sure great opportunity, but at the same time there are many things that have to be applied and modified in organization of the schools, in order to use the existing capacities to maximally use this opportunity. Therefore, those schools which will better adapt to this new situation will become winners, and those who will not respond on the proper way, they will become losers. Schools exist in increasingly complex and turbulent environments, but the best schools 'turn towards the danger' and adapt external change for internal purpose [2].

Nevertheless, schools will function in the future with or without European Union money, but those which will get funding, will could easier satisfy its needs in the equipment, education, technical assistance and other goods and

services. In the next parts of this paper, there will be said more about challenges which are schools as potential applicants daily facing in the activities of preparing project and getting an European Union funding, so as the some concrete guidelines for improving their position in this sense.

## 2. KEY CHALLENGES

In competition for getting an European Union funding, can participate various kinds of subjects, dealing in different areas of socio-economic life. But talking about applicants on open call for project proposals, in very specific situation are schools, especially public schools. Because on one side they have some kind of guarantee, defined by law, that at least minimum of their needs will be satisfied from the central government budget. On another side, the are raising needs for education, not only for pupils, but for teachers, there are raising needs for equipment for laboratories, cabinets, sports halls etc. These raising needs are in discrepancy with the available budget sources, and to reduce this gap it is for sure good way, to find another source of funds, in this case European Union funds.

Taking into account the number of primary and secondary schools in the Republic of Croatia, with 851 primary schools [3] and 430 secondary schools [4], and with its employees it is huge human capital. But the figures are for know only sign of potential, which is in the real daily life used mostly or only for conducting the main purpose of schools, education of pupils. Thereby, by using the available European Union funds, for procurement of needed goods and services, the quality of classes should be certainly improved. But the situation on the field is very challenging; not only in those schools whose principal and employees are attempting to prepare and implement project financed by European Union, but as well in primary and secondary schools in general. Followed challenges are recognized as the crucial and the most common: 1. Very small number of projects; 2. The preparation or no-preparation of the projects is depending on the person of the principal; 3. Perception that there is no other money than the central budget money; 4. Less strategy, more ad-hoc attempts; 5. Many school's facilities don't have proper permits.

### Very small number of projects

For sure it is not function or role of the school to prepare and to implement projects, and it is not predicted that principal, teachers and other school employees be paid for that. In this sense, the position of the schools would be better and more precisely defined if we say that schools are trying and tending to be beneficiaries or consumer of projects benefits, but they are not project developers. For example, in Pozega Slavonia County from the number of 14 primary schools and 8 secondary schools, only 2 had prepared project and applied it on the EU funds. This is very significant figure, which is saying that schools in Pozega Slavonia County cannot be satisfied with the number of prepared projects, so as with implemented amount of European Union funds. Nevertheless, with this tempo and dynamics, schools will lose many opportunities for funding from European Union funds, especially in the light of the coming huge EU structural and cohesion funds. The school boards and principal perceive preparation of project proposal as something too complicated for them, doesn't matter if they are preparing it alone, with help of consultants, or they engage someone to do it for them.

Therefore, on the one side the needs of a schools are raising; principal, teachers and other employees need better work conditions, in order to improve quality level of the knowledge and skills that they are transferring to the pupils; on the another side there are students which are in raising need for new knowledge and skills, according the changes in socioeconomic environment. In the fact, needs are raising, so as the available European Union funds, but in order to reduce this gap between needs and fully satisfying of that needs, it is necessary to prepare more project proposals.

According to opinion of principals of the schools in Pozega Slavonia County, there is no need for concern about that because, 81% or 18 principals out of 22 are confirming that they will try to prepare project proposal, and that it is their orientation on long term. Whether it will be only what they declare, or what they really will do, depends on many factors. Some of these factors are internal, inside the schools, and by the school management they can be controlled, such as (no) existing of a developed own project team, (no) existing of project experience, openness and readiness of school board for preparation of European Union project proposals, attitude of the principal etc. Another kind of the factors are external, a part of wider society and economy, so they cannot be controlled by schools - according to that the schools have to adapt themselves to the conditions that these factors brings. For example the external factors are: (no) existing of national strategy for project activity in schools, (no) existing of law regulations for awarding a project team participants, attitude of local authorities, readiness to help and provide support etc. In some of the next chapters of this paper, will be said more about this factors.

### The preparation or no preparation of the projects is depending on the person of the principal

Education systems place extreme demands on the managerial, technical, and financial capacity of governments [5]. The schools in Croatia are organized in the way that they are managed by school boards, which as main bodies bring decisions about all facts that are necessary and crucial for functioning of school. But the daily and operational decisions are usual part of job of principals. And principal as a some kind of chief executive is representing the school, in contacts with ministry representatives, with local authorities, also attending and represents school on different body meetings, on events etc. He is also in direct interest to get and bring as much support and funding from different sources.

The person of principle, if we compare him with other school employees, is also in position that is the closest contact with the people who has concrete information about EU funds: Regional Development Agencies employees, different consultants, department for education in local authority bodies etc. But in the most cases, this potential source of information, and information with which they are disposing, will be used from the principal who has interest to hear and use it. Regarding to that fact, the research that I have made in the 18 months during the 2009-2010, tells that only 2 or 9% of principals came to the Regional Development Agency, to ask about possibility for funding of their project ideas. It is If we know that this Regional Development Agency is the only official body for project preparation in this area, this figures are more discouraging. What is significant in this case, is that this visits are result of personal decisions of the principals.

There is no systematic approach, and principals have full autonomy, and according to that fact, principals makes decision, whether school will prepare project proposal or not, whether they will educate employees for project preparation, whether they will build a own project team or they will engage a external consultants. Beside that, there is no any pressure from school boards as a decision body, that school have to go in direction of preparation of projects. As a result of principals decisions, we have situation that some schools are building own project teams, preparing project ideas and project proposals, and on the other side we have schools in which principals don't have any idea about availability and opportunity that European Union funds brings, and related to that they don't have any project proposal in their short term and long term plans.

Also we have to have on mind, that principals have frequently lacked the ongoing professional support they need to develop their skills and meet the demands placed upon them. This stands in contrast to career paths in many management jobs or in such professions as medicine, architecture, and engineering, which build in apprenticeships in the early years, along with ongoing professional development [6].

#### **Perception that there is no other money than the central budget money**

It is not only perception that there is no other source of money than the central budget, but the most of the stakeholders are acting in accordance with this attitude.

Naturally, public schools are budget users, and most of the money needed for functioning of the schools is transferring from central budget across the counties to the final beneficiaries- schools. These assets are transferred under budget line which is better known as decentralized functions. This is part of assets needed for daily functions of the school, in order to enable that minimum law defined standard of each school and each student can be reached. This budget line covers first of all, various material costs. Beside this part of budget, there is also budget line for buildings, equipment of buildings and other similar cost. However, the ministry is trying to fulfil prescribed minimal standards, but apart from that standards, in the same time there are more and more requests of the schools, which are very often above the predicted level of standard.

Concerning the needs of the schools, under the assumption that each school as a stakeholder want to fulfilling every of its needs and wishes, the schools can take one of the following two approaches: to wait on the budget funds, with no excitement, or to prepare project proposal and apply it on the some of the available funds. Waiting on the budget funds in this sense includes waiting on the turn, when authorities will be decided that exactly your sports hall will be build from the budget money for this year. This is passive, time requested approach. Unfortunately, it is still characterises for most of the principals in Pozega Slavonia County, so as in the most of the Croatia. Active approach is unfortunately, still very rare, regardless of its positive impact on the long term.

#### **Less strategy, more ad-hoc attempts**

From the national level, the schools in Croatia are not perceived as group as stakeholders that have potential for using the European Union funds. That is why there is no clear strategy in this sense. Unfortunately, there is many proves that can confirm this fact. There is no legal regulation how to award teachers and other employees for its work in project team, there is no organization of systematic education for projects developers and those who are implementing a projects, there is no systematic information of the principals, in other words, most the activities in the project proposal preparation are part of own perception of the principal and the school boards. In the most cases, projects are individual and autonomic reflex or reaction, very rare it is part of some strategy implementation. On the level of the individual schools, those who are working and trying to do something in the sense of getting an EU money, they usually have some short or mid term plans, in the way that they know what ideas they want to be prepared and applied as a project proposal. When we talk about preparation and applying project ideas on some open call for proposal, then is very often, that projects are trying to be prepared from the moment when the call for proposal is open. In another word, principal or its project team based his idea on the available or currently opened funds. This is wrong approach, because projects have to be prepared according its own priorities, not according to the availability of some fund. This is typical example of lack of strategic approach.

#### **Many school's facilities don't have proper permits**

If some school is applying its project on some call for project proposals, and projects which includes rehabilitation, refurbishment, or building of a some new facility, then is necessary to have all the predicted permits. It means site permit, building permit, and use permit. The current situation is that many of the schools have facilities, such

as playgrounds, economy buildings or similar objects, but without proper permit documentation. The main school building are more less all registered, but many of other facilities have been built after the main school building, and according to that they are not part of original documentation, and at the same time they don't have its own documentation.

It is similar situation in Croatia, with many facilities owned by physical persons, and by the legal entities in various sectors. The additional disadvantage of these so called illegal facilities is that having the proper permits is precondition for taking into consideration for getting an EU funds. Because of that the process of legalisation have to be conducted, but it is complex issue in which principals have to have good cooperation with local offices dealing with permits, so as the necessity of solving this issue on the national level.

### 3. SOME GUIDELINES TO COPE WITH CHALLENGES

As a primary and secondary educational institutions and as part of national educational system, schools, teachers, principal and other staff are with reason oriented and focused on the education of students. Nevertheless, in the period of raising needs of the schools on the one side, and the limited funds in the central national budget, there is gap between wanted and reached level of assets on the disposal of the schools. Principal, school boards, teachers and other employees need and want better work conditions, on the another side, pupils want also better conditions for learning, but getting of new knowledge and skills will be surely improved. In order to reach this wanted quality level of work conditions in schools in the shorter period than by waiting on the national budget sources, it is desirable and required to prepare project proposals and to apply them on EU funds. In this sense, to maximize the number of projects and implemented amount of funds, there are some changes needed in the approach in school management, so as the some conditions or facts on which schools have to be adapted. Taking into account that fact, there are some guidelines helpful for preparation and implementation of EU projects, and here bellows are defined only those that are perceived as a most important:

#### 3.1 Find a way to attract and award a project team members

Employees of the school are persons, who are part of national educational system, and according to that, their rights and obligations are strictly and precisely defined, which is all regulated by the law. But the law and the related regulations don't recognize the terms as a project preparation, implementation of projects for improvement of a classes. Namely, at the moment, these terms and these activities are not part of systematic approach, just opposite - these activities are reflex or answer to available opportunities. Nevertheless, these activities of preparation and implementation of project ideas in schools are result of initiative of enthusiastic individuals, or very rare enthusiastic teams, who are some kind of accelerants of development of its socio-economic environment. So accept this lack of systematic approach in this field, there is no strategy in this sense on national level, what all results in the fact that there is no legally defined way to award people who will participate in work of project team, or they will prepare project proposals alone. Principally, those employees of the schools who are working on projects have the same salaries and benefits as those who are working their mainly work, teaching of the pupils. According to that, principals, or other employees who has ideas, and want to prepare some project for its school and for wider socio-economic community have a real problem. They can not find cooperatives, because it is hard to motivate people, by giving them new obligations and giving them nothing concretely instead. That is according the interview the reason why in 86% cases (19 out of 22) the principals in the schools in Pozega Slavonia County are main person who is working everything or the most work on project. 72% of them say (16 out of 22) that they cannot engage their stuff with new obligations. Related to existing situation, there is necessary to built systematic approach in this sense, to move this human capital in the schools to maximise the number of prepared and implemented projects. It is not enough that principals avoid law and pay some cash, by per diems etc. It is necessary to regulate law, in the sense that educated people that are working in schools become more motivated to use opportunity to contribute to development of the wider socio-economic environment by different project activities in sense of getting and implementing EU funds. It is the fact that public employees' ability to extract higher wages is limited by the willingness of taxpayers to foot the bill [7], but this is part of contribution to the whole society.

#### 3.2 Principals and different school employees have to be more and better informed

From the aspects of preparation and implementation of project funded by EU, concerning the potential in human recourses of the schools, there is risk to be completely unused and idle. The first step to avoid this situation or to reduce this possible risk to become true, it is very important to inform and educate schools employees. People who work in the education establishments in all countries of the EU are probably the leading actors explicitly engaged in building European society [8]. In this part of informing and education of the local authorities, with its offices in the counties as a NUTS III units, have to contribute the most to the better information of local schools. Because, this schools are according the law under direct concern of County offices for education. On the other side, employees of this offices know, or at least they have to know, which, when and what kind of funds will be available for schools. This communication has two ways; on one side there is more or less active principal, and on another side there is County offices which have to take care to get any possible information and provide them to the principals.

Due to still existing important role of this county offices, the way have they are doing their job in this sense is extremely important. Beside that the sense of getting information and education of the schools employers, the attitude and activity of principal is also more than important. From the perspective of the principal, it is good to be active member of the some of the local committees who are dealing with information about EU in general, so as with the information about European Union funds. In Pozega Slavonia County among 25 members of Council for European integration, only 2 are principals. And just for illustration of the theorem that is important to participate in some kind of body with an EU attribute, is that 1 of the members of Regional operational committee is the principal of the most active school in preparation of projects. The presence on the one of the source of the information about funds was very useful. This position, can initiate principals to think more widely and more strategic, although some researches tell that bosses in general, spend only 3-4% of their day thinking about long-term strategy [9].

In term of education, in the IPA period, in the last six months, representatives are called on few educational one-day workshops, in the competent bodies for a certain EU funds. Those were mainly informative educations about available grant schemes funded by EU. So the real question is, is one day education enough? How many days can really be helpful to those who are preparing the projects? It is depending on many facts, but one is sure, it is necessary to attend on educations, to collect information and exchange experience. The role of those stakeholders who are multiplication of knowledge in preparation of projects, for example Regional Development Agencies, is to be on fully disposal of the local schools.

### 3.3 Necessity to perceive another financial sources than the budget

It is long in tradition in many of the institutions that are budget users, so in the Croatian schools, hospitals, but especially in the municipalities, that are waiting only on the quarantined transfers from central budget. Some characteristics of the system of the public budget financing, especially when we talk about capital investment or so called investment maintained are: there is no cost-benefit analysis in decision making about capital investments, there is no feedback about functioning of the some investments, the decisions are mainly brought based on reciprocity, the political decisions are also very often etc. And what is usual, that money is divided on the way that there is some unwritten rule. Each few year some school gets some funds, for some investment, and it is matter of time when someone will get money for its own school hall, playground etc. So the main characteristic that is needed in this sense is patience. But to avoid only the waiting on the budget funding it is good to inform constantly the schools as a potential acceptor of an EU funding, that exactly they can prepare and get funding for their project idea. This could be done by constantly informing them, by calling them to attend on informative seminars, especially with presenting the positive examples of schools who used already some of the funds. In this sense local County office for education can and have to do more, especially in cooperation with RDA's, County or Towns offices for European integration or other similar stakeholders that are ready and skilled to provide information, education or any other kind of technical assistance in this area.

### 3.4 Schools have to have strategy, not only wishes

School systems differ in the amount of time, human, material and financial resources they invest in education. Equally important, school systems also vary in how these resources are spent [10]. The fact that schools as stakeholders have their needs so as their wishes, which will have direct impact on improving of the quality of the education is the fact, which is defined in some of the previous chapters of this paper. But, what is important, or what is good to be done in this sense, is to have clearly defined needs or problems, so as the aims which will bring to reducing or solving of so defined problems, or satisfying the identified needs.

Once when the principal in cooperation with school board, or in any other similar cooperation define list of needs, then is much easier to define priorities. Probably it doesn't seems so difficult to define, but it is the fact that schools are not putting things in this way, just opposite, the head bodies of the schools are making plans only on more less previously strictly known amount of money that have to be transferred to them from the central budget. In another words, they have to make at least plans, or the best would be to make strategies with concrete activity plans to another source of funds. This will mobilize the employees, those responsible will be searching the information of available or soon available plans, the project team will be established, based on school employees or on the external consultants etc. Beside that, learning organization is one that mines past and present experiences for important lessons and principles [11]. Also another fact, why this strategies are important, is that on this way the possibility of fulfilling of the the needs or wishes will be much more increased. On the other side, EU will finance some things that are maybe not predicted to be financed from state budget. At the end that depends again on principal and the school board as holder of management of the school, but it is at the same time predefined by the approach or by the strategy of higher levels: by Ministry of education, County offices of educations, local authorities and others.

### 3.5 Necessity of getting permits and legalize facilities



The situation about so called illegal objects in Croatia is according to predictions, that there is round 150.000 objects. In order to and clean this massy situation put in order this objects, the related ministry started the process of legalization. Those objects which are not opposite of the existing laws will be legalized, naturally under some conditions that have to be fulfilled, and some fee to be paid.

Talking about objects in education system in Pozega Slavonia County, there is very brindled situation. All the school objects have building permits, especially when we talk about situation in main school object, but the situation about another facilities which are connected with main object, and which are usually built in the period after school was various from case to case. Those are usually some economy objects, storages, so as playgrounds, car-parks and other similar objects. No matter how many of this facilities or objects are illegal and without needed permits, they have to be legalized. First of all to avoid situations that happened in the past which is at the edge of law, for example when ministry finance refurbishment of the playgrounds which doesn't exist according the situation in cadastre and land-registry. Another important fact, and in the sense of EU funds the crucial is that objects without necessary permit documentation, are not eligible for applying and getting an EU funding. This put certain schools out of competition for an EU money, and in sense of coming huge Structural and Cohesion funds, this situation have to be solve as soon as possible.

In this sense would be the most appropriate approach, that local County office for education, in cooperation with the principals collect data about situation in each school in one County, and to appear in the front of the responsible authority. In this way the situation could be solved much more systematically, and the individual approach of each principal will be avoided. Beside that, as budget users, schools could ask from ministry reducing of related fees that have to be paid, or from local authorities, in the part in which this fees are refer to them.

#### 4. CONCLUSION

The public primary and secondary schools in Republic Croatia, are institutions which are budget users, so as the budget users there is law defined guarantee that the all cost needed for daily functioning of the schools will be paid from central budget. There is minimum which is strictly defined by law. But beside that minimum there is identified need from the side of principal, teachers and other staff for new equipment and tools, for new cabinets, laboratories and other things which are part of conducting the school program in proper and quality way. On the other side there are students, which on this way with better equipped lessons have opportunity to get more of new knowledge and practical skills. Nevertheless the school objects have to be maintained, so as adapted to requests of new standards of protecting the environment and saving energy. All these improvements are for sure needed to improve school system, to improve quality level of transfer of knowledge and skills, but of course, for all that are needed funds.

In current politics of financing schools from central budget, and respecting the limits of the budget, it is impossible to fulfil every need or wish, from every school. So some schools have to wait the time when there come, piece of budget for their playground, roof of school gym. Regarding to this situation, the schools, or their principals and school board have to prepare their project ideas into project proposals and applying them to the available European Union funds. Especially, when we know that the huge EU funds are coming, and that those schools which will be better prepared and better present its project idea, that those school will get and implement more funds in its facilities, equipment and education process. Therefore, the principals and school boards have to make swerve, to change their way of thinking and from those who are waiting on the budget money, become those who are transforming their needs, wishes and ideas in concrete projects. Because, the human institutions are imperfect and for each of them is challenge to learn from successes and from failures [12].

Therefore, there are needed changes in approach, the level of information and education about European Union funds have to be raised, the strategic approach is needed in schools itself so as on the higher levels, and the more synergies and coordination is needed, from those who are approving the building permits, providing any other documentation, to County offices for education, local authorities, and to all those who have need to improve the quality of education system using the available European Union funds.

#### REFERENCES

- [1]. North, D.C., (1990), *Institutions, Institutional Change, and Economic Performance*, Cambridge: Cambridge University Press
- [2]. Hopkins, D., (2007), *Every school a great school*, Berkshire: McGraw-Hill
- [3]. Croatian Bureau of Statistics (2011), *First Release: Basic schools end of 2009/2010 school year and beginning of 2010/2011 year*, Number : 8.1.2, Zagreb: DZS
- [4]. Croatian Bureau of Statistics (2011), *First Release: Upper secondary schools end of 2009/2010 school year and beginning of 2010/2011 year*, Number 8.1.3, Zagreb: DZS
- [5]. Barrera-Osorio, F. et al., (2009), *Decentralized Decision-Making in Schools*, Washington DC: The World Bank
- [6]. Darling-Hammond, L. et al., (2010), *Preparing principals for a changing world, Lessons from Effective School Leadership Programs* San Francisco: John Wiley & Sons, Inc
- [7]. *The Economist*, (2011), *Pay in the public sector: Sun, salaries and public servants*, 398(8723), pp. 73

- [8]. Fligstein, N., (2008), Euroclash: The EU, European Identity, and the Future of Europe, New York: Oxford University Press
- [9]. The Economist, (2011), Management: What do bosses do all day?, 399(8732), pp. 63
- [10]. OECD (2010), PISA 2009 Results: What Makes a School Successful? –Resources, Policies and Practices (Volume IV), pp. 14
- [11]. Peterson, K.D. & Deal, T.E., (2009), The Shaping School Culture Fieldbook,
- [12]. San Francisco: John Wiley & Sons, Inc
- [13]. Stiglitz, J.E., (2009), Making globalization work: The next steps to global justice, Zagreb: Algoritam