

Managing Island Development: the Croatian Case

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SUMMARY Managing Croatian islands development – the subject-matter of this paper – is a highly important issue since 1,246 Croatian islands make the second largest archipelago in the Mediterranean. Not more than 110,000 islanders inhabit not more than 40 islands. The population peak was reached in 1921, and then followed the decades of slow or less slow decrease. Since the 1981 till the end of the 20th century the Croatian islands population has rapidly decreased. Being based on the natural environment, the island economy is generally simple, its structure apparently primitive compared with the mainland. To the present day there are whole areas of economic activity missing there.

It is commonly assumed that the Austro-Hungarian empire was the first to manage the development of the Croatian islands. Efforts of that sort were severely reduced in the times of the Kingdom of Yugoslavia. After 50 socialist years the picture that has emerged features a number of small islands which still have some population but no economy, and several larger ones which seem to be prospering at least judging by the standards devised on the mainland.

The islands and their development have been reconsidered since 1995. The newly formed Ministry of Development and Reconstruction put island issue on its agenda and formed an interdisciplinary expert team which produced the Island Development Programme in 1997. The Parliament passed it as the first development document of the State of Croatia that dealt with a particular region. NIDP scoped comparative advantages, detected limitations and deduced that the islands arrived at the development crossroads from which the path of sustainable development should be taken. Its goals, principles and measures favour sustainable development, and «from the bottom» development management, i.e. starting from the island community.

The Island Act was produced and passed as a *lex specialis* in April 1999. The most important development measures and tasks prescribed by the Act are passage and implementation of the 22 island sustainable development programmes and 19 state infrastructure and superstructure programmes. Eight years after the passage of the

first Constitution of the independent Republic of Croatia the institutional framework needed for an efficient island development management is finally built.

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1. Islands

The Croatian islands make the second largest archipelago in the Mediterranean. The most recent research counted 1,246 of them, and found that there were 79 islands, 526 islets (1 km² or less), and 641 rocks and rocks awash (Duplančić-Leder, Ujević, Čala and Vidak, 2000). The islands make up not more than 3,300 km² or 5.8% of the Croatian land but determine 37% of the total maritime and continental area of Croatia. However, only twenty of them exceed 20 km², and writers of fiction who consider that an island is small if it can be taken in at a glance from the heights peak of it would readily rank them small. UNESCO experts would agree. They define small islands as those with approximately 10,000 km² or less and approximately 500,000 or fewer residents (Hess, 1990).

The climate which has always determined most of the island everyday life is Mediterranean of the Adriatic type and the sea is still unpolluted and never colder than 10 °C. There are frequent differences between the windward and leeward sides of islands but the summers are always hot, dry and sunny and winters are snowless and mild. There is enough rain but its precipitation distribution is typically Mediterranean. Maximums are in November or December, while minimums appear when the water is needed most: in July or August. Besides, rain vanishes in the depth as elsewhere in the karst. The most common type of soil, red earth (*terra rossa*), fills the karst valleys, sink-holes, ravines and other karst depressions. Long tillage and sedimentation of humus caused red earth to partly change to brown maritime soil.

At home the Croatian islands are commonly regarded as parts of the mainland, distinguished from the other parts only by the circumstance that they can not be reached in any other manner but across the sea. In all other ways they are thought to be alike, and it thus often happens that the same economic policies are applied to Slavonia and to the island of Cres, the same health policy to Zagreb and to the island of Lastovo, while the resident of the city of Dubrovnik has to go all the way to Dubrovnik for every slip of official paper, regardless of whether he/she lives on the island of Mljet or in the city's main street. Big or small, islands have always been quite distinct from the mainland, however. Nature of the islands is different from that found on the mainland; man's treatment of it is also different: production, exchange and consumption practices on the islands and on the terra firma have never been identical. Some of these differences

are barely noticeable and some are quite substantial; some differences persisted through the centuries and then disappeared, while others have emerged only recently. Moreover, there are some islands whose economy, history and culture show greater variance with respect to other islands than to the mainland.

This singularity of the islands is primarily due to the natural differences between the islands and the continent. All peculiarities of the island ecosystems, observed already by Darwin, can be seen on the Croatian islands. Having developed over a restricted space, the insular ecosystem comprises fewer plant and animal species and their interactions, and is thus more fragile, and the new species which manage to reach an island behave more aggressively than they would on the mainland.

For centuries islanders have been adjusting to their specific environment, choosing on this basis what and how to produce and how to exploit their resources. The technologies they had been able to evolve were almost ineffective by present standards – but, they were created on the islands and for the conditions prevailing there, and the volume of production and the modes of consumption posed no threat to the natural environment. Even when a natural disaster occurred, the islanders had the wisdom of slowing down production and waiting for the ecosystem to recover. The island economy and the natural surroundings from which it grew constituted thus a specific system; it can be still found on some smaller islands and can be described as the ecosystem of small and medium islands burdened by man's production, consumption and transport activities. Similar entities could also be found anywhere on the continent, but the islands are specific in many respects. Experiences, especially recent ones have shown that the island systems are considerably more vulnerable and that the interdependence of the economy and its natural base is much stronger there. Whatever the angle the island *differentia specifica* always appears in sight.

2. Islanders

A couple of years ago paleolithic remnants were excavated on the island of Palagruža, the most remote of the Croatian islands. This rounded the picture of an archipelago settled, nourished and exploited for millenia. Paleolithic and neolithic people were followed by Greek colonists and Illyrian tribes, then came the Romans and some 1200 years ago, the Croats. They have been their ever since having their own state for several centuries but most of the time experiencing various foreign rulers. Franks, Venetians, French, Austrians and Italians followed one another influencing the economy, social interactions culture, language and every day life and leaving layers of heritage. The Croats accomplished the last major island immigration followed by numerous smaller, often dramatic waves triggered by any disturbance on the continent. The last one happened in the 1990-ies during the Homeland War- one more time in the history the islands served as a refugium.

The Croatian islands have always been less inhabited than other Mediterranean island groups, although many criteria (vicinity of the mainland, island centres, millennium old settlement tradition, size and traffic importance of the Adriatic etc.) would generally suggest more population and larger agglomerations. The evidence goes back to 1857, the year of the first official census. The population peak was reached in 1921, and then followed the decades of slow or less slow decrease. In 1981, towards the end of the century of the global population boom the Croatian islanders sunk below the last century figures.

Table 1.
Population of the Croatian islands from 1857 to 1991

Census Year	Population	Index 1857 = 100
1857	117,481	100
1900	166,910	142
1910	173,263	147
1921	173,503	148
1931	165,624	141
1948	151,835	129
1953	150,073	128
1961	139,798	119
1971	127,598	109
1981	114,803	98
1991	110,953 ¹	94

Sources: 1. Korenčić, Mirko: *Naselja i stanovništvo Hrvatske 1857.-1971.* - Zagreb : JAZU, 1975.
2. *Dokumentacija broj 553.* - Zagreb : Republički zavod za statistiku, 1984.
3. *Dokumentacija broj 881.* - Zagreb : Državni zavod za statistiku, 1992.

Preliminary results of the 2001 census point that the number of islanders grew to over 120,000. The figure is not reliable due to inclusion of island non-residents who declared themselves as residents and the islanders that permanently reside on the continent. A more reliable estimate will be possible after the publishing of final results.

In 1991 92.4% of all islanders declared themselves Croatians. That year, an average island settlement had 417 inhabitants, which is below the Croatian average and the largest town, Mali Lošinj on the island of Lošinj, had 6,566 souls.

¹ Estimated on the basis of natural population growth rates for individual age groups of islanders. The figure of some 127,000 islanders in 1991 offered by the official census proved unacceptable. The Census covered refugees that left soon afterwards and continental residents who, in an attempt to evade the property tax, reported their second homes on the islands as residences (Lajić and Nejašmić, 1994).

In the twenties and thirties islanders mainly emigrated overseas. Immediately after World War II they emigrated to bigger towns on the coast and mainland. In the sixties they left abroad as migrant workers. They kept emigrating overseas all the time, but the number of such emigrants decreased after World War II. The impetus to emigrate abroad came later to smaller islands² because between the two world wars their population first left for larger islands and then to the mainland. Islanders from small islands started out overseas only after the crisis was substantially felt in the settlements on larger islands. In the fifties, the emigration of the islanders turned into an exodus. For the first time, small and medium sized islands were vacated first, the population of many of them simply becoming extinct. Annual population growth rates became negative on all islands, except the island of Rab. In the sixties, extreme depopulation was caused not only by lasting and extensive emigration but also – for the first time on the islands – by a regressive birth rate which today is present on all small and most of the large islands. By 1981, one fifth of the population left large islands, more than a third left medium sized islands and, disastrously, three fourths left small islands.

Deserted villages in the interior of larger islands, rapid growth of a few settlements on the island coast, abandoned small islands, devastated autochthonous, mostly rural architectural heritage and dying natural heritage make the picture of the Croatian archipelago. If the actual trends persist, in next ten years the population of one fourth of the island settlements will have become extinct.

3. Economy

Being based on the natural environment, the island economy is generally simple, its structure apparently primitive compared with the mainland. To this very day there are whole areas of economic activity missing there, and a couple production units that often represent the whole sector sometimes number no more than a dozen workers. The economic history of the islands is also peculiar. From the times of the antiquity to the present day (Greeks had formed self-contained colonies 2500 years ago) the economies of the Adriatic and of the Mediterranean small and medium islands have known periods of growth more vigorous than on the mainland, but also downturns which were as a rule much harsher, often catastrophic. These oscillations are to a lesser extent attributable to periodical changes in the natural conditions on the islands. For the larger part, however, they were due to trends of trade and transport, which, by growing and expanding, linked the island and the mainland economics more and more. The point in time of which it may be said that the links became strong enough to make a powerful impact on the island is usually only roughly defined in most studies,

² UNESCO's criteria of smallness should be reconsidered here. Bearing in mind the size of the whole archipelago, small Croatian islands should be defined as those with approximately 20 km² or less and approximately 250 or fewer residents.

usually accompanied by the remark that the integration of the economies of the Adriatic islands into the spatial division of labour began during the Renaissance times and that it had gained impetus only during the industrial revolution. However, one usually searches in vain for features common to all islands. All that can be safely claimed is that, after many centuries of self-sufficiency and negligible exports and imports, the economy of the Croatian islands became incorporated into transport and trade networks which made it possible for them to offer for sale all their surplus products. Having joined these networks, the inhabitants began to practice a hitherto untypical activity, namely, trade. Both on the mainland and on the islands comparative advantages are now sought and exploited; some products are turned out in greater quantities than before while others are neglected, and goods which do not originate from the islands are consumed to an increasing extent (Anušić, 1994; Filipić and Crnošija, 1994; Filipić and Kučić, 1997; Šimunović, 1994; Šonje, 1994).

History is full of instances of the reduction of the production patterns on small and medium Adriatic islands to just one single item (olive oil and red wine are most common but not only examples), which sells well on the continent and helps the island of origin to become rich within a short time. However, even when properly identified and exploited, these comparative advantages depend on mainland conditions and trends, and are thus not of long duration. When they come to an end, other types of production, and if necessary even other activities, have to be launched. The history of the islands is full of examples of inability to abandon such specialized production and to substitute it by something else. In making use of their comparative advantages to accomplish a swift leap from a predominantly barter economy to a modern market economy, the islanders were only rarely able to recover once the market showed its other face (Defilippis, 1994, 1997a, 1997b). Viticulture and wine production, shipbuilding and navigation brought riches to some Croatian islands, but the islanders did not always know how to switch to something else, once they ceased to be profitable. A limited capacity for prompt adjustment of economic structure has always been a feature which distinguished the island economy from that of the continental regions. Island *differentia specifica* can be easily observed here too.

4. Development management – last 50 years

It is commonly assumed that the Austro-hungarian empire was the first to manage the development of the Croatian islands. The proposition may not be valid to a full extent (not much research has been done on the subject) but still existing ports, piers, light houses and well elaborated cartography produced in the times of Franz Joseph undoubtedly confirm that there existed a long run maritime oriented development policy and that quite a portion of the state budget was spent on it. Spending of that sort was severely reduced in the times of the Kingdom of Yugoslavia and the Austrian approach according to which the construction of a pier incurs less cost than the wreckage of the ship which could not find shelter

was abandoned overnight. In the eve of the World war II the islanders had been already leaving for overseas countries in large numbers and the infrastructure looked worse than at the beginning of the century.

4.1. Socialism

World war II drew a dividing line between the Croatian and the other Mediterranean islands. Having been left alone to pursue development within a new born socialist system the former had to bear the brunt of what had been termed half a century ago the primary socialist accumulation of capital. Rapid industrialization, attended by the concentration of rural population in a few urban centers, ill considered, sweeping economic measures, regional economic policies which were reduced to merely supplying the underdeveloped regions with cash, and similar moves coupled with reviling of the private sector, and introduction of the socialist enterprise as practically the only form of economic organization, had both beneficial as well as detrimental effects on many ex-Yugoslav regions. In this too, the islands again proved to be more vulnerable than the mainland. The island economy did not thrive under the impact of the new mainland type measures, while the lure of the mainland itself became greater then ever.

The main island problem, how to cross the sea when needed, was approached in the mainland way too. Already in the 1960-ies it was clear that the rising island tourist demand would not be served well if the islands remained so isolated. The solution to the problem was based on the proposition that the automobiles should be facilitated to cross the sea as easy as possible. Seemingly trivial and selfunderstood, the proposition led to investments in bridges, ferry boats and adequate port facilities. In the 1960's and early 1970's first two islands were connected with the mainland with bridges, another two got the bridge to connect them in between, a couple of hundred of kilometers of island roads were paved, and ten odd ferry ports constructed. Finances came from fiscal and parafiscal sources, and, as tourism grew, from islanders themselves. In 1977 the programme was fully institutionalized and legalized as the »Programme of substitution of unprofitable shipping lines« (Narodne novine, 1977). It was expected that by the year of 1985 passangeres ships would be sailing only to small islands where automobile was not needed, so that the programme covered only 20 large islands. Although only 55% of all of the planned roads and ferry ports were finished in time (Crnošija, 1977), the aim was fulfilled: cars can reach large islands but the small islands have one ship connection with the mainland per day at best. There are other consequences as well: there are no ships nor ferrys that could sail faster than 8 knots, mainland bound islanders have to wake up at 5 a.m. if they want to board the ship that day and only one small island have a regural daily air connection.

The programme that dealt with better transport not caring much about what was to be transported to and from the islands had various effects including adverse

ones. Communication with the mainland, which modern technology made so much easier, was used mainly to leave the islands. It is only during the last three decades that this one-way traffic has been reversed in the case of a few islands, in the form of new arrivals and of a degree of economic and social revitalization. However, with this influx of goods and people, the mainland developmental mentality has also begun to be felt, soon to be manifested in the form of economic investments, housing construction, infrastructure development, and in many other ways. The historically youngest comparative advantage of the islands, tourist resources, are also exploited according to mainland criteria, that is to say, catering for mass tourism. After centuries of influence from a distance, of making or breaking the comparative advantages of the islands, the mainland economy has moved over to the islands in a physical sense as well. The price has been paid already: the chance to generate modern island mentality has already been missed in some places.

In setting sail for more alluring shores, the islanders took with them a large part of the communal spirit which had evolved over centuries. Firmly built, so as to ensure survival in the harsh conditions of the island system, this communal spirit proved more enduring than that evolved on the mainland. Even today, the Croatian islands are still replicated in Split or Zagreb and even in deepest Australia and California. Nevertheless, in spite of this tendency, it became clear already in the 1970's that the islanders would not return. It was equally clear that the deserted islands would not be resettled unless conditions were fundamentally changed and a new purpose lent to life on them.

Ill policies and pull migration factors did not affect all Croatian islands at the same time or with the same intensity. After 50 post war years the picture that has emerged features a number of small islands which still have some population but no economy, and several larger ones whose population is being augmented by new settlers from the mainland and which seem to be prospering at least judging by the standards devised on the mainland. In addition to this there are a number of larger islands characterized by a developmental center on the coast of the island which draws the inhabitants from the interior. As a consequence, the geographic center of the island thus becomes the developmental periphery, and the geographic margin the zone of development. However, in spite of the growth of such centers, the population of these islands is on the decrease, while the economy, despite of a growing tourist activity seems to be stagnating.

The need to produce island development programmes that would not cover only ferry lines or only a hotel in the nearby bay was not recognized until 1980's. After several attempts to produce development programmes for particular islands (Starč, 1987), in 1986 »The Social Agreement on Development Policy for the Adriatic Islands« was adopted in the Croatian Parliament (Narodne novine, 1986). The Agreement was compulsory for 9 island municipalities, 5 islandmainland municipalities, regional chambers of commerce and all public (»socially owned« as it was put at the time) firms that took care of island infrastructure, transport and su-

perstructure. The Agreement defined public interest for island development, stated development goals and listed measures that had to be undertaken by all that signed it. Notions of island carrying capacity and rational long term usage of island resources appeared for the first time. However, the implementation was gaining momentum slowly and finally died off in 1990, when Croatia became independent. During the Homeland War that followed the item was dropped from every agenda. Patient as usually, the islanders carried their share of the burden of the war and waited.

4.2. Transition

The islands and their development were reconsidered in 1995. The newly formed Ministry of Development and Reconstruction put island issue on its agenda, formed an interdisciplinary expert team and formulated the task of producing a national programme that would cover and solve for all problems of island development management. Since the request to develop sustainably had already reached all parts of the globe the team readily accepted it and started producing a development document that would propose and elaborate a scheme for island sustainable development.

The difficulties encountered by the team were numerous. The conventional methods proved too approximate to allow generalization of developmental oscillations of the islands, and at the same time too sensitive for the analysis of the simple island production patterns; they are too narrow to encompass all the nuances of the island system, and too reliant on the immediate, atypical past of the islands to produce valid predictions. Where the environment is at stake measuring instruments have to be particularly finely gauged and criteria strict, while, as regards demography many of the usual coefficient defy calculation, and projections make no sense. In dealing with economics, the methods at disposal are too growth oriented to do justice to the specific nature of island development. To this should be added the powerlessness of economic methodology to make forecasts for matters not contained in past tendencies, together with the utter impotence of any methodology to make any predictions whatever about Croatian transition economy and its fluctuations. Further, analysts and especially planners, have to face a phenomenon which is exceedingly rare on the mainland. Island development planning, namely, normally implies the guidance of ongoing often tumultuous, social and regional economic process that is reduced to consumption so that the first developmental steps are actually attempts at revitalization and are extremely important. A new hotel in Zagreb is just another economic facility, and will not vitally affect either the future economic development of the city or its social structure. A new hotel on Cres which stands as the largest Croatian island will introduce important changes in the employment figures and in many indicators of economic efficiency on the island, while on a small island a project of this kind would be crucial, not just for the island's economy but also for its fate.

The islanders who starved during World War II although their fathers still knew how to subsist as if the mainland were not there, will surely agree that the island economy ought to possess a high degree of self sufficiency. Their sons and daughters who suffered from shortages during the Homeland War and experienced the crash of tourism that followed would agree on that too. On the other hand, it is equally obvious that the islands cannot remain outside the spatial division of labour, that a certain amount of dependency on the mainland is inevitable, and that this involves opening the islands to new populations and effecting major economic and no less important social changes.

The team also found that compound data and averages, which are usually used to define the development stage and potential of a region (number of inhabitants and population structure, population density, working-age population, employment, growth rates, indicators of general development and standard of life, economic and non-economic structure etc.) cannot be applied in the same way on the islands. Taking this in account it was concluded that there were as much as 30 out of 48 permanently inhabited islands which should receive help, mostly small ones. On the other end there are up to 12 islands which cannot be considered as underdeveloped according to the usual indicators.

In the late 1970s some coastal settlements on the islands and their surroundings stopped declining and began to grow economically and demographically thanks to tourism and, to some extent, trade and shipping. The growth was rapid and did not feature sustainable development. At the same time, the interior of big islands and all small islands continued to decline. The islands thus became a much more complex issue of development management than they were in the 1960s and 1970s. Islands or parts of islands which have experienced economic growth and where rapid construction took place, reaching their infrastructure development limit, demand a kind of management more appropriate to fast-growing urban settlements. They have surpassed other islands or part of islands that need revival measures.

4.2.1. National Island Development Programme

The team produced the Island Development Programme in early 1997 and the Parliament passed it as the first development document of the State of Croatia that dealt with a particular region (Starč, Kaštelan-Macan and Čurlin, 1997a; 1997b). National Island Development Programme (NIDP) scoped comparative advantages, detected limitations and deduced that the islands arrived at the development crossroads from which the path of sustainable development should be taken. Following the provision of the Croatian Constitution of 1990 which assigns special government protection to islands (article 52), NIDP also proposed the island development policy and assessed its agents. Its goals, principles and measures favour sustainable development, and »bottom up« development management clearly showing that necessity and importance of regional policy has been finally recognized by the Croatian policy makers.

Advantages and limitations

NIDP assessed climate as the most important comparative advantage of the Croatian islands. Temperature and insolation of islands enable earlier ripening of field crops and a longer vegetation period, making up to three harvests of some cultures possible in a single year. Climate makes islands attractive to tourists, but also to those who want to work there or live there in their old age. Besides, they are unrivalled in their attractiveness to yachtsmen. A further comparative advantage is the geographical position. Croatian islands are centrally located in Europe, close enough to tourist generating countries and markets for island agricultural products. Being situated in the middle of the Adriatic also implies some advantages. Geographically isolated islands, for instance, are suitable for the preservation of the genetic purity of plant and animal species. The number of such localities is getting smaller so that the Croatian islands will soon become one of the rare places in Europe where some species can be protected from undesired cross-breeding (e.g. bee-keeping, many agricultural crops). The landscape adds much to islands' tourist attractiveness. The extremely indented island coasts enable (more than on the Croatian mainland coast and on other Mediterranean islands) a relatively inexpensive construction of ports and related facilities. A comparative advantage is also a healthy environment; islands are contaminated here and there but none of them is polluted.

Another island comparative advantage acknowledged by the NIDP had not been sufficiently recognised before: the main island industries, i.e. tourism and agriculture, meet the requirement for economically and environmentally sustainable development. Experience in other parts of the world indicates that, contrary to the Croatian practice, the most profitable tourism on islands is a small-scale one, whose marketing is oriented towards guests with environmental awareness and a greater purchasing power. Intact nature and harmonious anthropogenic island environment are a part of the offer in such type of tourism; its sustainable exploitation is in the interest of those who invest in tourism. Their economic interest corresponds to the public interest to preserve the natural and cultural heritage of islands and their autochthonous qualities, which is in a way a guarantee that they will really be preserved. The same goes for the island agriculture. Traditional, but also almost all new agricultural products produced on the islands can be cultivated without pesticides (this type of cultivation is also a condition for their marketing), and it pays to grow them because they thrive in the island climate better and earlier than on the continent. In this way the economic and environmental sustainability correspond in both the island tourism and the island agriculture, which is a unique and permanent comparative development advantage.

On the other hand the island development is confronted with limitations that must not be overlooked. The greatest one acknowledged by the NIDP is the lack of workforce, and on small islands also of people at reproductive age. With the exception of a few big islands, fast development is impossible without new inhabitants, especially experts. The main natural limitation is the permeability of is-

land soil, due to which the water is scarce in spite of sufficient quantities of rain. Another natural limitation is karst itself, which leaves very little arable land and makes a cheap construction of roads impossible. Insufficient port and road infrastructure on islands is also a limitation, which affects traffic, economy and everyday life in general. Neglected and mostly fallen in field lanes pose another limitation.

Deficient primary education on small islands is an insurmountable short-term limitation. Newly started families of island inhabitants or newcomers are directly threatened when children reach school age and the island school, if any, does not provide a minimum of education quality. The greatest institutional limitation is disordered land register coupled by unclear ownership status of agricultural and building land and buildings on all islands. It directly prevents investment because individuals or legal entities from which land would be bought or hired cannot be detected.

Crossroads

The NIDP claims that the islands have arrived at a development crossroads. They can follow the path of sustainable development and finally become a special and attractive place for investment and life in general, or they can take a shortcut of quick and unreasonable exploitation, which will irretrievably impoverish and relegate them to a marginal status in Croatia and on the Mediterranean as a whole.

Taking into account this crossroads and the proverbial fragility of island resources and their current unsustainable use, one must conclude that the management of island development is a necessity and a national interest. On small remote islands and in the interior of the big ones this need is justified by the fact that they have been neglected and are dying out. On the coast of bigger islands, on which some places are among the most developed in Croatia according to the criteria applicable to the mainland, this need comes about because the ecosystem is overstrained and the island community shaken. The attractiveness of islands to investors also calls for development management. Islands are not less developed than the interior of Istria, Lika or the Dalmatian hinterland, but they are the only ones targeted by investors and therefore require urgent and concerted action.

Principles and goals

According to the NIDP the island development should be managed according to a couple of important principles. The first and the most important one states that island resources are to be used completely and sustainably. Owing to its comparative development advantages, islands can be preserved only if taken integrally and exploited in a sustainable way. Next principle states that island is a system consisting of the island ecosystem, island economy (all islanders' activities relating to production, transport, consumption and exchange) and the community of peo-

ple living there. Besides, islands are equal parts of Croatia in terms of development policy. The NIDP indicates that all locations and territories of Croatia, including the islands, deserve an equal initial development care and attention. This principle finally overcomes the negligence rooted in the past development policies.

The National Island Development Programme states that sustainable development is the principal goal and purpose of island economy and ecosystem management (Starc, Kaštelan-Macan and Ćurlin, 1997a; 1997b). The basic goal is thus determined not as some future state of affairs which needs to be reached and maintained, but as a steady and fully sustainable use of island potential in its economic, ecological, technological and social aspects. Socially warranted population is a further goal of island development management. An island is socially adequately populated when number, age, sex and qualification structure, as well as the way and standard of living, create a community which is appealing enough not only to permanently retain its members, but to draw in new ones, and which can be reproduced without direct measures of government development policy.

NIDP also states medium-term (ten years) and short-term (two to three years) goals which can be determined as a future desired state. Such goal is stay of present population and return of younger, economically active population, which has left islands in last 10–15 years. It is fully consistent with the requirement about the warranted number and structure of the island population. Balancing the island investment conditions with the conditions under which investments take place on the Croatian mainland is a medium-term goal of the island development management. It refers to island economy, as well as to the public standard and the island everyday life, which do not make investments on the islands appealing today.

Diversified structure of island economy is a further island development goal stated by the NIDP. The island economy ought to have much more complex structure if it is to overcome the ups and downs in its economic environment. The goal is consistent with the goal of versatility of the island household, the basic unit of the island economy. The more activities its members are involved in, the more stable household is on the economic and microsocial levels. Full physical accessibility of island natural resources is stated as a short-term goal of the island development management. Accessibility can be considered as a prerequisite to management, as the development measures can be coherently formulated and carried out successfully only if all parts of the islands are easily physically accessible. Accessibility will be attained when the total of island agricultural land and other areas used for production or consumer purposes feature a road and field lane network to facilitate transport of people and the necessary equipment. An equally important short-term goal is accessibility of island resources to legal transactions. It will be attained when real estate property is regularly registered, boundaries are established and when property or at least the right of use are in-

disputable, that is when the real estate transactions on the whole territory of an island are legally feasible.

Measures

The National Island Development Programme defines development measures in the broad sense. Adjustments of institutional framework within which the users of island resources operate are understood as development measures by the NIDP. Such adjustments are supposed to encourage sustainable economic activities and discourage activities, which would make development unsustainable. Government investments into construction of island infrastructure systems are also considered as development measures. This includes long run government infrastructure programmes, as well as particular projects, which need not be set up by a programme, but by observing cave-ins and cases for urgent reparation. Advancements of social and educational system and cultural activities, which take into account island specificities make the next set of development measures recognized by the NIDP. Government programmes in the fields of health care, education and culture have to be introduced. Production of island development documentation and its promotion and distribution to interested island investors is also viewed as a measure. Development documents such as sustainable development programmes, physical plans, preliminary designs and investment projects produced by the government have to determine the place, scope and/or technology of island investments and guarantee sustainable island development.

The island development measures have to be devised by the newly formed Ministry of Public Works, Reconstruction and Building which is put forward as the main promotor of the NIDP. The Ministry i.e. its newly formed Island Development Department (IDD) has to cooperate with the competent ministries and government agencies, and competent bodies of the coastal and island counties. The IDD has to propose measures and closely observe and support the procedure for their adoption by the Government or the Parliament. The NIDP requires that a particular instrument or measure proposal has to be presented, explained, justified and promoted at each stage of the procedure, and that the enforcement of measures has to be closely followed. Only in this way can the measures be always readjusted or replaced by more efficient ones. The NIDP states that, given the existing lack of island development measures, such practice has to start with the preparation and passage of a piece of legislation that will bring the Programme requirements to the highest possible obligation level.

4.2.2. The Island Act

The Island Act was produced and passed as *a lex specialis* in April 1999 (Official Gazzete, 34/1999). The first of the kind in Croatia it is also one of a few in the world. Back in 1952 the Remote Islands Development Act was passed in Japan

(Wake, 1992), in 1981 the Island Development Act was passed in Finland (The English Centre Bulletin, 1997) and this completes the list.³ Derived from the NIDP it refrases most of its provisions and requirements and assigns tasks to a number of ministries, government agencies, public enterprises and bodies of local administration and selfgovernment in the six island/mainland counties and their 44 island municipalities/towns.

Development measures and tasks prescribed by the Island Act include:

- passage and implementation of the 22 island sustainable development programmes coordinated with passage and implementation of island physical plans as defined by the NIDP;
- passage and implementation of 19 infrastructure and superstructure programmes as defined by the NIDP;
- passage and implementation of the Island Annual Action Plan on the yearly basis;
- free transportation for island pupils, students and elderly;
- establishment of a port authority for construction and maintainance of island ports;
- introduction of fast ship lines by means of a public contest for shippers other than the state monopoly;
- restrictions to hunting on islands;
- free permits for small scale fishing for islanders;
- use of the label »Croatian island product« for special island wines, oils, cheese, mutton and other autochthonous agricultural products;
- use of the label »Croatian island tourism« for special small scale tourist offer on islands;
- special loan programme for island investors willing to invest according to the island sustainable development programmes (to be carried out by the Croatian Bank for Reconstruction and Development);
- subsidies to island employers aimed at creation of new jobs;
- subsidized price of water for islanders;
- free state owned flats, houses and agricultural land for island settlers.

Passage and implementation of 19 all-island infrastructure and superstructure programmes appears as the most demanding task in terms of organization. It involves most of the existing ministries and government agencies and requires careful co-ordination on the national government level. The programmes deal with irrigation, solid waste treatment, transport linking, field lanes, air transport

³ It should be noted that countries like Spain, the United States, Greece and some more, do not have an explicit island act but do have an extensive legislation on regional development management that covers islands.

infrastructure, water supply, sewage, electricity supply and telecommunication and involve a couple of ministries and all state owned infrastructure companies. These programmes are defined as sub-programmes within existing national infrastructure programmes. They envisage the construction of island infrastructure within 7 to 15 years.

The superstructure programmes deal with health care, social care, pre-primary, primary and secondary education, scientific research, education of island entrepreneurs, culture, environmental protection and protection of cultural heritage, master plan for tourism, incentives for small entrepreneurship and reorganization of land registry. They also involve a number of ministries and government agencies envisaging the period of 10 years.

The prescribed Island Annual Action Plan is a government document aimed at coordinating the implementation of island infrastructure and superstructure programmes and earmarking corresponding finances to the state budget. The Action Plan determines the funds which will be listed as the cover-all island budget item for the following year and include all government spending concerning the islands. Beside the investments in the necessary repairs and construction of infrastructure, this item will include subsidies to shippers, expenditures for infrastructure and infrastructure programmes, subsidised loans to island investors and other expenditures arising from incentive measures.

Following the principles put forward by the NIDP the Island Act devotes a special attention to sustainable development management. According to the Act it will be achieved by amending the existing planning system. In accordance with usual physical plans, it prescribes island sustainable development programmes and attaches corresponding tasks to the Ministry of Public Works, Reconstruction and Building, which has to organize and finance the production of the programmes. The programmes will be produced for each group of islands which makes a geographic and economic unit. Following the principle that all islands deserve the same development care the NIDP and the Island Act count 22 groups comprising even those scattered islets, which all together do not make two square kilometers. Designed as well balanced set of pre-feasibility studies they are supposed to help the island local self-government to attract investors in the sustainable island development. The programmes will be produced according to the methodology provided by the Ministry. The content is thus compulsory comprising chapters on natural and man-made resources on the island, available work force, island economy, carrying capacity and development strategy which has to be derived from the carrying capacity estimate on one hand and the islanders' preferences on the other. The programme also has to contain investment proposals elaborated on the pre-feasibility level and guidance for those that will be in charge of implementation. The programme has to be fully harmonized with the island physical plan; the NIDP even advises that the two should be produced at the same time and by the same team. The island sustainable development plan thus appear as the main strategic document for the island. Its chapters on invest-

ments proposals and guidance for implementors make it an action plan as well. Nothing of the kind has ever been prescribed in Croatia; the 22 programmes stand as a challenge to whoever wants to get involved in island sustainable development.

The Island Act prescribes that the Ministry of Public Works, Reconstruction and Building order the production of the programmes on the basis of public contest, finance them and secure refereeing and editing according to the prescribed methodology. It is also prescribed that every island municipality and towns constitute a firm that will be in charge of the implementation of the programme. The firm will be controlled by the municipality and act as a local development agency. It will promote the Programme, attract investors to investments proposed by the Programme and guide them through the often complicated procedure of obtaining building permits and getting loans.

One of the obstacles to production of island sustainable development programmes is the lack of scientific research results that could be utilized by the producers of the programmes. The NIDP recognizes the pitfalls of usage of »continental« development methodology on islands and advises a long run research project which will account for the island development specificities. The research is formalized as one of the 19 all-island programmes. Main research topics will be:

- island development features and »island shaped« analytical and development methodology,
- integral island development management,
- assessment of island carrying capacity,
- the concept of sustainable development areas according to UNESCO methodology and appropriate territorial administrative organisation.

Additional studies and analyses, needed to design specific development measures, will often have the nature of both applied and original scientific research, since the phenomenon of islands is very special and not sufficiently explored. Therefore, the Island Development Department will establish a permanent co-operation with the Ministry of Science and Technology and initiate international scientific and professional co-operation. A pattern will be worked out under which research results will serve as a basis for ordering applied studies and development programmes.

Among these tasks, special attention will be devoted to an information system for the scientific research of islands and the collection of data relevant to the implementation of the NIDP and the Island Act. The organisation of this system, the structure and quantity of data to be collected and the existing systems and bases to be relied on will be defined in collaboration with respective ministries and government agencies.

4.2.3. *The Island Development Department*

The Island Act recognizes the magnitude and complexity of the work that has to be done. Most of the tasks are jointly assigned to several ministries and government agencies, and in some cases to several county administration bodies as well. In this way tasks will also be carried out at several administration levels. The co-ordination, which in this way appear a task in itself, is passed to the Ministry of Public Works, Reconstruction and Building. The immediate task of its Island Development Department is starting up the implementation of all provisions given by the Island Act. Its long run duty is to act as a development agency and supervise other ministries and bodies of local administration and local self-government. The list of its responsibilities as explicitly stated by the NIDP and the Island Act is rather long:

- supervise all activities of the national administration devised by the NIDP and prescribed by the Island Act;
- participate in drafting laws and regulations devised by the National Programme and follow and advance their adoption procedure and eventual enforcement;
- initiate, organize and finance the production of 22 island sustainable development programmes and supervise their promotion and implementation;
- participate in production of infrastructure and superstructure programmes prescribed by the Island Act and follow and advance their adoption procedure and eventual implementation;
- follow and analyse development impacts of the Island Act and other acts, regulations and programmes and, on this basis, propose amendments;
- monitor elaboration and passage of regulations, measures, programs and projects not included in the NIDP which may or might influence island development and if necessary propose its co-ordination with the National Programme;
- collect information for programmes relevant to the island development from other ministries, government agencies, state owned companies and relevant bodies of coastal and island counties;
- co-ordinate bodies of local self-government on island with relevant ministries and administrations;
- promote and represent development interests of the Croatian islands in international organisations and foundations;
- produce Island Annual Action Plans on yearly basis and supervise and advance the adoption procedure.

Nine years after the passage of the first Constitution of the independent Republic of Croatia the institutional framework needed for an efficient island development management is finally built. Having the Constitution, the NIDP and the Island Act on their side the Croatian islands are looking forward to better development management and, hopefully, to sustainable development. The first government

Annual Action plan was supposed to be produced for the year 2000. It did not happen however. The abilities of those in charge for the implementation are still on trial.

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Upravljanje razvojem otoka: hrvatski slučaj

Sažetak

Autor se u ovom radu bavi upravljanjem razvojem hrvatskih otoka. Taj je predmet vrlo važan, jer Hrvatska sa 1.246 otoka, otočića, grebena i hrđi ima drugi arhipelag u Mediteranu po veličini. Međutim, danas je naseljeno tek 40-ak otoka na kojima živi ne više od 110.000 otočana. Stanovništvo hrvatskih otoka bilo je najveće 1921. godine nakon koje su slijedila desetljeća njegovog sporijeg ili bržeg smanjivanja. Od 1981. godine do kraja 20. stoljeća broj hrvatskih otočana naglo se smanjuje. S druge strane, otočna je ekonomija utemeljena na prirodnim uvjetima i u usporedbi s gospodarstvom na kopnu općenito jednostavnija i sigurno primitivnija. Do danas na otocima nisu razvijena ili su napuštena cijela područja gospodarskih aktivnosti.

Autor ističe činjenicu kako je Austro-Ugarska imperija prva upravljala razvitkom hrvatskih otoka. Nakon njezinog raspada slijedilo je dugo razdoblje ozbiljnih propusta. Prvo, upravljanje razvojem otoka bilo je bitno reducirano u vrijeme Kraljevine Jugoslavije. Drugo, nakon 50 socijalističkih godina kao posljedica neprimjerenog sustava upravljanja na vidjelo je izašla slika brojnih manjih otoka bez gospodarstva i nekoliko većih otoka za koje se, zaključujući temeljem standarda po kojima se prosuđuje gospodarski napredak na kopnu, činilo da napreduju.

Otoci i njihov razvoj propituju se od 1995. godine. Novoosnovano Ministarstvo razvitka i obnove Republike Hrvatske prepoznalo je problem otoka i formiralo interdisciplinarni tim koji je 1997. izradio program razvitka otoka. Hrvatski sabor je taj program uvojio kao prvi dokument države Hrvatske koji se posebno odnosi na određenu regiju. Nacionalni program razvitka otoka sagledava komparativne prednosti, utvrđuje razvojna ograničenja i ustanovljuje da su otoci na razvojnom raskršću s kojeg je jedini pravi put održivi razvoj. Ciljevi, principi i mjere ovog Programa favoriziraju održivi razvoj i upravljanje razvojem otoka »od dna« (polazeći od lokalne otočne jedinice – zajednice).

Drugu bitnu sastavnicu upravljanja otocima Republike Hrvatske čini Zakon o otocima, koji je kao *lex specialis* izrađen i donijet u travnju 1999. Najvažnije razvojne mjere i zadaci propisani Zakonom jesu donošenje i primjena 22 programa održivog razvitka otoka i 19 državnih infrastrukturnih i superstrukturnih programa. Tako je osam godina nakon donošenja prvog Ustava suverene Republike Hrvatske konačno izgrađen učinkovit institucionalni okvir upravljanja razvojem otoka.

Ključne riječi: hrvatski otoci, upravljanje razvojem, Nacionalni program razvitka otoka.

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La gestion du développement des îles: le cas de la Croatie

Résumé

Dans cet article, l'auteur traite la gestion du développement des îles croates. C'est un sujet très important, car avec ses 1.246 îles la Croatie a le deuxième archipel, par son étendue, en Méditerranée. Cependant, seulement une quarantaine de ces îles sont habitées aujourd'hui; un peu moins de 110.000 insulaires y vivent. La population des îles croates était la plus importante en 1921; puis ont suivi des décennies de leur décroissance, plus lente ou plus rapide. À partir de 1981, jusqu'à la fin du XX^e siècle, le nombre des insulaires croates a diminué rapidement. D'autre part, l'économie des îles est basée sur les conditions naturelles; elle est généralement plus simple et certainement plus primitive, comparée à l'économie de la terre ferme. Jusqu'à présent, sur les îles ne se sont pas développées, ou ont été laissées à l'abandon des zones entières d'activités économiques. L'auteur souligne le fait que l'Empire austro-hongrois avait été le premier à gérer le développement des îles croates. Après son démembrement, a suivi une longue période de négligences sérieuses. Premièrement, la gestion du développement des îles fut essentiellement réduite à l'époque du Royaume de Yougoslavie. Deuxièmement, après 50 ans de socialisme, la conséquence d'un système inapproprié de gestion fut une physionomie de nombreuses petites îles dépourvues d'économie et quelques îles plus grandes qui semblaient prospérer, à en sur la base du standard d'estimation du progrès économique sur la terre ferme.

Les îles et leur développement sont re-considérés à partir de 1995. Le Ministère du Développement et de la Reconstruction de la République de Croatie, nouvellement institué, a reconnu le problème des îles et a formé une équipe interdisciplinaire d'experts qui, en 1997, a élaboré le Programme national de Développement des Îles. Le Parlement de Croatie a adopté ce programme en tant que premier document de l'État croate se rapportant à une région donnée. Dans le Programme national de Développement des Îles sont considérés avec attention les avantages comparatifs, déterminées les limites de développement et constaté que les îles sont à un carrefour de développement à partir duquel la seule voie véritable est le développement durable, les principes et les mesures de ce Programme favorisent un développement durable et une gestion du développement des îles «à partir de la base» (en partant de la communauté locale de l'île – la communauté). La seconde composante essentielle de la gestion des îles de la République de Croatie est la Loi sur les îles, laquelle a été élaboré en tant que *lex specialis* et promulguée en avril 1999. Les mesures de développement et les tâches les plus importantes prescrites par la Loi, sont la promulgation et l'application de 22 programmes de développement durable des îles et 19 programmes d'État d'infrastructure et de superstructure. Ainsi, huit ans après la promulgation de la première Constitution de la République indépendante de Croatie, a enfin été élaboré le cadre institutionnel efficace de gestion du développement des îles.

Mots-clés: îles croates, gestion du développement, Programme national de développement des îles.

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