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Comparison of Domestic and Foreign Skippers / Yachtmasters at Work in the Republic of Croatia

Summary

Being one of the leading countries in the nautical tourism sector, and considering its fast growth on yearly basis, responding to the industry demands represents a major challenge for the Republic of Croatia. One of the requirements is the need for high quality workforce, which is the main topic of this article. It elaborates the issues of domestic and foreign skippers and yacht masters working in Croatia, their comparison in view of maritime safety, service quality, as well as laws and regulations that they are required to satisfy in order to receive a work permit in Croatia, considering the lack of work force on the market in the mentioned sector.

Keywords: nautical tourism, boat charter, domestic and foreign skippers, skills/service quality

1. Introduction

A skipper has an extremely important role in the tourist offer of the Republic of Croatia, especially its nautical sector. As the Croatian labour market cannot satisfy the requirements in the branch, the high interest in the job from abroad, as well as increasing workforce mobility within the European Union, Croatia attracts more and more foreign skippers during the summer season, which is the main topic of this paper. The object of the research are domestic and foreign skippers, their comparison, their role in nautical tourism and the laws and regulations they are subject to.

It is a well-known fact that the role and responsibilities of skippers on chartered boats and yachts should not cover only the nautical aspect of the job, i.e. steering from point A to point B, but it should also cover the tourist aspect of the job, in a way that a tourist destination is appropriately presented to the visitor. This implies knowledge

about sights, culture and traditions, gastronomy and similar specific characteristics, usually covered by a tourist guide. The goal of the research is to see whether foreign skippers are trained or qualified for that aspect of the job and whether the practice of importing workforce in this branch has positive or negative impacts.

The results of the research were obtained by analysing the nautical tourism market in the Republic of Croatia and interviewing domestic and foreign skippers, as well as tourists themselves.

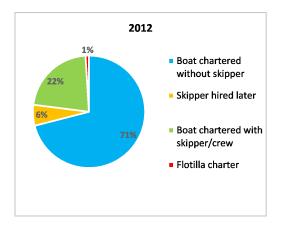
The second chapter of the article explains the job of a skipper and the importance of their role, as well as the laws and regulations affecting their work. The third chapter is a central one, covering the results of the questionnaires and interviews, conducted with the skippers and their guests, while the fourth chapter brings an analysis of international regulations, with suggestions for their improvement, considering the current situation.

2. The role of the skipper in nautical tourism

A skipper is a legal term describing a person qualified and certified for steering a boat (or a yacht) according to relevant regulations in the Republic of Croatia [2].

In the wider sense, the word skipper does not only cover the legal aspect of the occupation, but also defines a skipper as a person with a wide range of knowledge, skills and capabilities, which he or she uses to improve his service. In Croatia, the skipper is the most common term for a person holding the category C skipper license. This definition is much more important in nautical tourism, as it implies that the skipper is an occupation in the nautical tourism sector, with his certification being the proof of only one of many required qualifications and skills, both formal and informal (soft skills), that he possesses. Nautical tourism is a very specific industry sector, in which its consumers (tourists) spend most of their time on a boat or a yacht, where their contact with tourist services ashore is realized only when they arrive to one of the destinations, when in a limited period of time their activities have to be organised. The organisation process is mostly done on board, during sailing, and in that time, the skipper is the only person whom the guests can address for assistance. A positive attitude towards the guests, advice and assistance with everyday activities, as well as good communication skills, adaptability and improvisation skills, might not be primary to a skipper, but are certainly highly valued, and can contribute significantly to the quality of service.

According to the Institute for Tourism [3], in 2017, 51% of the guests chartering a boat, as well as 10% of other tourists in nautical tourism sector, hired a skipper, which is a significant increase compared with 2012, when skippers were hired only by 30% of the guests chartering a boat, and 7% of other tourists in nautical tourism sector. These numbers indicate the increasing importance of the skipper's role in the industry, as well as the need for a higher number of professional skippers, especially having in mind that in 2012 there were almost 2.3 million tourist overnight stays [4], while in 2018 this number increased by almost a million, reaching 3.2 million tourist overnight stays, which is an increase of around 28%.



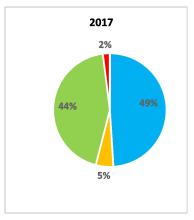


Figure 1 - Comparison of skipper services use in 2012 and 2017 in charter tourism (made by: authors), sources: [3], [4] and [5]

The demands of nautical tourism guests visiting the Republic of Croatia are very diverse, and in that sense, one of the most important roles of a skipper is to adapt the voyage route to their desires, depending on his experience. Every route, as well as every destination, has its pros and cons, in view of what the guest is interested in, what the weather circumstances allow, the destination capacity (especially in popular destinations) regarding free berths, guests' budget, and similar. Skipper's improvisation skills, as well as adaptability and resourcefulness may be of critical importance when it comes to successful completion of the job, as his job environment depends on the size and type of the boat, age and number of guests, weather circumstances, frequency of other boats in the destination and similar. The guests might often be interested in visiting sights not planned by the skipper in the initial route, which is why a good skipper should always know the navigational area well, and assume the circumstances that may occur in certain locations for various periods of the day and the week.

From the authors' experience, this is a very sensitive part of the job, as at least once during each week of work, a guest's desire cannot be fulfilled due to any of the abovementioned reasons, or some of the guests might have different desires that cannot be fulfilled simultaneously. A skipper should always have several solutions for these situations. Such problem-solving skills indicate his readiness for any circumstance and create trust with the guests. The mentioned examples are only a few examples where using soft skills is required, which is described in more detail below.

2.1. Required knowledge and legal framework

The knowledge, skills and capabilities a skipper should have to do the job successfully, can be divided into the ones formally required to obtain the license, and

the ones required to improve his service, therefore informal, more commonly known as soft skills.

Formal knowledge, i.e. the knowledge a skipper must have to obtain the license, is described in the Regulation on boats and yachts [2].

Besides higher education institutions, that educate future marchant navy officers, who can also obtain the same certificates as skippers, similar training courses are provided on many maritime training institutions in the Republic of Croatia.

Since all skippers are legally required to have a license to steer a boat or a yacht and can be considered equal in that sense, it is precisely their soft skills that will distinguish a good skipper from a poor one, and set criteria for getting better job opportunities.

Soft skills and knowledge can be divided into several categories, such as maritime skills and knowledge, knowledge of languages, knowledge of the navigational area, knowledge of culture and history of the area (gastronomy, enology, tradition and customs, local events), organisational and problem-solving skills and social skills (adaptability, behaviour, authority, team work).

2.2. Legal framework of the occupation

The legal framework for skippers is proscribed by several very importants laws, brought by three different ministries of the Croatian government:

- Ministry of the Sea, Transport and Infrastructure,
- Ministry of Economy, Entrepreneurship and Crafts,
- Ministry of Tourism.

Above all, these are the Maritime Code [1], and its by-law, the Regulation on boats and yachts (*Cro.* Pravilnik o brodicama i jahtama), which define the terms that have to be satisfied in order to obtain a skipper's license for commercial purposes.

Further on, the Crafts Act [7] and the Labour Act [8] define the way a skipper can perform the business and charge for his service.

In the past ten years, the Republic of Croatia has made significant improvements in controlling and supressing the so-called black market on its territory in all economy sectors, including the nautical tourism sector, mainly by introducing the Fiscalization Act [9] and controlling the foreign currency bank accounts of its tax payers.

For all shareholders in nautical tourism, including skippers, this meant that they can officially charge for their services only as self-employed craftsman or through a contract of service and they have to issue a transaction receipts for all services provided.

All skippers are obliged to have a third-party insurance policy (*Cro.* Osiguranje od odgovornosti skipera). The insurance premium depends on the insurance period and the maximum limit of insured risk. Most frequently, the price is approximately HRK 1000 (Croatian Kuna) for a 6 month insurance period, for a maximum limit of insured risk required by the chartering agency of EUR 20 000 to 50 000 (in HRK counter value).

3. Domestic and foreign skippers in the republic of croatia

The previous chapter provides an overview of the most important qualifications and skills required for any skipper who wants to provide a quality service, satisfy his customers (nautical tourists), and promote the tourism of the country he works in. This would be the ideal scenario. However, in the Republic of Croatia, but in other nautical countries of the world as well, a number of conditions appeared which brought about some changes. The first and most important one is the expansion and commercialisation of nautical tourism industry in the last 20 years. In the 21st century, nautical tourism has evolved from an elitist tourist sector into a widely available tourism branch for middle-class society through a significant increase in bareboat charter capacities and dropping prices. In the Republic of Croatia, this has led to two main issues, one of which is central for this article. These are sustainable development and lack of wokforce.

According to the Croatian Chamber of Commerce (*Cro.* Hrvatska gospodarska komora – HGK), the charter fleet in Croatia consists of 4378 boats and yachts (1956 motorboats, 2166 sailing boats and 256 yachts) [17]. Taking into consideration that approximately 50% of all chartered boats use a hired skipper, we can assume that, during peak tourist season, there is a need for 2189 skippers every week. The exact number of professional domestic skippers in Croatia is constantly fluctuating, but the fact that 299 official new businesses/crafts providing skipper's services [11] were established is a good indicator. Even if this is not the correct total number of skippers, if we consider that each skipper is self-employed, it is a clear indicator of a significant lack of domestic workforce. A solution to this problem would be to hire foreign skippers, and since hiring skippers from third countries is not legally regulated, it is possible only to hire skippers from the European Economic Area (EEA).

3.1. Foreign skippers

With Croatia entering the European Union, its market opened towards all other member states, which has led to the increase of commerce and possibilities of workforce mobility. The barrier for workforce mobility, which will be discussed in more detail in Chapter 4, is obtaining skippers license. A lack of domestic workforce would imply that foreign workforce is more than welcome in order to improve the industry and should not endanger domestic workforce. However, the real impact of this workforce inflow can only be clear after analysing pros and cons of hiring foreign skippers.

3.2. Methodology of data collection and analysis

The positive impact of the arrival of foreign skippers is market competitiveness. It leads to motivation for providing better service quality, as well as creation of prices based on offer and demand.

From the perspective of domestic skippers, especially the more experienced ones, this might be considered as a disadvantage, as they cannot control their prices as before, but they need to adapt to the market. On the other hand, it is an opportunity to justify their price by proving their quality.

To obtain information about specific advantages and disadvantages for domestic as opposed to foreign skippers, the methods of interview and questionnaire were employed on 18 subjects, including skippers and their guests, domestic and foreign, who frequently visit Croatia. Their answers were used to make a SWOT analysis, systemizing advantages and weaknesses, threats and opportunities.

The questions were about general necessary information, such as home countries of the subjects, how often they visited Croatia, how long they have been working as a skipper in Croatia, and more detailed questions, such as why a certain type of skipper is considered better or worse, what it takes to gain a guest's confidence, and whether skippers, foreign and domestic, consider each other as a healthy competition or a threat.

3.3. SWOT analysis

SWOT analysis shows that main advantages of domestic skippers are the knowledge of navigational and working environment, as well as language, while the negative side is high price (compared with foreign skippers), language barrier towards the guests, and often overconfidence.

Table 1	- SWOT	' analysis –	domestic	skippers
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SWOT ANALYSIS – domestic skippers					
5 WOT AWALTSIS – domestic skippers					
ADVANTAGES	WEAKNESSES				
Knowledge of Croatian language	Overconfidence				
Knowledge of culture, history traditions and geography of the area	High wages				
Work in fammiliar environment	Language barrier with guests				
Guests feel safer with domestic skippers					
OPPORTUNITIES	THREATS				
Familiarity with legal framework	Loss of job				
Proving quality	Dumping prices				
Financial gain					

Main advantages of foreign skippers are knowledge of guests' language, as guests will most often hire a foreign skipper from their own country, and no anxiety regarding the financial benefits of the job. The negative sides are the inability to adapt to the working environment, especially when it comes to cooperation with any tourist

employee from ashore, as well as poor knowledge and presentation of Croatian sights and heritage.

Table 2 - SWOT analysis – foreign skippers

SWOT ANALYSIS – foreign skippers					
ADVANTAGES	WEAKNESSES				
Knowledge of guest's language	Poor knowledge of navigational area				
	Poor knowledge of sights, heritage and geography				
Easygoing approach and binding with tourists					
	No experience in working on the Adriatic coast				
Lower wages	Two experience in working on the Adriatic coast				
OPPORTUNITIES	THREATS				
Work in exciting environment	Resistance of domestic tourist workers towards foreign skippers				
Socialising					
Financial gain					

From the interviews conducted with skippers and their guests, it can be concluded that all of them have a positive attitude, in general, towards foreign skippers working in Croatia, while there is no obvious unjustified prejudice from skippers towards each other or their guests. It is a fact that quality will always be recognised, whether it is a domestic or a foreign skipper, and in this sector of the industry, job opportunities will arise based on recommendations from satisfied customers, as well as other skippers and employers. Consequently, poor quality is rejected by the market.

4. Comparison with other countries and reasons for introducing international standards in training and certification

The chapter compares the regulations implemented internationally with the ones in the Republic of Croatia, regarding foreign skippers, firstly, foreign skippers working in Croatia, and secondly, Croatian skippers that want to work abroad. A list of licenses recognized by the Republic of Croatia and issued by other countries is available on the Ministry of the Sea, Transport and Infrastructure web site [14]. According to that list, the Republic of Croatia recognizes any foreign license issued by a country with which there is a bilateral agreement about the matter. More or less, all licenses on the list are equivalent to the licenses issued in Croatia. However, this regulation is valid exclusively for personal use of boats and yachts and not for commercial purposes. This matter is reciprocally regulated in most countries in the world, which means that

Croatian citizens can, in the same way, use their license to steer boats and yachts, for personal use abroad.

When it comes to using a license for commercial purposes, regulations are somewhat different. EEA citizens (EU, Norway, Iceland and Switzerland) can, because of workforce mobility regulations, work in Croatia, but only once they obtain a license issued in Croatia. Third country citizens must, other than a license, obtain a work permit, issued by the Ministry of Public Administration (*Cro.* Ministarstvo uprave). A work permit can be granted only based on a foreign workers quota list issued by the same ministry each year. However, that list does not contain the vocation of a skipper.

Nautical tourism is a fast-growing industry in all relevant tourist countries that have the necessary preconditions for it and lately it has become a problem to adapt the laws and regulations to the requirements, for example, there is still no standardized training and certification regulation, such as STCW convention in commercial shipping.

With further development of nautical tourism in the world, and therefore in Croatia as well, there will be a growing need for professional workforce with standardized qualifications and knowledge. This question will have to be addressed in the near future. There are a few good initiatives regarding the matter in Croatia, as one of the leading countries in the industry.

It would be noble and politically correct to say that the motives to solve such seemingly complex issue are the following: workforce education, equalizing the work conditions on a joint market, standardization of laws and regulations, improvement of living conditions and similar. However, it is not a coincidence that this problem remains unsolved until today, as some, formerly pioneer and leading countries' attitude and "incooperativity" might be coming from historical positions that they wish to retain. A good reason for such an attitude is of course money, profit, interest, or any other word that can be used to describe keeping money and power under control. The right moment for solving the addressed issue will depend on the initiative of the ones making the decisions and profitability of the business.

Who should be in charge of solving the problem? Considering that information from other countries is unavailable, we can look from the perspective of the Republic of Croatia. It is a fact that certain institutions are showing interest in solving the situation, however, it requires action and changes in a wide area, starting from high politics on the EU level and business leaders, to smaller interested groups acting locally. Interested groups have recognized and articulated the problem; it is constantly being debated on many levels, among skippers, instructors, in training centres, maritime faculties and professional associations. The problem has been communicated towards the Ministry of the Sea, Transport and Infrastructure. The same topic must also be addressed by the Ministry of Tourism, Ministry of Public Administration, Ministry of Education and Ministry of Economy, Entrepreneurship and Crafts. It is necessary to keep addressing the problem to relevant institutions within the country and the European Union.

This chapter indicates several key problems:

- lack of professional skippers in the Republic of Croatia, considering the demand,
- if the abovementioned problem has been recognized, there is still no adequate solution.
- no international standards for training and certification of skippers/yachtmasters.

As a tourist country, which has witnessed a significant growth in the nautical tourism sector during the past 20 years, it is clearly visible how these problems affect the industry, and more importantly, safety at sea.

It is very often a case that media report about a sailboat stuck with its mast under the bridge in Mali Ždrelac strait, a yacht aground on one of the many shoals and rocks in the Adriatic, and almost every summer a storm brings new cases of damaged and aground boats along the coast. From an average viewer perspective, this might pass unnoticed or be considered as not so important; however, it is extremely obvious to anyone even remotely connected with the nautical tourism industry. The problems regarding the above are obvious and common to all EU countries, and below they are adressed on the level of the Republic of Croatia:

- 1. Relation between the duration of the courses, practical and theoretical skills and knowledge gained and the prices of courses is inadequate, and it can be said that, having money for the course guarantees obtaining the license.
- 2. The same goes for skippers' category B license, which can be used to steer the same categories of boats as category C, but for personal use, and is much cheaper.
- 3. Because of the fact that they cannot use their foreign license for commercial purposes, foreign skippers come to work, without charging for their service.
- 4. Problem of competency of the instructors are they certified and how?

Some suggestions for solving the mentioned problems are:

- 1. Find a better way to popularize and valorize the job among the domestic population (e.g. stimulation for training certification, reduction of taxes).
- 2. Stricter criteria for issuing category B licenses for foreign citizens (e.g. introduction of additional practical and theoretical courses into the course programs).
- 3. Introduce the skipper occupation in foreign workers quota list of the Ministry of Public Administration.
- 4. Together with other EU member states, find a way to mutually recognize licenses for commercial purposes (e.g. use the database such as the one created in TCC-SCV project, and determine which additional skills a skipper must gain so that his license could be recognised in another country).
- 5. Gather all interested countries in an international association (such as EBI *European Boating Industry*), in order to start working on an international standard for training and certification.

5. Conclusion

Being a skipper is one of the most atractive vocations on the labour market in Croatia, especially among young people, owing to the fact that it gives an opportunity to work in attractive destinations, the possibility of high level of socialization and steering luxury boats and yachts. On the other hand, the job requires a high level of responsibility from a skipper for the lives of his guests and everyone in the surroundings, for his and other people's boats in the vicinity, as well as all other properties and environment. A skipper should constantly develop his skills and knowledge, in order to improve both safety at sea and his service. One of the problems presented in this article appeared in the Republic of Croatia during the past few years, especially after entering the EU, is workforce mobility and what it represents for nautical tourism, firstly, from the aspect of maritime safety, secondly, from the aspect of presenting the country to the tourists, and lastly, from the aspect of the legal framework. The assumption is that, due to the lack of knowledge of local meteorological conditions, geographical characteristics and specific conditions on the eastern coast of the Adriatic, a foreign skipper cannot contribute to maritime safety with equal or better quality as a domestic skipper. The same assumption is valid for the second aspect, but the factors which affect it are social, cultural and historical. A series of interviews, questionnaires and the SWOT analysis with skippers and their guests has shown that the first aspect is much less present than assumed, and can be attributed to individuals, both foreign and domestic skippers. The same methods have confirmed the assumption for the second aspect. It can logically be concluded that the language barrier, poor knowledge of geography, history, culture, traditions and local customs, all of which are very important for the Croatian tourist offer, are a limiting factor for foreign skippers, who cannot do it equally well as domestic skippers. However, the biggest problem at this moment is the lack of professional workforce, and international cooperation is required in order to adapt international regulations limiting workforce mobility to the requirements of modern nautical tourism industry, especially if the current rate of expansion is to be kept. The creation of international programs for standardisation of training and certification of skippers should be central to the solution of this problem. This topic is narrowly connected with sustainable development, as one of the main threats to the industry is the mentioned current rate of expansion. The question is who will consider Croatian sights, landmarks, culture, traditions and heritage attractive once they lose their charm because they are overcrowded.

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