



# Monitoring the Mediterranean Strategy for Sustainable Development

PROMOTING A SUSTAINABLE TOURISM

National study for Croatia

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**Plan Bleu**

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# EXECUTIVE SUMMARY

Introductory part of the study gives basic data about Croatia as a relatively new European country finalizing process of joining European Union. Regarding development of tourism it is pointed out that tourism play extremely important role in the national economy and is very strongly oriented towards the coast and bathing tourism in general. It is also mentioned that dissolution of former Yugoslavia and war between 1991 and 1995 produced serious damage to tourism industry and stopped the process of the repositioning off the tourism product. Therefore Croatia in spite of high growth rates still has not reached the number of overnights in the late eighties of last century. At the same time it was saved from excessive building of hotel capacities in the coastal areas that happened in many developed European Mediterranean countries.

In-depth assessment of progress made has pointed out that very strong and fast process of building secondary residences in the coastal area in the last ten years (so-called “apartmanization”) is viewed as the main threat to the future of Croatian tourism. This process is further complicated through the weakness of legal instruments that can stop it, what is caused by transition processes and corruption inducted by extremely high profit in construction business. The consequences were especially negative because this construction occupies large areas of the coast making almost impossible profitable tourism activities. Another negative aspect is a fact that the majority of this construction is visually inappropriate and is therefore directly diminishing the aesthetic value of the coastal areas as the most important Croatian tourist resource.

In spite of afore mentioned negative processes, Croatian coast is still relatively well preserved in comparison with majority of Mediterranean countries. That is caused by relatively low population density of coastal regions and existence of many areas in natural condition, including large portions of land under special nature protection status. Very important aspects of attractiveness are also high variety of Croatian landscapes, rich and various cultural heritage and high biodiversity. This is caused by Croatia’s position on the crossroads of the big natural ecosystems and cultural influences. Since large parts of the country are in natural condition, there are few big cities and very few polluting industry, Croatia generally does not have important ecological problems.

In-depth assessment has also pointed out that tourism in Croatia is still viewed as mainly positive activity. That is partly caused by low number of overnights considering spatial possibilities, very few new hotel capacities built in the last twenty years, but also in the big share of small scale accommodation in households. Since tourism is at the same time probably the most important economical activity in the country, the general living standards are much better in the coastal parts of Croatia than in the continental part, where tourism is almost totally undeveloped.

The evaluation of good practices has stressed out that Croatia is excessively oriented towards car traffic, but that is still not producing serious problems due to good newly built motorways relatively far from the coastal strip. The environmental situation is relatively good regarding fresh water resources, water pollution is not very high and solid waste is not producing serious problems in spite of low standards of recycling. There could be problems regarding energy production, with remark that industrial production is also not very high. Therefore the overall environmental situation is still good and Croatia belongs to the countries with the lowest negative influences regarding climate change in Europe.

Probably the key problems of future development lay in legal issues, what is caused by transition processes and fast adaptations to EU standards considering joining process. Therefore the majority of proposals in the last part of the study are concerning gaps between very complicated legislation and low level of their implementation. This is important because adequate legislative and fiscal tools

are necessary for the solution of main problems in tourism development. Those problems are first of all excessive construction in coastal areas, especially of secondary residences, and very high disproportion between coastal tourism and continental tourism in general. Simple and effective legal and fiscal tools are therefore key elements of future development, because only efficient implementation of adequate measures can assure sustainable tourism development in the future.

# 1. PART I - TOURISM CONTEXT AND TRENDS, POLICIES AND STRATEGIES

## 1.1. INTRODUCTION

Croatia is located in the central northern part of the Mediterranean basin, between the Pannonian plain and Adriatic Sea, as the northernmost part of the Mediterranean. It became independent country in 1991 after dissolution of former Yugoslavia and is currently in the process of joining European Union as its 28<sup>th</sup> member and the westernmost former communist country still not member of the EU.

Croatia has an area of 56.594 square kilometres and about 4,5 million people in 2008 (4.381.352 according to the last census in 2001). Territorial sea belonging to Croatia covers an area of 31.067 square kilometres. The length of its coast on the Adriatic Sea is 5.835 kilometres, from which 4.058 kilometres belongs to its 1.185 islands, rocks and reefs. Since the majority of the eastern coast and almost all islands of the Adriatic Sea belong to Croatia, its coastline on the Adriatic is longer than the coastline of all other countries (Italy, Slovenia, Bosnia and Herzegovina, Montenegro and Albania) on the Adriatic Sea together.

Although it is relatively small country, Croatia is characterized with big variety. Three main natural regions are:

- Pannonian plain, covering about half of the territory and two thirds of population;
- Mountain Croatia, covering about 15 per cent of the territory and only 2 per cent of the population; and
- Mediterranean Croatia, covering one third of the territory and about 30 per cent of the population.

About 10 per cent of the territory is under protection and biodiversity is one of the highest in Europe. The most important and most popular national and nature parks are those with karst phenomena - waterfalls, limestone rocks, indented islands.<sup>1</sup>

The climate in the Pannonian plain is moderate continental with warm summer and cold winter, in the mountain part a bit colder with a lot of snow in the winter, and typically Mediterranean near the coast with warm and dry summer and mild and humid winter. The highest mountain peak is Dinara with 1.831 meters above sea level, the longest rivers Sava (562 km in Croatia, 942 km total) and Danube (2.857 km total and 188 km in Croatia). The biggest lake is Vransko with an area of 31 km<sup>2</sup>.

Considering its position on important crossroads of Europe between Central, Southern and Eastern Europe, in Croatia it is possible to see a lot of different cultural influences. The larger continental area including the mountain part is considered as a part of Central Europe and smaller coastal area on the Mediterranean as a part of Southern Europe. It is caused by historical ties with Habsburg Empire (today Austria) in the interior, and with Roman Empire and Venetian Republic (today Italy) in the Mediterranean part. In spite of long history of the border country with Ottoman Empire there are almost no visual oriental influences in Croatia and majority of the inhabitants are Roman

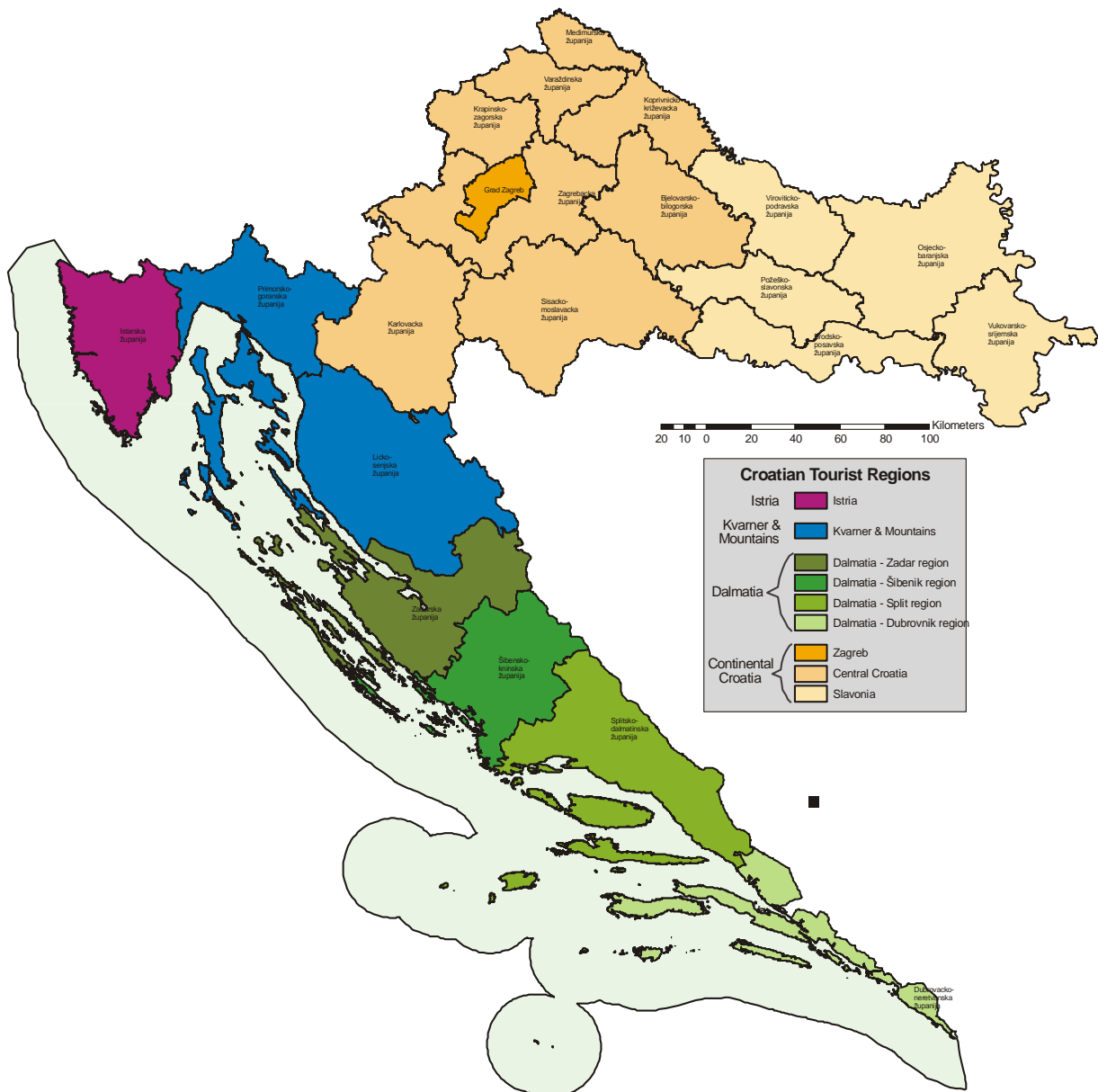
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<sup>1</sup> The significance of Croatian karst is best seen in the fact that in the international technical literature for the majority of the special karst forms the original Croatian terms are used, for instance uvala, polje, hum.

Catholics. The cultural heritage is covering all major historical periods, and its high value is proven by the fact that there are five UNESCO World Heritage sites, what is considering Croatia's size and number of population one of the highest concentrations in the world.

Afore mentioned attributes are very favourable for the development of tourism. Especially important attributes are well indented coast with many islands, pleasant climate and excellent traffic position very close to the European market. On the other hand, it has to be mentioned that this development refers almost only to the seaside tourism based on "sun and sea" model, and other forms of tourism are still undeveloped. There are some objective circumstances for such development, such as lack of snow for winter tourism due to low altitudes of mountains and orientation of spa tourism mainly towards domestic tourists based on health insurance. Cultural and rural tourism are also developed much under the objective possibilities, especially in the continental part of the country. At the same time, there is very good offer of those forms of tourism in neighbouring countries (especially Slovenia), which is inhibiting faster development, especially of spa and rural tourism.

Figure 1 Croatian tourist regions



Strong concentration of tourism near the coastline is visible through a fact that in seven coastal counties, covering 44 per cent of the territory and 32 per cent of the population of Croatia, is concentrated 95,8 per cent of total and 97,5 per cent of foreign overnights. In the narrow coastal belt (municipalities and cities on the coast), where practically all tourism is sea based, it is accomplished 94,7 per cent of total and 96,7 per cent of foreign overnights. The only two concentrations of tourism in Continental Croatia with more than 100.000 overnights are the City of Zagreb with 1.133.172 overnights and the area around Plitvice lakes national park with 361.332 overnights in 2007, representing about two thirds of total continental tourism.

**Table 1 The number of tourist overnights in Croatia by tourist region<sup>2)</sup> from 1989 to 2007**

tourist region	1989	1992	1996	2000	2003	2004	2005	2006	2007
<b>TOTAL OVERNIGHTS</b>	61.848.887	10.724.549	21.455.422	38.405.930	46.635.139	47.797.287	51.420.948	53.006.946	56.005.492
ISTRIA <sup>†)</sup>	19.743.443	6.197.533	9.509.821	14.284.770	16.213.896	16.532.510	16.649.944	16.968.695	17.613.132
KVARNER & MOUNTAINS <sup>**)</sup>	14.971.753	2.644.503	6.766.810	9.894.307	11.176.954	11.199.518	11.622.030	11.926.053	12.430.024
DALMATIA <sup>***)</sup>	23.484.162	447.661	3.881.406	12.891.210	17.466.692	18.259.331	21.180.201	21.928.330	23.589.709
CONTINENTAL CROATIA <sup>****)</sup>	3.649.529	1.434.852	1.297.385	1.335.643	1.777.597	1.805.928	1.968.773	2.183.868	2.372.627
<b>FOREIGN OVERNIGHTS</b>	54.466.290	7.554.766	16.545.626	33.307.408	41.323.148	42.516.325	45.986.517	47.021.944	49.574.630
ISTRIA <sup>†)</sup>	18.459.322	5.213.280	8.728.416	13.642.180	15.514.783	15.711.376	15.963.668	16.201.050	16.876.916
KVARNER AND MOUNTAINS <sup>**)</sup>	13.076.560	1.640.474	5.135.841	8.408.519	9.705.302	9.840.671	10.220.672	10.374.808	10.866.000
DALMATIA <sup>***)</sup>	20.876.261	128.534	2.105.201	10.658.095	15.217.410	16.020.634	18.750.982	19.285.385	20.584.982
CONTINENTAL CROATIA <sup>****)</sup>	2.054.147	572.478	576.168	598.614	885.653	943.644	1.051.195	1.160.701	1.246.732

Source: Republic of Croatia - Central Bureau of Statistics

<sup>†)</sup> County of Istria

<sup>\*\*)</sup> Primorje-Gorski kotar and Lika-Senj county

<sup>\*\*\*)</sup> Zadar, Šibenik-Knin, Split-Dalmatia and Dubrovnik-Neretva county

<sup>\*\*\*\*)</sup> Remaining 13 continental counties and the City of Zagreb

## 1.2. MAIN CHARACTERISTICS OF THE DEVELOPMENT OF TOURISM

Tourism is in one of the most important economical activities in Croatia in the last forty years. After a fast development between late sixties and early eighties of the previous century, the development has reached its peak in the period between 1985 and 1989 with more than 60 million total and more

<sup>2</sup> Croatian National Organization officially divides Croatia into eight tourist regions - Dalmatia is further divided into four regions each covering one county (Dalmatia - Zadar region, Dalmatia - Šibenik region, Dalmatia - Split region and Dalmatia - Dubrovnik region), and Continental Croatia into three regions - Zagreb (The City of Zagreb), Central Croatia (counties Zagreb, Krapina-Zagorje, Varaždin, Međimurje, Koprivnica-Križevci, Bjelovar-Bilogora, Karlovac and Sisak-Moslavina) and Slavonia (Virovitica-Posavina, Požeška-Slavonia, Slavonski Brod-Posavina, Osijek-Baranja and Vukovar-Sirmium). But in the majority of analysis of Croatian tourism and for the marketing purposes afore mentioned four larger tourist regions are still in use.

than 50 million foreign overnights. After a crisis in former Yugoslavia and especially after war between 1991 and 1995, tourism industry was almost completely destroyed. The damage was especially big in Dalmatia, which was directly involved in military operations and was cut from the rest of the country due to occupation of the part of Croatia by Serb paramilitary forces.

The number of total overnights dropped to only 10 million, and of foreign overnights to 7 million in 1991-1992. Almost 30 per cent of foreign tourists in that period came from the neighbouring Slovenia and were concentrated mostly in Istria as the only part of Croatia that was not at risk during the war. In Dalmatia as the biggest tourist region the number of foreign overnights in 1992 dropped to only 129.000 in comparison with more than 20.000.000 in 1989. Apparently high number of foreign overnights in Continental Croatia in that period was mainly caused by the presence of military personal, international observers and journalists covering the war in Croatia and neighbouring Bosnia and Herzegovina. The only areas of Croatia with some “real” tourism in that period were Istria and neighbouring parts of Kvarner bay, where there were no military operations and the life was generally normal.

**Table 2 The area and the population by tourist region in 2001**

tourist region	area in sq km		population in 2001		per km <sup>2</sup>
	total	%	total	%	
ISTRIA	2.813	5,0	206.344	4,7	73,4
KVARNER AND MOUNTAINS	8.940	15,8	359.182	8,2	40,2
DALMATIA	12.943	22,9	849.844	19,4	65,7
CONTINENTAL CROATIA	31.898	56,4	2.965.982	67,7	93,0
<b>CROATIA TOTAL</b>	<b>56.594</b>	<b>100,0</b>	<b>4.381.352</b>	<b>100,0</b>	<b>77,4</b>

Source: Republic of Croatia - Central Bureau of Statistics

The recovery of Croatian tourism has started in 1994, but was again stopped with intensive war activities during 1995. The main reason was military operation “Storm” in August 1995, when the majority of formerly occupied territory was liberated by Croatian army. The recovery started again in 1996, when the number of 20 million overnights was reached once more. The growth continued slowly to 1999, because it was endangered again with the crisis on Kosovo and NATO action in Serbia in 1998.

The real growth started after 1999, and between years 1999 and 2000 the number of overnights increased from 27 to 39 million. After that the growth has continued permanently year by year and is still going on. Positive trends after 2000 were caused by stabilization in the area, peaceful change of government in Croatia in 2000 and start with the negotiations about joining EU in 2005. In the last few years the growth was strongest in Dalmatia due to building of new motorway from Zagreb, but also due to its slower recovery in previous period immediately after the war.

In spite of such growth, which is bigger than in most other European countries on the Mediterranean, Croatia still has not reached the number of overnights from late eighties of previous century. Only the income from tourism is now much bigger than in the period of former Yugoslavia, although the numbers are incomparable with the period before year 1991.<sup>3</sup> In that sense it has to be mentioned that negative trends started already in late eighties, before the crisis in former

<sup>3</sup> Considering a fact that Croatia represented about 80 per cent of foreign tourist income of former Yugoslavia, it can be concluded that actual tourist income of nearly 10 billion US \$ is much bigger than it ever was in the period before Croatia's independence. Therefore it should be mentioned that comparisons with former period are impossible due to completely different methodology of measuring income from tourism used in former Yugoslavia, showing much lower values than according to the recent methodology comparable with the EU standards.

Yugoslavia begun. They were caused with the maturity of the Croatian tourist product, which were 20 years ago a typical example of mass seaside tourism oriented mainly towards low purchasing power demand. Therefore the war has not only destroyed physical aspects of tourism, but has also concealed the real reasons for the negative trends in that period.

Another reason whilst the situation with tourism before the war is sometimes seen more positive than it really was is the change of structure of Croatian tourism by country. In the past the share of tourists coming from developed Western countries was much larger than today, making wrong picture of more competitive tourism product in the past. Germany remain the main tourism market, but its share dropped from 28 per cent in 1989 to only 22 per cent in 2007, and the share of once important more distant western countries like United Kingdom, Scandinavian countries or United States dropped more than three times. At the same time the share of formerly communist countries like Czech Republic, Slovakia, Hungary and Poland is today much higher than before 1991, when Croatia was part of communist Yugoslavia.<sup>4</sup>

**Table 3 The number of visitors and overnights by nationality in 2006 and 2007**

country	visitors		overnights		% in 2007 <sup>**) </sup>
	2006.	2007.	2006.	2007.	
Total all	10.384.921	11.162.406	53.006.946	56.005.492	100,0
Domestic tourists	1.726.045	1.855.715	5.985.002	6.430.862	11,5
Foreign tourists	8.658.876	9.306.691	47.021.944	49.574.630	88,5
Germany	1.544.801	1.554.794	10.986.866	10.848.939	21,9
Slovenia	913.072	1.015.379	5.245.881	5.689.746	11,5
Italy	1.235.413	1.249.343	5.474.456	5.451.968	11,0
Czech Republic	593.276	669.132	3.921.345	4.394.711	8,9
Austria	790.083	839.717	4.069.302	4.244.607	8,6
Netherlands	241.856	264.664	1.938.295	2.030.442	4,1
Hungary	402.782	381.202	2.196.365	1.984.644	4,0
Poland	275.845	322.890	1.612.013	1.833.961	3,7
Slovakia	217.986	280.586	1.428.346	1.831.655	3,7
France	505.139	473.806	1.707.718	1.664.973	3,4
United Kingdom	268.777	267.159	1.366.266	1.275.609	2,6
Other EU countries <sup>*)</sup>	-	705.671	-	2.922.041	5,9
Russia	108.672	157.259	936.639	1.288.828	2,6
Bosnia and Herzegovina	188.774	222.135	948.397	1.146.799	2,3
Other European countries	951.482	394.826	4.194.822	1.790.723	3,6
Countries outside Europe	420.918	508.128	995.233	1.174.984	2,3

Source: Republic of Croatia - Central Bureau of Statistics

<sup>\*)</sup> In 2006 there were no separate data for all EU countries, so they were included in "Other European Countries"

<sup>\*\*)</sup>  The share of particular countries was calculated in relation to "Foreign tourists"

<sup>4</sup> In 1989 five countries with the highest shares of overnights in Croatia were Germany (28,3%), Italy (13,5%), United Kingdom (8,2%), Austria (7,2%) and Netherlands (5,1%). The share of former Czechoslovakia was only 3,5% and of Hungary and Poland less than 2 per cent. Only the share of Slovenia remain approximately the same.

The only positive aspect of the decline of tourism during the war was a fact that Croatia was saved from large scale urbanization and “apartmanization”,<sup>5</sup> which has destroyed many coastal areas in developed European countries on the Mediterranean, especially in Spain. Unfortunately those trends are visible also in Croatia in the last few years, and there is a general fear that joining EU will only aggravate the situation considering attractiveness of Croatia’s coast for building secondary residences for the citizens of EU.

Regarding differences between the importance of tourism in Croatia now and twenty years ago it is important to say that it is bigger now in almost all elements in spite of the smaller physical outcome regarding the number of overnights. Its economic impact is bigger because the share of tourism in overall economy of Croatia is bigger due to slower growth other sectors, especially industry, and better financial effects than before. It is also important to mention that due to a fact that Croatia is today an independent country all the fiscal revenues from tourism remain in Croatia. In former Yugoslavia they were controlled (and collected) by central government in Belgrade facing constant problem of budget deficit, what was one of the main reasons for the violent dissolution of former Yugoslavia.

Socio-cultural impact of tourism is also bigger today because tourism is considered as one of the most important and at the same time the healthiest parts of Croatian economy. The parts of Croatia with developed tourism are generally more developed parts of the country exposed to immigration from other less developed parts – besides the capital of Zagreb, the most developed county is Istria, followed by other coastal counties. Immigration trends now include also Croatian islands which show an increase in the number of population in the last decade, as opposed to decrease in the previous periods.<sup>6</sup>

Environmental impacts are also bigger today than in the previous period, because tourism is today also seen as a threat to the local environment, especially due to building of apartments in the coastal zone. In the previous periods the influence of tourism to the environment was seen generally as positive, because building of tourism accommodation capacities was seen as less dangerous to the environment than introduction of new industrial capacities.

Since all types of tourism in Croatia except seaside tourism are undeveloped, afore mentioned potentially negative impacts refer almost only to seaside tourism. Since practically all other forms of tourism are far beyond the limits of carrying capacity, they are therefore still seen as favourable to the environment. It is especially a case with cultural and rural tourism, which are seen as important tools for the economic development of depopulated areas and as tools that can help the preservation of the built-up heritage, especially in less developed areas.

Therefore it can be concluded that there is a need for different spatial distribution and different structure of Croatian tourism by type. Official tourism strategies regularly intercede for such goals, such as most actual plans - Master plan for Croatia done by DEG - Deutsche Investitions- und Entwicklungsgesellschaft mbH in 2002, Strategy of development of Croatian tourism done by Ministry of tourism in 2003 and Strategic Marketing plan of Croatian tourism, followed with the master plan of tourism for Istria as the most important tourism region prepared by THR Barcelona in 2001.

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<sup>5</sup> The term “apartmanization” (in Croatian “apartmanizacija”) is widely used for the process of building formally called “tourist apartments”, but in fact mainly secondary residences throughout the coastal areas. Construction companies are using a term “tourist apartments” in order to cover up the real purpose of those buildings, and this is secondary homes and very rarely commercial tourism. In absence of adequate translation this term is also often used by foreign consultants working in Croatia.

<sup>6</sup> The increase of population on Croatian islands in the last census decade (1991 – 2001) is not followed with the parallel increase of the economy. It is partly caused by the fact that large share of immigrants to the islands are retired people who decided to permanently settle in their former secondary residences and persons who settle there in order to utilise fiscal benefits available on islands in order to stop depopulation in former periods.

Unfortunately those plans are not followed by appropriate implementation instruments, especially regarding spatial planning, and therefore the situation is not changing very much. The most effective plans were probably the master plan for Istria and the marketing plan for the whole of Croatia, but they had in focus primarily the coastal tourism again. The consequence is a fact that the share of seaside tourism is today higher than twenty years ago and continental tourism in general is in Croatia much less developed than in neighbouring countries.

Besides afore mentioned objective reasons concerning mountain and spa tourism, it can be stated that incentives for the change are still not as good as in most European countries, especially as in neighbouring Slovenia, Austria and Hungary. Therefore the imbalance between seaside and continental tourism is still extremely high, although the trends are slowly starting to change in the positive way in the last 8 years. It can be expected that in the future cultural, rural and eco tourism will play more important role in Croatian tourism, but not as much as in the neighbouring more developed countries. The same conclusion can be made for the taking into account the MSSD objectives, especially because they were not systematically implemented into official tourism strategies.

## **2. PART II - IN-DEPTH ASSESSMENT OF THE PROGRESS MADE**

### **2.1. CONTROLLING TOURISM'S TERRITORIAL AND ENVIRONMENTAL IMPACT**

#### ***2.1.1. Anticipate and reduce the negative impact of developments, urbanization and tourist infrastructures on coastlines***

Croatia has a specific position as a country still having relatively preserved coastal areas in comparison with the most other countries of Northern Mediterranean. The neighbouring coastal areas of Italy and Slovenia, as well as of Mediterranean parts of France and Spain, generally have several times higher concentrations of population, tourist infrastructures and nautical facilities in comparison with the length of coastline.

That is caused partly with the low population density in coastal areas of Croatia, which is a consequence of specific natural conditions and history. Many parts of the coastal areas are unfertile or with a steep coast not easy to access. In the most periods of the history the coastal part of Croatia was at the edge of big empires and often exposed to war due to a position on the borderline between Ottoman Empire and European Christian states (Medieval Croatia, Habsburg and Austro-Hungarian Empire, Venetian Republic). It is also important to mention that due to the recent historical events tourism development has still not reached the values twenty years ago, so there is a perception that there is a lot of room for further development and urbanization.

On the other hand, the process of building secondary homes in coastal areas took place in the last ten years on very large scale. This process, usually called "apartmentization", was so strong and fast that it is now viewed as the main threat to the future of Croatian tourism. The main reason is a fact that the continuous large and uncontrolled increase of those "apartments", undermines the legal hotel industry and creates an unfavourable image of Croatia as a quality destination known as "Mediterranean as it was". Furthermore, those buildings are characterized with low qualitative levels, unattractiveness, inappropriate architectonic solutions and they usually occupy large areas in the most attractive parts of the coast.

In order to stop that process, on 9 April 2004 the Government of the Republic of Croatia has declared a Decree on regulation and protection of protected coastal areas. The main issue of this decree was special protection of an area 1.000 meters from the coast where no new building areas can be declared except in special cases for strictly tourism purposes. At the same time many actions were undertaken in order to demolish many houses in the coastal areas which were built without a license. That was frequent practice in some localities caused by lack of planning instruments during period of transition from communist society into market based economy, especially in some areas like Northern Dalmatia.

**Table 4 The number of secondary homes by tourist region in 1981, 1991 and 2001**

tourist region	1981	1991	2001
ISTRIA	5.372	9.180	14.696
KVARNER AND MOUNTAINS <sup>*)</sup>	19.090	32.992	38.535
DALMATIA <sup>**)</sup>	30.332	65.410	64.662
CONTINENTAL CROATIA	29.523	69.263	64.620
<b>CROATIA TOTAL</b>	<b>84.317</b>	<b>176.845</b>	<b>182.513</b>

Source: Republic of Croatia - Central Bureau of Statistics

<sup>\*)</sup> including the town of Pag and municipalities Poveljana and Kolan now in Dalmatia

<sup>\*\*)</sup> including Donji Lapac municipality now in Kvarner and Mountains

Unfortunately it is not possible to estimate the number of new built “apartments”, since the data about this issues are collected only during as a part of Census of population every ten years. Nevertheless, from existing data in census years it is visible that the process of “apartmanization” started much before 2001 in the parts of Croatia not exposed to the war (Istria and neighbouring parts of Kvarner), and has not seriously endangered only continental areas.

Regarding specific recommendations by MCSD in this field it can be generally concluded that the instruments needed to evaluate the environmental impact of tourist programmes and large-scale projects exist on certain level. Some progress has been made, but it is still not strong enough to stop the negative processes due to extreme pressures caused by high profitability of this kind of construction business. Evaluations of destination sites' carrying capacity are being done only in few areas facing huge saturation problems, such as Crikvenica area in Kvarner bay, but not systematically in all areas where it should be necessary.

As stated before, legislative tools and regulations exist and have helped to slow down some negative processes, but many regulations are not properly implemented in practice, especially in less developed areas and parts of the countries which were exposed to destruction during the war between 1991 and 1995. Therefore the protection of the precious natural sites is effective almost only in specially protected areas such as national and nature parks, which usually have also stronger planning instruments. Plans for development and land management that take environmental questions into account are prepared in some other areas, but they are usually not implemented in practice, especially in the cases where local authorities have some interest in the process of “apartmanization”.

The situation regarding urbanisation near the coasts and the building of roads is slightly better, because some measures restricting the building in the narrow coastal zones are partly effective. The road infrastructure was planned relatively well in the past, especially in Istria as the most important tourist area, where there are very few main roads going near the coastline. The new Adriatic motorway was planned deep in the hinterland, so the pressure on the old Adriatic coastal road is now smaller than before. There is also a tendency of enlarging pedestrian zones in the coastal cities, meaning that in many cases the narrow coastal zone is becoming free of car traffic.

On the other hand, Croatia is still a country oriented mainly on car traffic in tourism and the new coastal motorway has a consequence in increase of tourists coming by car. Now tourists coming by car are becoming majority even in southern Dalmatia as an area oriented more to air traffic in the past. This problem is especially big in its most important tourist centre Dubrovnik facing today huge problems in parking places. The quality of air traffic in Croatia is considered very low considering the frequency of flights, quality of airports and number of companies serving Croatia. Even the

islands are almost exclusively served by car traffic because they are all connected with ferry lines and mostly do not have airports.<sup>7</sup>

The most important coastal sites from the natural point of view are protected by the Ministry of culture as protected areas, with remark that all eight Croatian national parks are located in the coastal counties. Three of them refer to coastal areas (island groups Brijuni and Kornati and western part of the island of Mljet), and another two are very close to the coast (Paklenica gorges and Krka river). Three nature parks also include large parts of the coastline - Velebit Mountain Nature Park and UNESCO World Biosphere Reserve as the largest protected area in the whole Croatia, Telascica bay on island Dugi otok and Lastovo island group.

Many smaller coastal areas are protected under other forms of protection. The most important are protected landscapes which include some beaches such as Zlatni rat (Golden cape) on the island of Brač, Saplnara on the island of Mljet, coast and islands near town of Rovinj in Istria, Zrce beach on the island of Pag etc. The main problem is a fact that those areas cover relatively small percentage of the coastline and outside those areas it is usually possible to build.

**Table 5 Number of visitors to Croatian national parks in 2007**

national park	tourist region	Total	Domestic	Foreign
<b>all parks</b>		<b>2.136.096</b>	<b>372.358</b>	<b>1.763.738</b>
Brijuni	Istria	178.073	69.336	108.737
Risnjak	Kvarner & Mountains	24.831	19.797	5.034
Plitvice Lakes	Kvarner & Mountains	927.661	86.795	840.866
Northern Velebit	Kvarner & Mountains	11.949	6.786	5.163
Paklenica	Dalmatia	110.338	15.550	94.788
Kornati	Dalmatia	94.605	34.847	59.758
Krka	Dalmatia	700.823	125.639	575.184
Mljet	Dalmatia	87.816	13.608	74.208

Source: Republic of Croatia - Central Bureau of Statistics

The most treasured parts of Croatia's natural heritage comprise 447 different protected areas covering a total of 5.178 km<sup>2</sup>, i.e. about 10 per cent of Croatia's land area. Besides afore mentioned eight national parks there are eleven nature parks<sup>8</sup> and two strict nature reserves (Bijeles and Samarske rocks on Kapela Mountain and Rozanski and Hajdučki rocks on Velebit Mountain) as the most important attractions. There are additional 426 different smaller areas and objects under protection: 78 special reserves (botanical, forest, geomorphological, hydrological, ichtiological, ornithological, maritime and zoological), 38 park forests, 71 outstanding landscapes and objects, 104 natural monuments (geological, geomorphological, paleontological and rare example of trees) and 135 monuments of park architecture (arboretums, botanical gardens, parks, groups of trees and individual trees).

<sup>7</sup> The only island airport in Croatia suitable for standard airplanes is located on the island of Krk, but it is serving the city of Rijeka on the mainland to which is connected with the bridge. The traffic on this airport is very infrequent due to proximity of Rijeka to Zagreb and Ljubljana airport, so it is mainly used for charters and low-coast airlines. There are two small airports with even weaker traffic on the islands Lošinj and Brač, but only for small aircrafts and mainly charter flights. There are at the moment no other island airports, although there are plans for the island of Hvar and Korčula.

<sup>8</sup> There are three nature parks protecting wetlands : Lonjsko polje, Kopacki rit and Vransko lake, two island areas : Telascica bay on Dugi otok island and Lastovo island group, and remaining five mountains: Papuk, Medvednica and Žumberak-Samoborsko gorje in the continental part of the country and Učka, Velebit and Biokovo near the coast.

There are no special programmes enabling the rehabilitation of mature destination areas favouring the environment, but there are many such initiatives on the local level. The funds for such actions are mainly collected through a special tourism fee aimed for marketing purposes, but they are also used for different actions which helps protecting and managing natural and cultural sites. One of the most important actions was signing and interpretation of tourism attractions which was held in almost all Croatian counties. Considering limited funds created from tourism tax in the areas far from the coast, The Ministry of tourism obliged to give 50 per cent of funds for such actions in the continental counties.

### ***2.1.2. Reducing consumption of natural resources and the pollution caused by tourist accommodation and activities***

As stated before, (commercial) tourism is still not seen as a serious threat to the consumption of natural resources due to its relatively low scale considering spatial possibilities. It is also important that total capacities in hotels and similar establishments are in Croatia still under the level twenty years ago and very few completely new hotels were built in the last 20 years. Another aspect in favour of further development is a fact that Croatia is one of the rare countries in Europe with huge resources of water and water is still potable throughout the country. Water pipelines with drinking water from the continent are built to the majority of islands, so problems with drinking water are rare and refer almost only to distant and small islands. Some problems regarding consumption of natural resources are occurring in areas characterised with building secondary residences, or “apartments”. But those problems are much more serious in the field of visual pollution and degradation of the attractiveness of the overall landscape than in the field of pollution of water and air.

Another positive factor regarding consumption of natural resources is a fact that a lot of polluting industries stop working during the war, especially in Dalmatian towns Sibenik and Split. The consequence was reduction of pollution of air, water and soil, with remark that air pollution is rising in some areas again due to much stronger car traffic. The process of joining EU forced Croatia to improve some standards in sewage and waste management, so pollution in the coastal areas practically exists almost only near the biggest cities of Split (Kastela bay) and Rijeka (Bakar bay).

But it has to be mentioned that there were serious ecological incidents in some areas caused by old industry, especially in Kastela bay near Split from old asbestos industry and in the continental town of Sisak caused by petrochemical industry. The situation with waste management is less favourable due to low standards of collecting solid waste in many parts of the country, and in many places the solid waste is still simply dumped out into the designated dump places.

More important problem is energy, because Croatia has inherited energy deprivation from former Yugoslavia and is already exposed to import of energy from neighbouring countries. The situation is not critical at the moment, but it can be forecasted that problems may occur, especially in the summer season, due to the bigger number of housing units and increased use of cooling devices. The usage of solar energy and special building technologies caring about energy consumption (“smart houses”) is in Croatia still on very small scale.

The environmental management of tourist facilities and destination sites is maintained through existing laws, which are in the process of adaptation to EU rules. Quality environmental procedures formally exist, but in practice there are no important incentives. This is visible through a fact that building of “apartments” is one of the main new activities in the tourism areas and the regional financial support is limited due to relatively small funds available on regional level.

In some counties, especially Istria as the most developed part of Croatia in tourism terms, there are some incentives, like the implementation of the regional Strategic marketing plan prepared by THR Barcelona. Istria is also interesting because it functions at the same time as the area of the biggest concentration of tourism on the coast and as an area where tourist season is slightly being prolonged and where hinterland areas also play important role as a part of the overall coastal tourism product. This can be illustrated with a fact that Istria has the highest share of foreign tourists of all tourism regions, the highest realized prices and more units of rural tourism than all the remaining parts of Croatia.

Regarding solid waste and pollution in the water it has to be stated that the situation in Croatia is still good in comparison with the most European Mediterranean countries, but mostly due to relatively small industrial production, relatively low population density and inexistence of big urban agglomerations. Regarding measures taken in the field of waste treatment the situation is opposite, because such situation does not stimulate introduction of technically sophisticated measures for treatment. Therefore ecological issues are one of the most problematic points in the process of accepting EU standards in Croatia.

The situation regarding waste treatment and communal standard in general is much better in the coastal part of the country, what is mainly caused by the development of tourism. The percentage of dwellings with water supply and sewage disposal system is generally over 99 per cent in coastal areas, and lower than 90% mainly in rural areas of continental Croatia. Only the central heating system is less present in the coastal areas due to warm climate.

**Table 6 Dwellings by auxiliary facilities and installations in Croatia in 2001**

		Total dwellings & persons	Toilet	Bathroom	Kitchen	Electricity	Water supply system	Sewage disposal system	Central heating
Dwe-	total	1.421.623	1.272.344	1.256.698	1.409.247	1.414.274	1.331.431	1.318.594	514.386
llings	%	100,0	89,5	88,4	99,1	99,5	93,7	92,8	36,2
Per-	total	4.400.000	4.028.595	4.004.904	4.378.165	4.384.900	4.189.293	4.156.740	1.684.553
sons	%	100,0	91,6	91,0	99,5	99,7	95,2	94,5	38,3

Source: Republic of Croatia - Central Bureau of Statistics

The implementation of the certification process and introducing ISO standards has started, but it is still mainly implemented in export industries trying to compete on international market. It is also present in tourism sector, but mainly in larger foreign owned companies and in objects of higher category. The majority of tourist accommodation which is still in households has at the moment no incentive or interest for those processes.

### **2.1.3. Controlling the development of tourist leisure activities affecting the sea and coastal environment**

The most important leisure activities affecting the sea and coastal environment on Croatian coast are those linked to nautical tourism. The number of yachts sailing on the Adriatic is growing year by year causing various kinds of pollution - petrol, boat colours and general waste dumped into the sea. In order to control and reduce those forms of pollution the Ministry of the Sea, Transport and Infrastructure has introduced various measures, especially in the last two years.

Besides reinforcement of control of pleasure boats entering Croatian waters there is a policy of building fully equipped marinas furnished with the necessary facilities for taking solid and liquid waste. There is also a policy of regulation of existing ports for the acceptance of pleasure boats and

policy of placing buoys in particular bays. Those measures were enforced in order to reduce very rampant practice of anchoring almost everywhere possible and discharging waste directly to the sea. The main goal of those measures is to impose very soon a law which will generally prohibit anchoring of pleasure boats during the night anywhere except on designated places.

Underwater tourism is still not seen as an activity that can seriously affect the environment, because the scope of this activity is in Croatia relatively small in comparison with other countries in the Mediterranean. Considering relatively small number of protected animal species attractive for divers, the main threat of underwater tourism lies in illegal extraction and damaging of underwater cultural heritage (especially amphorae and artefacts on sunken ships). Regarding jet skis there is a policy of prohibition of their usage near the beaches, but more in order to prevent accidents than in order to preserve the coastal environment from this still not too widespread activity.

Croatia still has a policy of overall access and use of beaches by the public and therefore it is practically not possible to have a private access to the sea. It is still possible to find an isolated place for swimming in many areas and the practice of using natural beaches without any equipment is still widespread. The beaches imposing charge are very rare (it is mostly on “Blue flag” beaches) and there is generally strong opposition regarding this policy in the majority of coastal areas from social point of view. Nevertheless, due to strong pressure on the local beaches in some areas, especially by day visitors from hinterland, there are many initiatives tending to restrict usage of beaches by non-residents.

## **2.2. PROMOTING TOURISM AS A FACTOR IN SUSTAINABLE SOCIAL, CULTURAL AND ECONOMIC DEVELOPMENT**

In spite of many negative influences, tourism is still seen as a positive activity regarding environment. This is especially a case in the areas with strong polluting industry on the coast and in all continental areas. Tourism is also seen as a tool which can benefit to the status of natural and cultural heritage, because it can ensure funds for protection, especially for cultural heritage, and prevent another more harmful type of use (cutting forest, hunting, building dams etc.).

Additional reason for such a positive view about tourism is a fact that construction of new hotels and similar establishments is still on the small scale. Construction of “apartments”, i.e. secondary homes is usually seen as a negative activity, especially in coastal areas, but it is not viewed as a form of tourism development. It is more viewed as a pure construction activity or even as a kind of pestilence caused by greed of actors in this temporarily very attractive business.

### ***2.2.1. Developing national and local strategies aimed at better reconciling tourism, the environment and sustainable development***

In order to better integrate tourism and the environment there are various tools and forms of cooperation between the key stakeholders involved in this process. The most efficient tool is still a system of tourism income tax transferred to local (towns and municipalities), regional (20 counties and the city of Zagreb) and National Tourism Organization. Since the main income is generated through overnights, many local tourism organizations have a lot of power, especially relatively small towns and municipalities with large accommodation capacities. Although this income is mainly intended to marketing purposes, local tourism organizations are in position to influence the overall development of tourism and function as a factor very suitable for authorities dealing with tourism in particular destinations.

Although they usually do not have enough funds and therefore are dependent on local and regional authorities, tourism organizations are often main contracting in party in preparation of strategic marketing plans, tourism master plans or even some concrete projects for the area under their responsibility. The Ministry of tourism is preparing legal measures which will give more power to local and regional tourism organizations, authorising them for destination management activities and a kind of coordinators between tourism industry and local community.

In some cases important tourism companies are also involved in the preparation of strategic documents for particular areas, especially if one strong tourism (hotel) company is dominant in some area. That was much more a case in the past, when tourism companies were usually spatially oriented, i.e. they were present only in a particular area (municipality, or former larger municipalities). In such cases those companies were often the strongest stakeholder in the area controlling the majority of jobs and therefore they had very strong influence in the local government.

The most recent privatization processes, especially accession of large hotel chains, has reduced those influence, and the owners of new hotel companies very often has an interest only inside their property. This process makes destination management more difficult, with a consequence in putting larger responsibilities on local authorities and local tourism organizations. Unfortunately they often have not enough power and/or knowledge to manage the tourism development in the area under they administrative control, becoming sometimes subjects of different kinds of affairs connected with dubious investments and corruption.

Therefore it is interesting the probably the biggest number of financial and corruption affairs in Croatia in the last ten years were connected with tourism. The main reason is a process of change of ownership of former socialist companies or change of agricultural land into land for tourism purpose.

The general public opinion regarding planning issues in tourism is that the situation has deteriorated in comparison with the situation in the past. The new planning documents are seen either as not precise enough, or in favour of construction companies having big financial interest in new building, especially of secondary homes in the coastal areas and new apartments and offices in central zones of big cities.

Although new regulations according to EU standards will probably put more order in this process, there is a general fear that pressure for building secondary homes for EU citizens could result in even bigger investments and endangering of the coastal environment. This is visible through a fact that the prices for land in many areas are today more than five or even ten times bigger than ten years ago. This is especially a case in most attractive tourism destinations such as Dubrovnik, Hvar or Opatija, in rural areas in their near hinterland, and close to new motorways.

Those processes have caused very strong reaction against new construction by local population and NGOs, and the actions held by NGOs are very often connected with these issues. There are also more and more local population interest group newly established which are focused primarily on the problem of land devastation with inappropriate construction.

### ***2.2.2. Promote the diversification of tourism and balanced regional development.***

Diversification of tourism product was one of the main goals of almost every strategic document of Croatian tourism. Expansion of tourism in the continental areas was also a topic of tourism strategies and there is practically no county in continental Croatia which has not emphasized development of tourism as one of the most important economic activities. Unfortunately, those

intentions were usually only declarative, and therefore the balance between tourism on the coast and on the continent is still extremely in favour of coastal tourism.

There are many reasons for this imbalance, mentioned in the introduction of this document, but basically the main reason was a fact that the development of continental tourism needs a lot of efforts in creating the tourism product and marketing. With the coastal tourism the situation is much easier, because the combination of attractive landscapes, pleasant climate and favorable traffic position enables good results without serious efforts. Important element is also very low domestic demand for continental tourism, because already small and financially weak domestic tourism market is traditionally oriented to one big holiday on the sea.

National tourism organization is trying to promote other forms of tourism than seaside tourism with different kinds of actions. The most popular measures are special promotion of cultural and rural tourism, financial beneficiaries to continental counties for promotion purposes, organization of special marketing actions concerning only continental part of the country etc. There is a special office of National tourism organization for cultural tourism whose main task is to stimulate tourists to include Croatian cultural heritage in their visit. There are also some incentives and new legislation for the development of rural tourism, which is usually seen as compatible with the environment.

The actions of National tourism organization in the field of tourist signalization (“brown signs”) in the last eight years have seriously contributed to the highlighting of cultural and natural heritage. In the past that was one of the most important remarks of foreign tourists regarding tourism offer, especially considering a fact that the majority of tourists are coming to Croatia by car. Now in the most of the country there are brown signs directing tourists to the most important attractive locations, what is considered very helpful to tourism spending and promotion of natural and cultural heritage.

A need for synergy of tourism with other economic sectors such as agriculture, fishing and craftsmanship is also usual topic in all strategic documents on national and regional level. The results are still very poor, mostly due to the situation in Croatian agriculture in general, which is not competitive in comparison with imported goods. One of the reasons is development of tourism, because jobs in tourism are usually more attractive than the jobs in agriculture, especially in the coastal areas, where a lot of unused arable land can be found.

The offer of high quality domestic products exists only in some special areas of agriculture, such as vine and olives. In the last ten years a slight recovery can be seen in the production of olives and sorted vine, especially in Istria in Southern Dalmatia. There are also few attempts for the production of healthful food, but the production is very small in spite of huge possibilities considering a lot of unused arable land. At the moment only 0,7 per cent of arable land is designated to ecological production, and most of it refers to a single farm in Slavonia-Pozega County in North-eastern Croatia.

The fish production is also very small considering possibilities, although many sorts of fish in Croatian part of the Adriatic Sea are of very high quality. Therefore the majority of catch is exported, especially to Italy, and tuna fish to Japan. This situation has a consequence in high prices of fish, especially in restaurants, and very small consumption of fish by local population.

On the other hand, food processing industry is one of the healthiest industries in Croatia with a lot of quality brands, although often based on imported goods, especially meat. Domestic market is very strongly oriented towards domestic products, with remark that this industry is much more developed in the continental part of the country. Therefore the overall quality of food offered in Croatia is generally good (especially in restaurants), but the synergy between tourism and agriculture is not very strong due to high percentage of imported goods.

The synergies between coastal tourism and inland tourism are also very popular topics in strategic planning documents, but with very few concrete results. The most successful examples can be found in Istria as the most developed tourism region, based on the model of physically similar Italian province Tuscany. Scenic landscapes in the interior became very popular destinations for excursions, cycling, wine and rural tourism. Istria is well known for special incentives and helps for the development of rural tourism, and therefore has more rural tourism units than the rest of Croatia.

Istria is also one of the rare regions of Croatia where secondary homes usually do not represent a threat, but very often they are improving the environment. The reason is a fact that a large number of them are previously deteriorated houses in abandoned small villages rebuilt in traditional way, so practically they gave back life in many almost depopulated villages. Important stimulating factors for such development are proximity to Italy by car and overall knowledge of Italian language, and Italians are therefore the most important demand in rural tourism.

There are basically no specific action programmes adapted to the sustainable development of particularly fragile areas. Some effects have the state policy of giving fiscal and other similar benefits to the people living on islands, mountain areas and “areas of special state care.”<sup>9</sup> Those benefits were given in order to stimulate people to live and return to areas exposed to strong depopulation, but they usually do not include special measures regarding sustainability. Those measures in some cases have stimulated unsustainable behaviour, especially on some islands where people start building formally houses for permanent use, but actually secondary homes.<sup>10</sup>

Sustainable tourism and overall development in wetland areas is much more present, because two biggest and most important wetland areas Lonjsko polje southeast from Zagreb and Kopacki rit near Osijek are protected as nature parks and Ramsar sites. The majority of other wetland areas are also protected, Vransko Lake near Zadar as Nature Park and many other as ornithological or forest reserves. Crna Mlaka southwest from Zagreb and a group of ornithological reserves in the Neretva Delta are also listed as Ramsar sites. In Lonjsko polje Nature Park the countryside with traditional wooden houses is therefore well protected, and this includes among others Cigoc, the first European stork village.

Financial support to protected areas is relatively good in case of national parks, a little bit less sufficient in the case of nature parks, and not sufficient in case of other protected areas and objects managed by the counties. Two most popular national parks Plitvice lakes and Krka have very large own income (mostly from entry fees), so there are in position to invest significant amount of capital in protection. The situation is relatively good in remaining national parks and two nature parks Lonjsko polje and Kopacki rit, because they also have some own income and larger number of employed staff. With other nature parks it is difficult to finance protection because they do not charge entry fees, and even more difficult in other protected areas because they have no permanent staff employed.

There is a lot of technical assistance for protected areas and many international and domestic project dealing with various aspects of nature protection. Those actions are performed mainly in most attractive nature areas such as Plitvice and Krka national park and three wetland nature parks very rich in bird species Lonjsko polje, Kopacki rit and Vransko lake.

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<sup>9</sup> The term used for the areas which were heavily destroyed during the war, especially the areas formerly temporary occupied by Serb paramilitary forces.

<sup>10</sup> Due to various fiscal benefits and eases in ferry prices many people, especially retired persons, have declared themselves as citizens of island communities, although they often spend more time at their homes on the continent.

## 2.3. DEVELOP MEDITERRANEAN COOPERATION

The cooperation between Croatia and Mediterranean countries exist in many fields, especially with the countries on the Adriatic and Ionian Sea. The most important is Adriatic Ionian Initiative founded in the year 2000 and covering Italy, Slovenia, Croatia, Bosnia and Herzegovina, Montenegro, Albania and Greece. The aim of this initiative is to stimulate the cooperation of those countries in culture, education, economy, environment, transport and prevention of organized crime. Especially important are cooperation in the field of environment due to a fragility of Adriatic sea as an example of closed sea and in field of transport due to promotion of Adriatic - Ionian transport corridor.

There are also various projects between Croatia and neighbouring Mediterranean countries on small scale, which are often important in promotion of sustainable tourism. The most important are projects between Croatia and Slovenia around border areas on Kupa River and between Zumberacka Mountain and Sutla River. There some forms of cooperation between Croatia and Bosnia and Herzegovina, the most important being cooperation in the area of underflow of river Neretva as very important wetland area in both countries.

In spite of the fact that, unlike in the EU, there is a border control between Croatia and neighbouring countries, there is strong cross border cooperation in the field of tourism. This is most visible regarding excursions, especially from Croatian Istria to Venice in Italy and Postojna cave, Skocjan cave and Lipica horse farm in Slovenia. There are many excursions from southern Croatian coast, especially Dubrovnik, to Medjugorje pilgrimage site and town of Mostar in Bosnia Herzegovina, to Boka Kotorska and Cetinje in Montenegro and even to Shkodra in Albania. There are many excursions in opposite way from Bosnia and Herzegovina and Montenegro to Croatia, especially to Dubrovnik and from Slovenia and less frequently Italy to Plitvice lakes and Brijuni national park.

Awareness activities on a regional scale in tourist destinations are being carried out mainly by NGO's, whose activities are well presented in media and have a lot of influence on public opinion. In spite of involvement of various international institutions offering technical assistance like USAID from United States or GTZ from Germany, there is general view that the process of joining EU will increase the pressure on environment. Besides rise of the property prices and intensive pressure for building secondary residences there are pressures also from industrial sector.

One of the best examples was investment in a factory for rock wool in central Istria, which was refused by Croatian authorities due to strong opposition from local NGO's. Since EU sent some notes to the Government Croatia accusing it for anti entrepreneurial behaviour, the local NGO's have sent protests to EU officials producing that note and accusing them for endangering environment and attempt to dump the polluting industry in Croatia. Even bigger protests were made few years ago against the project of transporting oil and gas to the Croatian port of Omisalj on island Krk, so this project will probably be rejected too.

Experience-sharing between the players involved in tourist destinations in Croatia and other countries are relatively rare, and there are mostly maintained through twin city cooperation. Considering the fact that most of the twin cities are from neighbouring countries (mainly Bosnia and Herzegovina and Slovenia) the effects of this policy does not have a large influence.

Training programmes for local authorities and professionals are also relatively rare, although there are some initiatives, mainly by various EU funds and World Bank. One of the most important is Regional Development vision for Zadar – Sibenik region in Northern Dalmatia. The problem is lack of tradition in Croatia regarding lifelong learning in general, in spite of the fact that many stakeholders in tourism industry do not have in the formal education. The biggest problem is

educational level of the staff in local tourism organizations and in accommodation outside hotels and similar establishments. In the last few years this situation is slightly changing and there are some new laws in preparation according to EU rules, which will require certain education certificates, especially for the staff in local tourism organizations.

Mediterranean networks between professionals or certain areas are also very rare, or there are based on personal basis. There is one very interesting connection between island Hvar in Croatia and Paros in Greece, caused by a fact that ancient colony on island Hvar (ancient Faros) was founded by Greeks from island Paros. In 2003 there was a yacht expedition from Hvar to Paros covered with TV show, there were ideas of stronger cooperation between two islands, but there are still not realized.

The only eco-label that is widely accepted in Croatia is Blue flag run by Foundation for Environmental Education - FEE. There were 117 beaches rewarded with blue flag in 2007 and 20 marinas. Besides care for the environment, blue flag campaign was very important in tourism promotion. Therefore it is interesting that the biggest number of blue flag beaches exist in Istria as a region with the highest concentration of tourists (total 53), and only 28 in Dalmatia with much larger coastline. Many exceptionally attractive beaches like the most attractive Croatian beach Zlatni rat on the island of Brac or Sapunara on the island of Mljet have no interest in meeting blue flag standards.

The official tourism slogan of Croatia "Mediterranean as it once was" can also be treated as a special kind of Mediterranean eco-label, and it was very successful in attraction of tourists. Interesting form of quality label is the promotion of high quality Croatian products by The Chamber of Commerce – "Croatian Quality" and "Croatian Creation", in which special role has Croatian brands connected with gastronomy, tourism and Mediterranean. Authentic Croatian products wearing "Croatian Creation" label include for example special lace and unique cheese from the island of Pag, Unique "Morcic" souvenir from Rijeka, many special types of Dalmatian ham and prosciutto, Maraska cherry liquor, unique types of like Dingac, Postup, Ivan Dolac etc.

## 3. PART III - GOOD PRACTICES

### 3.1. TRANSPORTATION

The situation regarding transportation in Croatia can be described as not too sustainable, but with not so many negative consequences towards the environment due to relatively low population density of the country and inexistence of big cities.<sup>11</sup> The examples of unsustainable behaviour are very low usage of trains and air traffic, with a consequence of almost complete orientation to road traffic, including the majority of tourists. That includes also the islands, because the usage of ferries is absolutely dominant transport instrument on the islands.<sup>12</sup>

Besides pedestrian zones there are no other restrictions regarding usage of cars in central areas of the cities or incentives for “eco” behaviour of drivers like “low emission zones”, “lift share” and “car share” systems. Practically the main methodology of reduction of car traffic in town centres is expensive and time limited parking. The very simple and convenient methodology of using mobile phones for parking payment was invented in Zagreb and is now in use almost everywhere in Croatia and in many other countries.

Positive aspect is a fact that public transport is relatively good and cheap, both the interregional transport and urban transport. Zagreb public transport is free of charge or extremely cheap for almost 80 per cent of inhabitants, and there are many benefits also in other cities. Considering relatively high price of fuel and parking considering people’s standard, very large amount of people is oriented towards public transport. It is maintained by buses, only Zagreb and Osijek have tramways.

The newly built motorway from Zagreb to Dalmatia (“Dalmatina” motorway), which serves partly also as a coastal motorway, can be considered as well planned from the ecological point of view. That is while it goes far from the coast, avoids ecologically sensitive areas, and is equipped with special land bridges fore bears, wolves and other animals in order to keep ecological balance. Another good practice is many pedestrian zones, which exist in all cities and bigger towns, and are widening year by year.

Very good specific example of good practice in the field of transportation was a case of the town Koprivnica in Northern Croatia. This relatively small town (30,994 inhabitants in 2001) has 60 kilometres of cycle paths and a policy of free usage of bicycles for their citizens. Koprivnica won the first prize for European mobility week award as the most successful town implementing sustainable development programmes in 2007 in the competition of 2015 cities from 35 countries.

Frequent usage of bicycles is at the moment widespread mainly in Northern Croatia, especially in the area near Drava River and Hungarian border. Bicycles are becoming more popular also in the capital Zagreb, although the main reasons are frequent traffic jams and expensive parking. In the coastal

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<sup>11</sup> The Croatian capital Zagreb according to the last census data from 2001 has 779.145 inhabitants and second largest city Split 188.694 inhabitants. Only two more cities Rijeka and Osijek have more than 100.000 inhabitants.

<sup>12</sup> Besides the fact that air transport on Croatian islands is negligible, the usage of speed boats which do not carry cars and connect main towns on islands and on mainland is also very small. Since the large number of ferry ports on the islands and the continent are far from large towns, people are additionally directed to road traffic.

areas, especially in towns, bicycles are not so popular by the local population, partly due to steepness of the areas and narrow streets, and partly due to lack of tradition.

## 3.2. ENERGY

Energy is one of the potentially biggest problems for the Croatian economic future due to insufficient production and relatively high prices, and energetic problems appear in media more and more often every day. Energetic sector in Croatia represented in state company HEP is considered as strong and basically inclined to unsustainable behaviour, although they market themselves as ecologically friendly company. The consequences are many harsh protests against certain energetic projects by NGO's, ecological organizations and local population. But, as in case of transportation issues, occasional unsustainable behaviour by energetic sector does not produce many negative consequences towards the environment. This is caused by a fact that Croatia has low amount of energy production and one of the lowest per capita and total emission of greenhouse and acid gases in Europe.

Another positive aspect is a fact that the majority of energy production in Croatia comes from renewable sources, i.e. hydroelectric energy. Also, in Croatia there are no nuclear power plants,<sup>13</sup> and the general public is strongly opposed to their introduction in spite of the pressure from "energetic lobby". The majority of thermoelectric plants use gas and/or light oil as a fuel, and only four of them have more than 100 MW energy power. Since they are located close or in big industrial cities of Zagreb, Rijeka and Sisak close to industrial plants, they are not seen as extreme threats to the environment.

Different situation was in the case of Plomin Istria, as the only big thermoelectric plant located outside big cities and using coal as a fuel. Therefore every plan for the expansion of this plant became central point of the protests of the NGO's in Istria and Rijeka region. The protests started in the year 2000 when second block was built and now, because the plan for the third block is trying to be implemented. Since the involvement of local population in the protests was very big and main argument against the new plan was endangering tourism in Istria as an activity that needs healthy environment, those actions can be listed also as an example of good practice in energetic sector.

Similar situation happened with the plans of building two new hydroelectric plants with artificial lakes: Novo Virje on Drava River and Dobra on the river with the same time. Since the first plant could potentially endanger large important wetland area, including the national park on the Hungarian side of the border, the protests by domestic and foreign activists were successful. Unfortunately there were not so successful in the case of Dobra plant, which is now being built in spite of harsh protests because of destroying probably the best rafting track in the whole Croatia. Justification for the dam building was approval by Environmental Impact Assessment study done twenty years ago, before rafting tourism existed on Dobra River, and a fact that Dobra River is not designated as naturally protected area.

Although such behaviour is definitely bad practice, this unfortunate event is now used for the recommendation of some new laws. They will include shorter period of the validity of Environmental Impact Assessment studies and right of tourism sector to protect their resources.

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<sup>13</sup> There is one nuclear power plant in Slovenian town of Krsko near Croatian border, built in the period of Yugoslavia jointly by Slovenia and Croatia in order to produce electrical power for both countries. After dissolution of Yugoslavia the management of plant, the distribution of energy and nuclear waste disposal became disputable issues between the two independent countries. Therefore there are ideas that Croatia will give over its share of the plant to Slovenia.

In absence of more advanced productive good practices in the energy field, the installation of wind powered plants in Croatia can partially be seen as positive element. Although this type of energy production is considered as renewable and not dangerous for climate change, many NGO's and other stakeholders are critical about it due to visual pollution of the environment and negative effects on wildlife, especially birds. At the moment there are only two locations of "wind energy parks" in Croatia, both close to the coastal area exposed to strong and frequent winds. There is a strong opposition to their location near the coast in general, especially on the islands.

### 3.3. WATER

The overall amount of fresh water in Croatia is per capita one of the highest in Europe and water is still potable in the whole country, what is often propounded as important positive aspect by many foreign tourists. Even if there are some rare shortages of water, they appear only in few areas not connected to overall water pipeline system or in some cases where the capacity of pipelines is too small. The quality of water is slightly lower in lowland areas of Eastern Croatia and better in coastal cities using water from karst rivers, but water from the tap is still potable everywhere.

Eventual pollution incidents occur only in a case of flooding in lowland areas, what is also very rarely due to excellent system against flooding along Sava river.<sup>14</sup> Some other rare cases of water pollution produced very big public attention and showed high sensibility of people regarding water quality. The example was an incident in particular new housing unit in the capital of Zagreb, caused probably by low quality of water pipelines. There is also outspread opinion that companies producing bottled fresh water support public doubts in overall water quality in order to support better sale of their products.

On the other hand, the abundance of fresh water is not stimulating for the sustainable behaviour regarding water. Fresh potable water is therefore used in agriculture, sewage system, industry, and some of it is lost due to leaking. The environmentalists' appeals for more sustainable behaviour regarding water did not have large effect, and unsustainable practices with water are still very widespread.<sup>15</sup> The only successful argument is the growth of the price of water, which is going up very much in the last few years. The reason was not so much the rise of expenses in water supply, but predominantly monopolistic position of water supply companies in particular cities.

### 3.4. WASTE WATER

The situation with waste water is similar with the situation in transportation and energy. Since the pollution is not too high considering the population density of Croatia and low industrial production, the taken measures regarding treatment of waste waters are in many areas much under EU standards. At the moment only about 25% of communal waste water is treated, with remark that

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<sup>14</sup> After a catastrophic flooding in Croatia's capital Zagreb in 1964, a system of canals and retention areas leading to Lonjsko polje Nature Park were made. Therefore after 1964 there were absolutely no flooding in Zagreb and surrounding areas, and in other parts of Croatia only occasionally in some small rural areas.

<sup>15</sup> In the majority of collective buildings in cities and larger towns still exists a system of one measuring unit for water consumption for all apartments. The price of water is then divided according to the number of persons living in those apartments, what is in practice stimulating excessive water consumption. The attempts for the instalation of separate measuring units for each apartment were unsuccessful because both the tenants and water supply companies refuse to finance the instalation of those units.

most of it is treated only on first (mechanical) level. Second level of treatment include only 18% of treated waste waters, what is less than 5% of total waste waters.

Industrial waste waters connected to overall communal sewage system are usually previously treated in case of dangerous substances, but in most cases only to the level of communal waste water. Due to inexistence of serious ecological incidents there were no incentives for the change of the situation. In that sense the accession processes to EU will help Croatia to improve ecological standards, especially in waste water treatment as critical area, but will produce big pressure on state budget.

Although there are no important examples of good practices in Croatia in the field of waste water treatment, Blue flag campaign for beaches and marinas had good influence on this area. Since the quality of sea water on the beach or in marina is one of the key elements of Blue flag award, many towns and municipalities on the coast were stimulated to solve the problem of sewage in order to protect tourism industry as the main activity in the majority of the coastal areas. This problem is usually solved only with the construction of sewage pipeline going 300 or 500 meters and simply dumping waste water is into the sea, but for smaller areas this usually acceptable considering absorption capacity of the sea.

### **3.5. WASTE**

Waste treatment is one of the most important environmental problems of Croatia in general, because solid waste is in most areas simply dumped without any treatment or recycling into the designated dump sites. Selective collection of waste is introduced in some towns, but still on very small scale and a number of people using it is still very small. The actual plans in Croatia predict only 25% of recycled waste until 2025, although in some small areas this percentage is even now much higher.

Some efforts has been done in Jakusevac near Zagreb as the largest dump site in the whole country, which is now converted into the hill covered with grass. But many ecologists are afraid that due to dump of partially toxic waste and the strong concentration of methane gas it is potential “eco bomb”. Occasional ecological incidents in different parts of country happened with chemical, medicine, organic and asbestos waste.

The situation is now improving due to acceptance of EU rules and a policy of organizing big central solid waste disposal sites for one county and total abandonment of solid waste disposal sites on islands. New larger waste disposal sites should be equipped with the necessary recycling facilities and secured in order to avoid any kind of the pollution of the environment.

In spite of afore mentioned problems, there is one example of good practice regarding waste collection showing very good results. This is the action stimulating collection and buying up of plastic bottles for recycling few years ago, held by the Ministry of Environmental Protection, Physical Planning and Construction. This action was well accepted by general public and has improved the general environmental awareness of the people. Nevertheless, it has to be mentioned that the reason for the success was mainly a fact that this action is seen as an additional income for the many unemployed and retired people, often at the bottom of the social pyramid.

### **3.6. CONSTRUCTION**

As stated before, construction activities are probably one of the most important causes of the pollution of the environment in Croatia in the field of tourism. The destruction is caused primarily by the occupation of the most attractive coastal land by the secondary residences as constructions bringing only temporary profit and almost no new working places. At the same time, due to a generally unattractive visual appearance, those buildings are diminishing the value of tourism resources and whole tourism destinations.

New construction activities are mostly negative also in big cities, especially Zagreb and Split, because new buildings are occupying predominantly the existing urbanized areas. They therefore reduce green belts and increase already high pressure on infrastructure, especially road network. At the same time supporting new investments in road infrastructure and public transport are not following the scope of new urbanization, with a consequence in longer traffic jams and increased air pollution.

Croatian constructors have invented a special architectural form called “urban villa”, a name used for small apartment block with four to twelve flats. This form was invented mainly in order to increase the profit of construction companies due to smaller costs per apartment, and is marketed as “urban villa” in order to attract potential demand. “Urban villas” are especially destructive since they are mainly built in the areas previously designated for individual housing on relatively small land plots. Therefore they reduce the market value of potentially elite areas and make additional pressure on the infrastructure not planned for such large number of inhabitants.

The examples of good practice in the field of construction are therefore unfortunately very rare and refer usually to few individual houses built by ecologically and architecturally aware individuals, mainly rich intellectuals. The houses using “eco” materials, solar energy, very high quality isolation systems (“smart houses”) etc. are also very rare. Probably the only area where construction can be listed as sustainable from ecological, socio-cultural and aesthetic point of view is probably central Istria. In that area the majority of secondary residences are either rearranged abandoned traditional houses or new houses built in a traditional appearance, but with high living and construction standards. They are owned mainly by rich people from various part of Europe, but some of them are also built by Croatian entrepreneurs who offer them for rent, usually on very high prices due to big demand and low offer.

This good practice is now spreading also to other parts of Croatia, especially to Southern Dalmatia as still very attractive and relatively unspoiled with inappropriate construction. Unfortunately in the most part of Kvarner bay and Northern Dalmatia many areas are already irrecoverably degraded with inappropriate construction and therefore became unattractive for elite forms of tourism. The majority of the continental part of the country, except few areas around bigger cities, is in better shape due to small number of secondary residences. Unfortunately the new houses for permanent use are often following afore mentioned negative examples.

### **3.7. ECOSYSTEMS**

Natural attractiveness is one of the key factors attracting tourists coming to Croatia. The biodiversity and the percentage of protected areas and areas in natural condition is one of the highest in Europe, as well as the number of attractive landscapes. It is caused by the fact that Croatia’s position on the crossroads of various natural regions and ecosystems put it on one of the top places in Europe considering differences of landscapes in comparison with the total land area. In spite of existence of

different kinds of pollution, due to relatively low population density and small number of industrial polluters, especially in most attractive natural areas, large part of the country is still natural condition.

Although the most attractive part of the country from the tourism point of view is the coastal area, the most important preserved ecosystems are those in mountain and lowland areas. Those are large mountain areas with abundant karst phenomena, huge areas of virgin or semi virgin forests, and one of the largest natural swamp forested areas in Europe along big continental rivers, still mainly in natural condition. The wildlife is also very well preserved, with 846 animal species (including 339 birds and 74 mammals), 809 plant species and 314 types of mushroom under protection.

The most important good practice in this field is the overall system of protection, run by the Direction for the protection of nature as a part of the Ministry of culture. Besides large areas in total which are under protection, the level of protection in those areas is relatively high in comparison with the most European countries. For example, the level of protection in Croatian nature parks is higher than in many European national parks (especially the national parks in United Kingdom, Italy and Hungary), and the level of protection in national parks is comparable with Scandinavian countries well known for strict protection measures.

As opposed to many national parks in Europe, such as in French Alps, where national parks borders often go around busy ski tourism areas, Croatian national and nature parks usually cover compact ecosystems or drainage areas. Although such system sometimes has to face with the problems of tourism capacities inside the park borders, it enables better protection of overall ecosystems. The main problem is a fact that protection measures inside protected areas are sometimes too strict and outside park borders very poor due to inexistence of buffer zones. Therefore is usually very difficult to establish new protected areas and very often the people living in protected areas feel that they are in unfavorable position regarding life and economy.<sup>16</sup>

There many other examples of good practice in the field of ecosystems, like the actions made in order to protect forests, various plant species and campaigns for the protection of certain animals species like griffon vultures, wolves, bears. There is a special eco center in small village Beli on the island of Cres dedicated to the protection of griffon vulture and Bear haven in mountain village Kuterevo in the Velebit nature park intended to look after the bear orphans.

### **3.8. CULTURAL HERITAGE**

The cultural heritage of Croatia does not include huge cultural monuments attracting millions of tourists like the cultural heritage of France, Italy, Greece or Egypt, but it has very high value and diversity. This diversity includes both all the major historical periods, and various influences considering its crossroads position. There are very important paleontological sites, remnants from prehistoric period, antique Greece, Rome, Byzantine architecture, remnants of the period of Ottoman rule, Romanesque period, specific Old Croatian architecture, Italian gothic, Central European baroque, Art Nouveau, communist period etc. There is a large network of museums throughout the country, including the small towns, with various archaeological, historical and ethnographic collections and art galleries.

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<sup>16</sup> The best example is Kopacki rit Nature park on the mouth of Drava River into Danube. In the majority of European countries this area would be a national park due to enormous attractivity of virgin swamp areas and various wildlife, especially deers. But since according to Croatian laws hunting, fishing and cutting forest is strictly forbidden in national parks, it was not possible to establish there a national park due to strong opposition by hunting lobby. At the same time, Hungary has established Danube-Drava national park across the border on the left side of Drava river, having weaker measures of protection than Kopacki rit nature park.

Considering Croatia's basic orientation on seaside tourism, cultural heritage was until recently neglected as an important factor in attracting tourists. Few exceptions include mainly five World Heritage sites, especially Dubrovnik old town and Diocletian Palace in Split, and some picturesque small island towns like Hvar or Korcula as Marco Polo's assumed birthplace. Some cultural tourism exist in Zagreb and its surroundings famous for old castles and baroque churches, but attracting much lower number of tourists than similar areas in Slovenia, Hungary or Czech Republic. The majority of museums are not designed in a way that would attract tourists and even their work time is not adapted to tourism needs.

In order to change this situation Croatian National Tourism Organization established special office of for cultural tourism. Since this action stimulated many other factors to improve the status of cultural heritage and to include it in a proper way into tourism offer, this is probably the most important good practice regarding cultural heritage. Therefore in the last few years many museums have improved their interpretation quality and foreign language use, the most of the important cultural sites are marked with brown signage, many cultural manifestations are improved etc.

A typical example of new approach happened in 2006, designated as a year of Nikola Tesla, after the most important Croatian scientist. In this year the Memorial centre "Nikola Tesla" is built on his birth place with small biographic museum in the original house where he was born. Around the house there a replicas of his inventions on the open space, like famous test station from Colorado Springs or the turbine for the production of alternating current, as his most well known invention. This is today probably the state-of-the-art museum in Croatia attracting tourist to central part of mountainous Lika region, until recently a post-war undeveloped area with almost no tourists.

### **3.9. LOCAL ECONOMY**

Tourism has enormous impact on the local economy in all the areas where it exists and from the beginning was one of the most important tools for the overall development. Many areas of Croatia which were considered as relatively undeveloped fifty years now belong to the most developed parts of the country if there were overtaken by strong tourism development. Besides direct benefits from jobs in tourism, the local economy in the coastal areas benefited from generally much higher level of road and communal infrastructures, better health services and better sale price of land properties.

The benefits from tourism for the local economy were in Croatia in relative terms better than in the majority of the Mediterranean countries. It is caused by strong orientation on bed and breakfast accommodation and small number of big international companies extracting profit abroad. For the majority of people jobs in tourism are still more desirable than the jobs in agriculture and industry, what is usually main alternative for the without tourism. Therefore tourism is generally the most welcome activity in almost all parts of Croatia and there is practically no county which has not put tourism as one of the priority of their development in future.

Some doubts about tourism exist mainly in the most attractive tourism areas due to high prices of housing, goods and services, as well as crowds during summer season, but that is mainly in case of people who do not benefit from tourism. There is also a general perception that people owning bad and breakfast accommodation or apartments for tourists can assure pleasant lifestyle working only two-three months in a year. Therefore the efforts for the extension of tourism season are not always successful, although there are complaints by the people having only seasonal jobs in tourism.

Like in many other Mediterranean countries, there are problems regarding low paid seasonal jobs in tourism, especially waiters or housemaids, because those jobs are usually not attractive for the local population. They are therefore often performed by youngsters from secondary school or students

during summer holidays and by imported labour from less developed parts of Croatia or neighbouring Bosnia and Herzegovina. With the growth of tourism in the last few years, the problem with staff is becoming more and more serious and it is very likely that Croatia will be forced to import workers also from some other countries.<sup>17</sup>

Actual changes in tourism include more international hotel chains coming in Croatia, lower attractiveness of local bed and breakfast accommodation, increased number of foreigners owning secondary homes and much higher costs of housing in coastal areas. Due to those changes larger share of local population in most attractive areas will see less benefit from tourism, so some good practices from the past will disappear. The most important practice that will probably still exist is the higher level of overall infrastructure and better offer of attractive jobs.

### 3.10. EDUCATION

Education in tourism has long tradition in Croatia, especially on secondary level with tourism and hospitality schools in almost every coastal town and many larger towns in the continental part of the country. Although there are many faculties dealing with tourism, mainly connected to the faculties of economics, the curriculum are insufficiently adapted to the actual changes and the quality of staff is not always acceptable for the global market. Therefore there are still many foreign directors of the hotels, especially in foreign owned hotels, and quality of local management is often marked as an important deficiency of Croatian tourism. Additional problem is small interest for long life learning in tourism sector, with exceptions mainly in the field of travel agencies and tourist guides, which are obliged to finish special training courses in order to get licences for work.

The quality of staff is therefore relatively good in travel agencies and on medium management positions in hotel industry, but not so good on top management positions. Lack of qualified staff is very obvious in tourism organizations, in bed and breakfast accommodation and in many restaurants, especially regarding chefs. Many afore mentioned jobs are performed by inadequately qualified staff, what is very dangerous, particularly in the case of tourism organizations considering their importance in the field of destination management. Popular measure proposed in almost every planning document pleading for transformation of bed and breakfast accommodation into small hotels failed greatly due to unwillingness of owners and their employees to improve their education level in order to qualify for running a small hotel.

In the last ten years some positive changes are happening in this sector. Many new state and private faculties and high schools are established, some of them specialized in tourism management, and there is much wider offer of long life education. The Ministry of tourism is preparing a law which will oblige the staff in tourism organization to finish certain faculties or at least special training courses. Many new hotel companies, especially large foreign chains, have done a lot in order to educate their staff through special courses performed inside those companies or by financing the higher education of their staff in Croatia or abroad.

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<sup>17</sup> The advantage regarding imported seasonal staff from Bosnia and Hercegovina, and less frequently Serbia is a fact that the language spoken there is almost the same as Croatian. Eventual import of labour from other countries could therefore produce problems in communication and social conflicts.

### **3.11. LAND PLANNING**

Land planning in Croatia was relatively well organized in the past with clear procedure and organization on different levels. The main change after independence of Croatia in 1991 was installation of offices in each of 21 counties responsible for the preparation and adoption of the county plan and responsible for planning in 127 towns and 429 municipalities as basic territorial units. That was different from the previous system when Croatia was divided into 102 large municipalities with larger responsibilities and ten “associations of municipalities”, with relatively few empowerments.

Although the new system is more logical, there is a problem in planning on the lower level due to limited resources in towns and municipalities. Another problem are transition processes after dissolution of Yugoslavia and communist system, what was additionally difficult due to war between 1991 and 1995. In combination with strong pressure from the construction companies those problems resulted in numerous affairs and cases of corruption, mainly caused in dubious transfers of agricultural land into building zones. The problems were additionally weighted by disorder in the property issues, with a consequence in widespread uncontrolled building, especially in the coastal areas and in big cities.

Considering potentially catastrophic consequences of this situation, Government of Croatia has declared a number of decrees to stop the uncontrolled building, the most famous being Decree on regulation and protection of protected coastal areas. It is expected that the acception of EU practices during the actual process of joining EU will put more order in this field and at least will stop the further accidents. Very important good practice realized partly with the help of EU funds was computerization of land-registry, so nowadays it is possible to acces land plans via Internet in many parts of Croatia.

### **3.12. CLIMATE CHANGE**

As stated before, Croatia contributes very little to world climate change both in total and considering its size and overall level of development. It is a consequence of relatively low industrial and energy production and predominant orientation on use of renewable energy in the production of electricity. The climate changes in Croatia are also not too big, although it is evident that the climate is generally warmer and more subject to short period changes. The best approvals of the change are lower amount of snow during winter, higher average temperature in summer and more frequent periods of rain in summer, especially in August, in comparison with the period twenty years ago.

### **3.13. BIODIVERSITY**

Many aspects of biodiversity were explained in subchapter 3.7. about ecosystems, emphasizing good work of the Direction for the protection of nature in order to preserve very high biodiversity in Croatia. Besides campaign for the protection of particular species by local NGO's, it is important to mention that many international organizations are helping Croatia in order to keep the protection on highest possible level. Especially big interest, particularly by birdwatchers, is shown for large swamp areas and Ramsar sites such as Lonjsko polje, Kopacki rit, Vransko Lake and Crna Mlaka, well known for big bird colonies.

The project Karst Ecosystem Conservation (KEC) put very large attention to the mountain area in the triangle Rijeka - Karlovac - Zadar. This area has probably the biggest concentration of various karst phenomena in Europe and is known as one of the richest area in Europe regarding biodiversity, especially regarding wildlife in numerous caves and in virgin areas on high mountains.

### **3.14. PROTECTION OF SEAS AND OCEANS**

The protection of Adriatic Sea is also a part of the activity of the Direction for the protection of nature and many sea areas are under protection either as parts of National and Nature parks, or as special sea reservations. Three island national parks Brijuni, Kornati and Mljet and two island nature parks Telascica and Lastovo island group include large sections of sea. The sea near Mljet national park is especially famous as a habitat of highly endangered mediterranean monk seal.

Two special marine reserves Limski bay and Malostonski bay are important both as attractive landscape features and as areas with extremely quality of sea and therefore famous for high quality oyster production. There is a proposal for new very large marine reserve near island of Losinj designated to preserve endangered dolphin population in the Adriatic sea.

As in case of the protected areas on the mainland, the problem is protection of the areas not under special protection. At this moment the situation is relatively good due to not so big amount of sea traffic in Croatian ports and inexistence of large ecological incidents. The population is highly sensitive about those issues and therefore many potentially dangerous projects were rejected due to strong opposition by NGO's, such as Druzhba Adria project for transporting Russian petrol to Europa via Croatian port of Omisalj. The newly proposed LNG terminal in Omisalj is also under constant aware of NGO's.

### **3.15. GROWTH AND GROWTH DISTRIBUTION**

Croatia's economic growth is higher than European average, as it is in all previously communist countries becoming part of EU in 2004 and 2007. Since this growth is based more on tourism, transport and trade than on industry, the ecological consequences were not very negative. The distribution of growth between is not equitable due to transition processes, although the GINI index<sup>18</sup> and other indicators show that situation in Croatia is better than in most countries in the world. Also, the average salaries in Croatia are relatively high in comparison with other transition countries with similar GDP per capita. Therefore relatively high cost of work and high tax pressure are mentioned as obstacles for the future growth.

Besides the differences between the various income groups of population, there is also a big difference between regions. The capital Zagreb and county of Istria are the most developed, followed by other coastal counties. The most undeveloped are counties in mainly agricultural Eastern Croatia and in continental counties that suffered big damages during the war. Due to transition processes this gap is bigger than it was before the war, although in that period there were also big regional differencies.

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<sup>18</sup> According to actual data about the distribution of family index (GINI index) of 29, Croatia is on the 18<sup>th</sup> place in the world, and on the fifth position among the new formerly communist members of EU.

The government is trying to change this situation with various measures, such as tax eases for mountain areas, islands and areas heavily damaged in the war. Very good factor helping the process of equalising the growth distribution was construction of new highway from Zagreb to Dalmatia, passing through sparsely inhabited and undeveloped mountain areas and Dalmatian hinterland. The best prove of efficiency of this project was a fact that most sparsely populated and ten years ago the most undeveloped Lika-Senj county now belong to five most developed counties of all Croatia.

### 3.16. EMPLOYMENT

Unemployment is one of the crucial problems of Croatia's economy, with the rates often near 20 per cent. The situation is improving in the last few years and the rate is now for the first time after independence of Croatia under 10 per cent. The majority of the population is employed in the service sector, with remark that indirect employment in tourism (retail trade, transport and financial sector) is much larger than direct (hotels and restaurants). The official data about unemployment are not showing the real picture, because many formally unemployed people perform some temporary jobs, especially in tourism sector. Also, the number of retired people is in Croatia relatively high due to age structure of the population, but also due to many special forms of retirement (military personnel, disabled persons, early retirement in firms cutting labour force etc.)

**Table 7 Number of employees by sector in February 2008**

	Total number of employees	Agriculture, forestry and fishing	Mining, quarrying, electricity, gas & water supply	Manufacturing (Industry)	Construction	Wholesale & retail trade, repairing services	Hotels and restaurants	Transport and communication	Financial and real estate activities	Public services
total	1.207.953	27.449	35.031	255.531	99.494	219.076	39.554	80.460	122.827	328.531
%	100,0	2,3	2,9	21,2	8,2	18,1	3,3	6,7	10,2	27,2

Source: Republic of Croatia - Central Bureau of Statistics

In tourism sector there is a constant problem of seasonal work, and offer of relatively low salaries for the whole year was by the majority of tourism companies the most widespread solution for keeping qualified labour force. Croatia is now trying to introduce a system of so called "permanently employed seasonal workers" as more appropriate tool, because possibilities for prolonging tourism season are limited. It is also important to mention that large number of local population in coastal tourism areas also perform some additional jobs, especially in agriculture. Therefore one of the rare positive aspects of war was revival of olive and grape production, which has continued also after recovery of tourism after year 2000.

### 3.17. REGULATION OF GLOBALIZATION

Croatia signed practically all international documents concerning globalization, and the population is more aware of those processes day by day. In spite of official acceptance of globalization procedures, Croatian economy does not belong to very globalized ones due to still strong resistance to foreign investments. They are manifested in many problems for foreign companies trying to invest in Croatia such as complicating licence procedures, high taxes, relatively expensive labour and corruption. The situation is changing in the last few years because new investors are much more interested in real business, and less for speculative investments as in the years right after the war.

### **3.18. ACCESS TO BASIC SERVICES FOR ALL**

Regarding access to basic services the situation in Croatia is still worse than in the most developed countries, but it is usually better than in the majority of post communist countries on the similar level of overall development. This is mainly caused by the fact that the number of disabled persons has increased as a consequence of war and strong influence of war veteran organizations in the society. Especially influential are the organizations of military disabled persons, so the situation with the basic services has significantly improved in the last ten years. New laws regulate those issues for all the new public buildings and installation in old ones, although those laws are often manipulated.<sup>19</sup>

The access for blind persons is less favorable, what is visible in a fact that there are very few traffic lights equipped with the sound for blind persons and the majority of elevators still do not have buttons with buckles. The situation about access to basic services by disabled persons is generally better in the capital Zagreb and somewhere in other bigger towns, but unfortunately not so good in rural areas and coastal tourism areas. This is partly caused by the fact that the majority of accommodation capacities are of lower quality and therefore still not obliged for the installation of the equipment for disabled persons.

### **3.19. STRENGTHENING HEALTH AND EDUCATION SYSTEMS**

Croatian health system is relatively good considering overall GDP per capita, what is proven by the fact that Croatia is on 44<sup>th</sup> position in the world regarding Human Development index. The primary health care is well developed and the network of institutes of public health is seen as sufficient, especially in tourist areas. The main problem is lack of funds for the improving of the quality, because there is a tradition of having free of charge health care for the majority of services. The main problem lies in widening the revenue base of health insurance system to ensure financial sustainability considering ageing population.

Education systems are now in the process of change in all sectors. For the primary education the most important is preparation of national educational standards, for the secondary sector introduction of state matriculation in order to improve overall standards and in high education acceptance of Bologna processes. One of the key elements of the strategy of the Ministry of Science, Education and Sport is increase of the total number of the people with faculty level education, what is implemented through support of the system of Polytechnic education in all parts of Croatia. It includes also the tourism sector, with many new state and private faculties focused on the education of medium and top managers in tourism and hospitality sector and with offer of various types of long life education.

### **3.20. COMBATING DISCRIMINATIONS**

The period during the war and post war period was characterized with relatively low level of human rights, what was partially logical considering the enormous damage happened during the war. The situation started to improve very much after year 2000 and especially in the last few years during the

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<sup>19</sup> In the public buildings and some hotels with stairs special lifts for disabled persons are installed, but they are very often not working in spite of protests of disabled persons organizations

process of Croatia accessing EU. The year 2000 was important as a year of the first democratic change of the government and the last few years with the complete normalization in relation between Croats and Serbs as former enemies in 1991-1995 war.

The approvals of the normalization are participation of the Serb national party SDSS in the Croatian Government (after elections in 2007 they have also one minister in the actual government) and complete normalization of relations between Croatia and Serbia as independent states. The normalization have recently included also the local level and peoples relations, visible in extreme increase of Serbian tourists visiting Croatia and increase of return of Serbs to previously abandoned areas in Croatia after the war. The level of trade between Croatia and Serbia has also significantly improved, as well as cultural exchange.

Regarding minority rights Croatia has one of the highest standards in Europe, visible in special minority lists for the Croatian Parliament. Every significant minority is represented in the Parliament, what is not the case in the most countries members of EU). That includes also representatives of Roma (Gypsy) minority having their Parliament representative in spite of the only 0,2 percent share of Roma in the total population. Croatia is also listed as a country with very high standards of religious tolerance. For example, Islam has the same rights as the Roman Catholic church regarding religious education and state recognition in spite of only 1,3 percent share of Moslems in the total population. By the European Moslem Organizations Croatia is often listed as good example of a country where Moslems are well integrated in the society.

There were some problems in the past with minority groups of different sexual orientation and Roman Catholic Church as the dominant religion is still strongly opposed to homosexual marriages. But the situation is changing due to strong activity of NGO' and human rights groups and at least homosexuals and lesbian couples are now equalized with heterosexual couples regarding property and inheritance issues. The best sign of improvement in this field is a fact that regular Gay pride parades in Zagreb, which have provoked harsh demonstrations by homophobic groups and demanded high security measures only five years ago, nowadays do not attract serious attention and people of different sexual orientation can declare it now without serious threats.

## 4. PART IV - PROPOSALS

The situation in Croatia regarding sustainable tourism issues is very special in comparison with other Mediterranean countries due to a fact that this is the only country going right now through the process of joining European Union.<sup>20</sup> This process is favourable for the acceptance of many laws considering sustainability, but the implementation of those laws is difficult having in mind existing huge number of laws and practices that should be implemented in a relatively short period. The mess in legal issues is additionally hard considering huge number of different and often too complicated laws overlapping each other. That is partly a consequence of the transition process from the communist system to market economy and huge resistance to changes in many parts of the society.

Since disproportion between the existing laws and actual practice is one of the main overall problems of Croatia as a state, it is necessary to bear in mind that proposals for legislation changes does not usually mean that the existing practices will be changed very soon. Therefore the situation regarding legal issues is the main objection to Croatia in the process of integration into European Union. On the other hand, there are fears that free movement of people and open market of properties in Croatia as a part of European Union during the process of legislation vacuum will increase the negative effects on the environment in general. Having in mind this specific situation, regarding all the proposals it is necessary to be aware of the possibility of their implementation.

Regarding general control of tourism impact on the environment the most important proposal is therefore to produce laws which could be easily and effectively implemented, what is often not a case today. Specific proposals in this area should also include:

- Establishment of effective measures which can stop the further “apartmentization” (building of secondary residences) in the coastal zone as the most important tourist resource of the whole Croatia;
- Establishment of new large protected areas with lower level of protection (regional parks) where restrictions regarding building could be implemented in order to prevent excessive building of secondary residences for the citizens of European Union considering spatial possibilities and geographical position of Croatia;
- Establishment of strict and easily applicable rules regarding building issues in order to preserve local architectural heritage and stop further visual pollution with inappropriate objects;
- Enhancement of the role of planning departments and physical planning in general;
- Further extension of pedestrian zones in central urban areas followed with the improvements of public transport in order to discourage excessive usage of cars in the most attractive and most sensitive tourism areas;
- Modernization of rail traffic and airports in order to stop absolutely dominant orientation to car traffic;

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<sup>20</sup> Turkey is also in a process of joining European Union, but it is not likely that it will become a part of EU soon due to a resistance in many existing member countries. Other potential candidates did not start the official negotiations.

- Increase of investments in renewable energy in order to stop potentially dangerous energy deficiency and pressure for the building of environmentally harmful energy production plants; and
- Establishment of strict and easily applicable rules regarding nautical tourism in order to stop potentially very dangerous sea pollution caused by excessive yacht traffic.

Promoting tourism as a factor of sustainable social, cultural and economic development should include measures which will prevent negative consequences of presumable big investments in Croatia after joining European Union and balance regional development. More intensive international cooperation is desirable in order to prevent negative forms of development visible in many areas in developed European countries and for the transfer of necessary knowledge. The main proposals in this area should include:

- Fiscal stimulation of tourism investments in the interior and investments of non-coastal forms of tourism, especially rural and cultural tourism;
- Establishment of more effective measures which will help the local rural population to start the tourism business (education, free legal advice, fiscal help etc.) and incorporate local food and other production in tourism;
- Establishments of incentive and more effective measures which will stimulate environmentally friendly forms of tourism development and discourage all forms of the environmentally unfriendly behaviour;
- Formulation of special incentives for all the projects that include preservation and restoration of historical heritage objects, especially those which are already in bad condition or abandoned; measures in this area include also easement of legal issues and much faster and easier legal procedure regarding property; and
- Stimulation of all forms of international cooperation, such as twinning of cities and regions, wider usage of various international (European) eco labels, inclusion of Croatia into networks of cultural paths, trails etc.

Regarding good practices, besides afore mentioned proposals it is suggested also to:

- Organize and build cycling paths and promote cycling traffic in cities, towns and rural areas;
- Formulate more strict and more clear procedure in the production of environmental impact assessment studies in order to prevent environmentally unfriendly practices;
- Stimulate more environmentally sound policy regarding usage of relatively abundant fresh water resources, especially considering excessive water consumption and protection of existing fresh water resources;
- Adopt and efficiently implement all existing EU laws regarding waste water and solid waste disposal;
- Increase and expand areas under protection, including the existing forms (national parks, nature parks etc.) and eventual new forms; that especially include the sea areas;
- Promote Croatia as a country with one of the largest per area biodiversity in Europe, both as a form of tourism promotion and as a tool intended to attract various international funds assigned for the nature protection;
- Promote Croatia as a country with rich, various and well preserved cultural heritage from all historic periods, also both as a form of tourism promotion and as a tool intended to attract various international funds aimed for the preservation and restoration of cultural heritage;

- Formulate sensitive policy regarding property issues in order to allow foreign investments (including building of secondary residences in designated areas) and at the same time prevent destruction of local cultural and national identity and pauperization of rural population;
- Improve educational standards, especially in order to adjust them to the best EU and overall practice and to promote international exchange according to the Bologna process
- Formulate sensitive policy regarding labour movement in order to prevent eventual socio-cultural conflicts caused by excessive import of foreign labour; and
- Promote stronger international cooperation regarding human rights and combating discriminations, with a special accent on the stronger role of NGO's in overall society.