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Pro-Active Regional Development Policy - the Croatian Case

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PRO-ACTIVE REGIONAL DEVELOPMENT POLICY
THE CROATIAN CASE

- Abstract -

The paper deals with existing regional development discrepancies in the Republic of Croatia and discusses possibilities of initiating dormant development potentials and closing development gaps. The bottom up policy approach is analysed in view of Croatian specific regional features that call for careful design of a specific bottom up – top down policy. Such a policy requires efficient communication between national and local government levels, coordinated design of regional and structural measures, capacity building of local self-government structures and thorough development programming. Qualitative development factors like institutions, political environment and social capital are attached a particular importance. Almost totally neglected today, these factors deserve a special attention in future Croatian development policy formation. Monitoring and evaluation of policy measures appear equally neglected and deserve a special attention as well. In accordance with the mentioned above and Croatian specific circumstances, a possible approach to pro-active regional development policy will be proposed.

1. INTRODUCTION

From a citizen's as well as local politician's perspective, Croatia is facing an often-mentioned French reality, where institutional centralisation is one of the main reasons for regional disequilibria. As cited by Vanhove (1999), Gravier's (1958) French way of expressing Croatia's regional reality would be - '*Zagreb et le désert Croate*'. However, this popular statement covers and mystifies deeper-rooted reasons for unequal regional development. One of them and probably the most important is the lack of any coherent regional development policy on national level.

The overly centralised national government has been accumulating mistakes concerning regional development. Still, there are regions that manage to develop more successfully than others within same legal and economic framework conditions. The question of 'why do some regions develop more than others?' is an old one, and leads to a number of factors which try to give the answer. Most commonly mentioned are mobility of capital and labour, economic structure and geographical, institutional, psychological, and environmental factors. There are also factors, which actually derive from the previously mentioned, such as external economies, demographic situation, cost and price rigidities, external control, differences in innovation and new firm formation, infrastructure, human capital, R&D, education, training etc. However, there is rarely any country in the world that managed to solve this problem in its entirety. Only changes and shifts occurred, when strong regions of the past as leaders in traditional industries lost their position in the postfordist period and weak regions of the past became strong regions as leaders in innovative sectors. Besides, some disparities deepen further due to the relation of technological development and rising unemployment rates. This leads to an assumption that there must be other factors, which could have significant impact on regional development – a hidden endogenous potential.

With the aim to identify ways of awakening endogenous development potentials in Croatia, the following chapters will firstly highlight the main regional discrepancies and the current legal framework. Then, experiences from recent development planning initiatives will be described and the need for specific bottom-up top-down policy approach elaborated. This paper will conclude with emphasising the importance of qualitative development factors and the necessary institutional set-up, which are fundamental for the design and implementation of any pro-active development policy.

2. DISCREPANCIES IN CROATIA'S REGIONAL DEVELOPMENT

From 1992 till today, the Republic of Croatia has created 20 counties (units of regional government), 122 cities and 425 municipalities (cities/towns and municipalities are units of local government), and the capital City of Zagreb being a county and city at the same time. These numbers are under constant change, as any area, town or a village can consume the constitutional right to create a new unit of local government. However, conditions for establishment of new units - to be able to provide basic services - are often ignored or neglected, leading to an increasing number of municipalities that are too weak to provide basic services. Jurlina-Alibegović (2002) inquired on fiscal capacity of local budgets and found that no more than 185 out of then 546 units of local self-government were able to cover their current expenditures with current revenues in the year of 2000. Two recommendations from the study can be highlighted here – one is to create a list of minimum tasks to be accomplished by units of local self-government. The other is to support cooperation and partnerships between local as well as regional units of self-government.

Croatia's current administrative territorial organisation is also burdened by a number of historic and political circumstances. *Units of local self-government* comprise cities and municipalities, which tremendously differ in their economic, human and fiscal resources, even though they are obliged the law to provide the same level of services. The main difference among these two groups of units is that cities used to be local governments in the previous system (until 1992), while most municipalities are mainly split-ups of these former units. In this way cities inherited the institutional structure, administrative experience and human resources, while new municipalities had to or have to build it up from scratch. Most of the municipalities have less than 10.000 inhabitants, which causes economy of scale problems and inefficiencies in service provision. Besides, *units of regional self-government* established after 1992 are relatively small. Counties were created under significant political influence and do not always reflect historical regions. Citizens thus often can not identify themselves with the county as their region. In addition, until 2001 county prefects were appointed by the central government and responsible for delegated tasks on regional level, which weakened their self-government role almost completely. After 2001, this dual subordination ceased and counties are today entirely units of regional self-government. This change created a number of problems, however. Firstly, most of county employees

were transferred to “newly created” central government offices on regional level, leaving the self-government administrations almost without any competent staff. Secondly, counties have almost no influence on local self-governments due to their local autonomy. Finally, counties have less fiscal resources than most cities in their jurisdiction and therefore no real role and function in the city areas. One of the major concerns is that the counties might be too small and too weak in terms of political power and fiscal strengths to create and implement independent regional development policies. According to Jurlina-Alibegović (2002), only 13 out of 20 counties were able to reach per capita revenues above the country average in 2000. Therefore, counties might be seen in the future in a somewhat different context. The regional dimension may become much broader than captured today by the administrative organisation. Preliminary considerations of future Croatia’s NUTS regions show that NUTS II regions should comprise areas much bigger than those of today's counties.

Changes are in sight, however. A national regional development policy could be developed in the near future (a tender for the Croatian Regional Development Strategy supported by EU technical assistance through the CARDS programme was announced this year). There are also some initial attempts to introduce up to five statistical regions, which partially coincide with historical regions (e.g. Dalmatia, Slavonia). But further discussions on this topic will have to wait for more stable political times (parliamentary elections are announced for the beginning of 2004) and certainties about Croatia becoming eligible for entering the European Union.

As indicated in the introductory remarks, Croatia has the syndrome of ‘one big capital city and the rest of the country’. This becomes evident when comparing statistical data on counties, where data for the city of Zagreb (county and city status) exceeds significantly the data on all other counties in Croatia (see Attachment). This fact is easily explained: Zagreb is the capital city and did not suffer severe and direct war damages in the first half of the 1990s. At the same time, concentration of government institutions and the domestic and international business sector support further development of its economic as well as political and cultural dominance. This in turn attracts further migrations towards the capital. This seems to be a classical case in regional development theory. However, there are some indicators that not all regions in Croatia are suffering regional drain and decline. If we look at unemployment figures, there are six counties, which are ranged before the capital city. But it must be pointed out that the national unemployment rate has reached more than 20% and that this does

not need further elaboration on how bad the situation in general is. Is it not understandable then, that the population of the County of Šibenik-Knin is depressed and angry when they see that there are places where the unemployment figure is almost three times less than in their own county.

Another interesting finding from the statistical tables A.5 and A.6 in the Attachment is that a certain progressive link exists between small and medium sized enterprises (SME) and bigger companies employing more than 250 employees. However, this finding would need a more thorough analysis. It is used here only to indicate the interrelationship and concentration effects of small and bigger businesses in certain regions. In addition, a growth pole policy of the past can be identified in the tables A.4 - A.6 (data on legal persons). The counties with the cities of Zagreb, Split (County of Split-Dalmatia), Rijeka (County of Primorje-Gorski Kotar), Pula (County of Istria) and Osijek (County of Osijek-Baranja) can be seen as regional growth centres with the highest concentration of businesses. On the other hand, table A.3 on unemployment shows a different situation, with severe situation in the County of Split-Dalmatia where the figure for unemployment exceeds 26%.

Without entering into a deeper analysis, it is certain that under the current policy circumstances with emphasis on sectoral policies, the strong regions might become even stronger in terms of living standard and quality of life. The weak might continue on their dependency paths.

3. CROATIAN POLICIES THAT SUPPORT DEPENDENCY AND STATUS QUO

“Those who are used to be dependent, are the loudest.

And those who do not know how to deal with them respond with money.

Besides this, is anyone looking after those who are quiet - they might be sleeping...”

Reflection on dependency, M. Sumpor

Current regional policy in Croatia is characterised mainly by three inconsistent and separate legal acts, which deal with areas (specified units of local government or their parts) of particular national importance. These refer mainly to problematic, remote, border areas and/or areas with developmental difficulties. These acts are the Island Act

(incl. all amendments till 2002), the Areas of Special State Concern Act (incl. all amendments till 2003), and the Mountain and Remote Areas Act (incl. all amendments till 2002). The main concern of current (partial) regional policy is the basis of implementation – only the Island Act has a programme base, meaning that measures are planned to be implemented based on sustainable island development programs (regional/local development strategies) and state programs for island development (sectoral development strategies targeting islands). However, experience in implementing this act is still missing as only one pilot case exists respectively. The other two acts provide support through measures that are not linked to any development programmes of the targeted areas and leave in this way a lot of discretionary power to the central government to decide on needs in a quite non transparent way. This in turn causes pressure on financially weak local governments to lobby for their interest in the capital city of the country. The main responsible governmental institution for the implementation of these three acts is the Ministry for Public Works, Reconstruction and Construction.

In addition, the other two legal acts of high importance are the Act on Local and Regional Self-Government (incl. all amendments till 2001) and the Act on Financing Local and Regional Government Units (incl. amendments in 2001). The later includes a fiscal equalisation mechanism for decentralised functions in the area of education, health and social care. For this Act the Ministry of Finance is the main responsible institution and the functions which were decentralised in the first phase relate to secondary education, health care and social care. According to the budget for 2003 (total central government budget expenditures HRK 75,4 billion), the amount of HRK 1,1 billion is planned as additional aid in financing decentralised functions and HRK 0,2 million is already dedicated to beneficiaries (20 counties and 111 units of local self-government) named in the budget.

Further, at the end of 2001 two new funds were established – the Fund for regional development and the Fund for development and employment. Both funds were established without sufficient preparation, with no programme base and with an unclear institutional role (they officially refer to a non-existing regional development program). In the short run (2002-2003) this caused confusion, both within these institutions and externally. By reviewing their yearly programmes it can be stated that duplication of existing programmes (mainly programmes for *direct* financing of SME) occurred. Development programmes are already offered by institutions such as the Croatian Bank

for Development and Reconstruction or Ministry of Crafts, Small and Medium Sized Enterprises through agreements with commercial banks and the Croatian Small Business Agency (issues guarantees for SME). In addition, the financial market is stable as most of domestic banks have been taken over by foreign or international banks, and entrepreneurial and corporate financing is expanding on better terms and conditions.

It is easily seen that passive top-down policy in Croatia is still very strong, causing only reactive behaviour of most local self-governments. Little investments into training and management of local governments are provided, leaving the institutional structures in most municipalities helpless and dependency on central government funds for providing basic local services is accepted as an unfortunate reality. However, the notion of dependency is not a new in Croatia. Among the weakest and most remote areas there is an inherited behaviour, which seems difficult to change in the near future. These areas generally have a lack of almost everything what could be considered as development potential such as available skilled human resources, training facilities, business support structures, infrastructure, or good transport connections. Even though tremendous amounts of funds were provided in such areas, no capacity was created for sustainable and endogenous development. There was always someone else, who took care of the local problems. If not, the inhabitants got used to complain how those who should have done something at central level are neglecting the needs of the population. In accordance with these developments, the inherited behaviour and expectations deriving from created dependency lead to passive behaviour, inactivity and helplessness of the local community.

An additional contribution to regional disparities is the dominant sectoral perspective causing fragmentation of economic, social, environmental and spatial activities and hiding possible development potentials.

4. INITIATION OF REGIONAL DEVELOPMENT POTENTIALS

The picture of local and regional levels in Croatia reveals an almost chaotic situation. Local politicians discuss enormous investment projects in municipal councils and/or county assemblies and usually fight about issues like ‘on which side of a plot of land should public lightening be installed’ or ‘who had personal interests in building a new library on a certain location’. Fiscal resources are scarce, borrowing is limited, local public administration is doing its job as prescribed by law, planning is regularly

neglected due to ad hoc decisions, general public is uninformed or even does not believe in possible influence, etc. The question is how to activate development potentials in such an environment - through policy, strategy, activity or a very comfortable 'wait and see' approach? If the questions on who and what could help to change an unsatisfactory situation to a better one would be answered by waiting that someone from outside recognises any suffering within – almost nothing would happen.

In the other hand certain developments can be recognised and quite a number of good results in empirical and applied research can be found. These results are primarily based on application of participatory strategic planning approaches introduced by various foreign donors and agencies.

In the process of identifying hidden endogenous development potentials, guided development programming, participation and coordinated design of measures proved to be a useful tool for overcoming weaknesses in local and regional development management. The basic question on "what are local or regional self-governments responsible for", leads to five areas or sectors that have to be considered: economic development, socio-cultural development, sustainable environmental development, spatial development, and institutional development. The units of local and regional self-government in Croatia are active in these five areas and are obliged to provide relevant services, regardless of their size and fiscal strengths. However, in Croatia as well as most other transition countries, the level and quality of services provided is under question. At one side there is the problem of accountability of local and regional politicians and the level of democracy such as transparency of actions and citizens' participation. On the other, there exists in general a low level of local and regional management capabilities – i.e. the human resource factor. This is mainly due to the lack of adequate training and education opportunities in public management and regional development management. Such subjects are not taught at any university or faculty in Croatia.

While searching for hidden endogenous potentials, a broad number of factors have to be considered. Among many other, these include unemployment structure (age and skill), traditional vs. new industry, institutional and business support network, closeness of educational institutions, research centres, general use of IT, local enthusiasm, level of local government activity and political stability, socio-cultural content, location, climatic specificities etc. However, none of these potentials can be viewed and targeted through policy exclusively from one side – neither from bottom-up

nor from top-down. Developments have to be targeted from both sides and actions have to be co-ordinated. In order to make this possible – local and regional programmes highlight potentials and development goals, while national programmes can provide financial support and guidance in targeting and using potentials and accomplishing the chosen development goals across the national territory. The key word is participation – the national level should invite local communities to participate in policy formulation, while citizens should be invited by the local communities to highlight their needs and contribute to policy creation.

5. SPECIFIC “BOTTOM UP” – “TOP DOWN” POLICY

“One does not go without the other”

The main difference between regional development policy of today and the one of thirty years ago is the approach based on "participation". There are no significant changes in the theoretical fundamentals, however. The regional development theory of the twentieth century remains a solid base for the twenty-first particularly in its call for reinforcements of the regional policy. To be more specific, regional policy refers to those actions performed by any level of government, which try to smooth the gaps arising from market failures. It became vivid that sectoral policies do not take account of spatial differences as well as socio-cultural differences in space. Therefore, strategic policy actions might be, if well developed, a good way to overcome the gaps created by sectoral negligence. In the 1990ties, the lack of bottom-up development initiatives was used to explain why things did not go right in the past. Decentralisation is also one of the top themes in today's governmental reforms. Centralisation makes it clear that we are dealing with pure top-down policy, which is unfortunately uncoordinated and misses its targets. At the same time, any initiation of bottom-up policies ends in misunderstandings and passive reaction. Therefore, bottom-up and top-down policy is from a theoretical perspective identified and often mentioned in professional and academic debates. However, often missing in discussion is the notion of *action*, i.e. how to turn ideas or strategic priorities into implementable tasks and activities.

The *action* that is more and more often called for in Croatia refers to a great deal to amendments and harmonisation of existing plans, programmes and strategies produced in the first 10 odd years of Croatian independence. There exist over 100

strategies and national programmes dealing with different sectors of the Croatian economy and society (UNDP, 2002) and a number of county and municipal development programmes. Clearly a socialist legacy, the programmes and strategies were produced with no implementation measures and responsibilities, with no monitoring and evaluation requirements and, above all, with no reference to one another. When amended and harmonised these could serve as sector operational plans (SOP) and regional operational plans (ROP) and mark the beginning of a sound ROP & SOP based regional development policy. In a country heterogeneous as Croatia, such a policy has to be designed as a bottom up - top down mix in which there are firm principles but no fixed patterns of communication between central government and local and regional self-government. Municipalities and cities, able to initiate their development management and communicate it with higher levels, ought to be supported by the central government and offered co-operation in matters of mutual interest. The municipalities that are far from being able to effectively initiate anything by themselves ought to be approached by central institutions and provided finances, expertise and know how necessary for start up. Finally, central institutions currently in charge for regional development should significantly build up their capacity. In this way, and little by little, active local and supportive national policies could be harmonised and a sound regional development management established.

Such a future depends, of course, on some initial factors and a socio-political framework that have not been achieved yet. First of all, an efficient bottom up - top down mix in its start depends on initiatives from highly ranked politicians and therefore depends on their personal commitment. As for mid-level and local public management, a commitment is required as well but it has to be coupled with a high level of awareness and ability to implement a very demanding policy. A commitment of that sort is rarely observed on any of the existing levels and should be treated as a short run obstacle, however.

6. QUALITATIVE DEVELOPMENT FACTORS

Social capital which deserves a special attention here, could be presented as follows: in order to allow social capital (seed) to flourish and contribute to development, a coherent institutional framework (ground) has to be built as a basis for growth and development. Permanent training and educational opportunities should be available

(nutrition) and the political environment should be as stable as possible (weather). In order to direct growth and development, management (care) is the mean to reach the goals of creating better living conditions and improve the standard of life. Although metaphors may disguise the matter they are trying to describe, Croatia and most of the other transition countries can be viewed as badlands that require a lot of care and nutrition so that abundant seed can grow in spite of the bad climate. Indeed an appropriate institutional framework is a basic precondition for the development of both quantitative and qualitative factors of regional development management and has to be given a special attention.

The institutional framework can be seen as a national development triangle comprising a central government institution (ministry or government office), a development fund to provide financial support and a development agency. Ministry in charge for regional development should be a coordinative body on a national level. It has to harmonise activities of other ministries and various public utilities, initiate amendments of existing legislation and take an active role in procedures of adoption of laws proposed by other ministries, particularly those that are about yearly budgeting. Doing this the ministry appears as the only body in the government structure that has a regional perspective in whatever it is doing.

On the other hand, a Regional Development Agency has a catalysing role. It should not act purely as a body of public administration, but as a promotion institution, and should be run like a business concern. A professional team from different disciplines should run such an agency. They should be dynamic and have management capacities. Institutional support through a regional development authority can be played at five levels:

- **research** - knowledge of the regions itself;
- **strategy** - medium to long-term priorities;
- **promotion** - assist firms in expansion or problems (technical, financial, infrastructure...), advise public and private sector; attract new projects, promote subcontracting; provide information - which is extremely important to regional development;
- **coordination** - many national departments are involved in regional development, so that often more than ten agencies are involved in one project. This formal administrative procedure is incompatible with regional development. The regional development agency

should fulfil the role of coordinator in order to shorten the procedure period and increase the implementation chances;

- **implementation** - creation of regional infrastructure such as industrial sites, science parks, ready built factories, other economic overheads, housing, etc.

In such a proposed triangle, a fund for regional development should be restricted to financing. In the one hand it has to be an efficient fundraiser. In the other it has to finance projects (i.e. municipalities, counties) and/or entrepreneurs, NGOs which contribute to overall development and to the decrease of regional imbalances. The fund has to be efficient in both but it need not spend its resources on ranking projects across regions and sectors. This task is to be entirely left to the Agency, which in turn should not deal with technical side of financing and should not have a hold of the regional development money. This point is of particular importance because current non-transparent way of distributing finances to counties and municipalities could easily persist if tasks of defining financing priorities and financing itself would be assigned to only one institution.

7. CONCLUSIONS - PRO-ACTIVE REGIONAL POLICY

Can we now say what we mean with pro-activity in regional policy formation? Pro-activity is surely opposite to reactivity and ‘wait and see’ philosophy, which many politicians prefer with delight.

One of the main premises in this paper is that, even though fiscal capacity is important, the monetary aspect is not the major obstacle to local and regional development. It is the human factor, which is responsible for planning, management, cooperation and communication. This relates to the level of preparedness of local and regional governments to react on changes, difficulties and obstacles within the locality or region as well as their broader environment.

A precondition for successful strategic planning and programming is existence of knowledgeable government officials, which will be able to create an implementable programme and consistent operational plans. In addition to this precondition, existence of a competence network of professional local and regional management consultants, agencies, centres, think tanks, research institutions as well as educational institutions is needed in order to support those hundreds of local and regional government officials in accomplishing their development tasks.

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Attachment

A.1. Counties sorted according to density

	Surface area km2	Population (Census 2001)	Population density per km2	Non-active population	Active population	Employment	Unemployment	% of unemployment	Legal persons total
Republic of Croatia	56.542	4.437.460	78	2.484.841	1.952.619	1.553.643	398.976	20,43%	86.202
City of Zagreb	640	779145	1.217	422.959	356186	296272	59.914	16,82%	28.180
County of Međimurje	730	118426	162	57.124	61302	53886	7.416	12,10%	2.196
County of Varaždin	1260	184769	147	102.941	81828	68362	13.466	16,46%	2.697
County of Krapina-Zagorje	1230	142432	116	72.952	69480	60117	9.363	13,48%	1.565
County of Split-Dalmatia	4524	463676	102	269.594	194082	143526	50.556	26,05%	9.243
County of Zagreb	3078	309696	101	165.290	144406	119656	24.750	17,14%	5.366
County of Slavonski Brod-Posavina	2027	176765	87	105.246	71519	53546	17.973	25,13%	1.558
County of Primorje-Gorski Kotar	3590	305505	85	164.366	141139	113424	27.715	19,64%	7.590
County of Vukovar-Sirmium	2448	204768	84	121.970	82798	60876	21.922	26,48%	1.544
County of Osijek-Baranja	4149	330506	80	192.558	137948	104521	33.427	24,23%	4.120
County of Istria	2813	206344	73	110.650	95694	79876	15.818	16,53%	6.234
County of Koprivnica-Križevci	1734	124467	72	67.340	57127	48071	9.056	15,85%	1.527
County of Dubrovnik-Neretva	1782	122870	69	70.628	52242	39848	12.394	23,72%	2.334
County of Bjelovar-Bilogora	2638	133084	50	69.121	63963	53797	10.166	15,89%	1.595
County of Požega-Slavonia	1821	85831	47	50.877	34954	28080	6.874	19,67%	939
County of Virovitica-Podravina	2021	93389	46	54.291	39098	31214	7.884	20,16%	934
County of Zadar	3643	162045	44	96.891	65154	47132	18.022	27,66%	2.225
County of Sisak-Moslavina	4448	185387	42	109.436	75951	56883	19.068	25,11%	2.059
County of Karlovac	3622	141787	39	79.492	62295	47662	14.633	23,49%	1.984
County of Šibenik-Knin	2994	112891	38	67.999	44892	30990	13.902	30,97%	1.641
County of Lika-Senj	5350	53677	10	33.116	20561	15904	4.657	22,65%	671

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia

A.2. Counties sorted according to % of active population in total population

	Surface area km2	Population (Census 2001)	Population density per km2	Non-active population	Active population	% of active population in total population	Employment	Un- employment	Legal persons total
Republic of Croatia	56.542	4.437.460	78	2.484.841	1.952.619	44,00%	1.553.643	398.976	86.202
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County of Istria	2813	206344	73	110.650	95694	46,38%	79876	15.818	6.234
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County of Koprivnica-Križevci	1734	124467	72	67.340	57127	45,90%	48071	9.056	1.527
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County of Varaždin	1260	184769	147	102.941	81828	44,29%	68362	13.466	2.697
County of Karlovac	3622	141787	39	79.492	62295	43,94%	47662	14.633	1.984
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County of Virovitica-Podravina	2021	93389	46	54.291	39098	41,87%	31214	7.884	934
County of Split-Dalmatia	4524	463676	102	269.594	194082	41,86%	143526	50.556	9.243
County of Osijek-Baranja	4149	330506	80	192.558	137948	41,74%	104521	33.427	4.120
County of Sisak-Moslavina	4448	185387	42	109.436	75951	40,97%	56883	19.068	2.059
County of Požega-Slavonia	1821	85831	47	50.877	34954	40,72%	28080	6.874	939
County of Slavonski Brod- Posavina	2027	176765	87	105.246	71519	40,46%	53546	17.973	1.558
County of Vukovar-Sirmium	2448	204768	84	121.970	82798	40,44%	60876	21.922	1.544
County of Zadar	3643	162045	44	96.891	65154	40,21%	47132	18.022	2.225
County of Šibenik-Knin	2994	112891	38	67.999	44892	39,77%	30990	13.902	1.641
County of Lika-Senj	5350	53677	10	33.116	20561	38,31%	15904	4.657	671

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia

A.3. Counties sorted according to % of unemployed

	Surface area km2	Population (Census 2001)	Population density per km2	Non-active population	Active population	Employment	Unemployment	% of unemployed	Legal persons total
Republic of Croatia	56.542	4.437.460	78	2.484.841	1.952.619	1.553.643	398.976	20,43%	86.202
County of Međimurje	730	118426	162	57.124	61302	53886	7.416	12,10%	2.196
County of Krapina-Zagorje	1230	142432	116	72.952	69480	60117	9.363	13,48%	1.565
County of Koprivnica-Križevci	1734	124467	72	67.340	57127	48071	9.056	15,85%	1.527
County of Bjelovar-Bilogora	2638	133084	50	69.121	63963	53797	10.166	15,89%	1.595
County of Varaždin	1260	184769	147	102.941	81828	68362	13.466	16,46%	2.697
County of Istria	2813	206344	73	110.650	95694	79876	15.818	16,53%	6.234
City of Zagreb	640	779145	1.217	422.959	356186	296272	59.914	16,82%	28.180
County of Zagreb	3078	309696	101	165.290	144406	119656	24.750	17,14%	5.366
County of Primorje-Gorski Kotar	3590	305505	85	164.366	141139	113424	27.715	19,64%	7.590
County of Požega-Slavonia	1821	85831	47	50.877	34954	28080	6.874	19,67%	939
County of Virovitica-Podravina	2021	93389	46	54.291	39098	31214	7.884	20,16%	934
County of Lika-Senj	5350	53677	10	33.116	20561	15904	4.657	22,65%	671
County of Karlovac	3622	141787	39	79.492	62295	47662	14.633	23,49%	1.984
County of Dubrovnik-Neretva	1782	122870	69	70.628	52242	39848	12.394	23,72%	2.334
County of Osijek-Baranja	4149	330506	80	192.558	137948	104521	33.427	24,23%	4.120
County of Sisak-Moslavina	4448	185387	42	109.436	75951	56883	19.068	25,11%	2.059
County of Slavonski Brod-Posavina	2027	176765	87	105.246	71519	53546	17.973	25,13%	1.558
County of Split-Dalmatia	4524	463676	102	269.594	194082	143526	50.556	26,05%	9.243
County of Vukovar-Sirmium	2448	204768	84	121.970	82798	60876	21.922	26,48%	1.544
County of Zadar	3643	162045	44	96.891	65154	47132	18.022	27,66%	2.225
County of Šibenik-Knin	2994	112891	38	67.999	44892	30990	13.902	30,97%	1.641

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia

A.4. Counties sorted according to No. of legal persons

	Surface area km2	Population (Census 2001)	Population density per km2	Active population	Employment	Unemployment	Legal persons total	Companies employing >250	Craftsmen and free professions
Republic of Croatia	56.542	4.437.460	78	1.952.619	1.553.643	398.976	86.202	496	91.809
City of Zagreb	640	779145	1.217	356186	296272	59.914	28.180	169	19.704
County of Split-Dalmatia	4524	463676	102	194082	143526	50.556	9.243	42	10.259
County of Primorje-Gorski Kotar	3590	305505	85	141139	113424	27.715	7.590	40	8.678
County of Istria	2813	206344	73	95694	79876	15.818	6.234	32	7.680
County of Zagreb	3078	309696	101	144406	119656	24.750	5.366	*City of Zagreb	6.244
County of Osijek-Baranja	4149	330506	80	137948	104521	33.427	4.120	29	4.237
County of Varaždin	1260	184769	147	81828	68362	13.466	2.697	29	3.180
County of Dubrovnik-Neretva	1782	122870	69	52242	39848	12.394	2.334	17	2.540
County of Zadar	3643	162045	44	65154	47132	18.022	2.225	13	3.977
County of Međimurje	730	118426	162	61302	53886	7.416	2.196	21	1.945
County of Sisak-Moslavina	4448	185387	42	75951	56883	19.068	2.059	12	2.463
County of Karlovac	3622	141787	39	62295	47662	14.633	1.984	9	2.514
County of Šibenik-Knin	2994	112891	38	44892	30990	13.902	1.641	5	2.287
County of Bjelovar-Bilogora	2638	133084	50	63963	53797	10.166	1.595	9	1.911
County of Krapina-Zagorje	1230	142432	116	69480	60117	9.363	1.565	14	2.937
County of Slavonski Brod-Posavina	2027	176765	87	71519	53546	17.973	1.558	13	3.143
County of Vukovar-Sirmium	2448	204768	84	82798	60876	21.922	1.544	10	2.918
County of Koprivnica-Križevci	1734	124467	72	57127	48071	9.056	1.527	14	1.801
County of Požega-Slavonia	1821	85831	47	34954	28080	6.874	939	9	1.102
County of Virovitica-Podravina	2021	93389	46	39098	31214	7.884	934	8	1.311
County of Lika-Senj	5350	53677	10	20561	15904	4.657	671	1	978

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia

A.5. Counties sorted according to No. of craftsmen and free professions

	Surface area km2	Population (Census 2001)	Population density per km2	Active population	Employment	Unemployment	Legal persons total	Companies employing >250	Craftsmen and free professions
Republic of Croatia	56.542	4.437.460	78	1.952.619	1.553.643	398.976	86.202	496	91.809
City of Zagreb	640	779145	1.217	356186	296272	59.914	28.180	169	19.704
County of Split-Dalmatia	4524	463676	102	194082	143526	50.556	9.243	42	10.259
County of Primorje-Gorski Kotar	3590	305505	85	141139	113424	27.715	7.590	40	8.678
County of Istria	2813	206344	73	95694	79876	15.818	6.234	32	7.680
County of Zagreb	3078	309696	101	144406	119656	24.750	5.366	*City of Zagreb	6.244
County of Osijek-Baranja	4149	330506	80	137948	104521	33.427	4.120	29	4.237
County of Zadar	3643	162045	44	65154	47132	18.022	2.225	13	3.977
County of Varaždin	1260	184769	147	81828	68362	13.466	2.697	29	3.180
County of Slavonski Brod-Posavina	2027	176765	87	71519	53546	17.973	1.558	13	3.143
County of Krapina-Zagorje	1230	142432	116	69480	60117	9.363	1.565	14	2.937
County of Vukovar-Sirmium	2448	204768	84	82798	60876	21.922	1.544	10	2.918
County of Dubrovnik-Neretva	1782	122870	69	52242	39848	12.394	2.334	17	2.540
County of Karlovac	3622	141787	39	62295	47662	14.633	1.984	9	2.514
County of Sisak-Moslavina	4448	185387	42	75951	56883	19.068	2.059	12	2.463
County of Šibenik-Knin	2994	112891	38	44892	30990	13.902	1.641	5	2.287
County of Međimurje	730	118426	162	61302	53886	7.416	2.196	21	1.945
County of Bjelovar-Bilogora	2638	133084	50	63963	53797	10.166	1.595	9	1.911
County of Koprivnica-Križevci	1734	124467	72	57127	48071	9.056	1.527	14	1.801
County of Virovitica-Podravina	2021	93389	46	39098	31214	7.884	934	8	1.311
County of Požega-Slavonia	1821	85831	47	34954	28080	6.874	939	9	1.102
County of Lika-Senj	5350	53677	10	20561	15904	4.657	671	1	978

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia

A.6. Counties sorted according to No. of companies with >250 employees

	Population (Census 2001)	Population density per km2	Active population	Employment	Unemployment	% of unemployment	Legal persons total	Companies employing >250	Craftsmen and free professions
Republic of Croatia	4.437.460	78	1.952.619	1.553.643	398.976	20,43%	86.202	496	91.809
County of Zagreb	309696	101	144406	119656	24.750	17,14%	5.366	*City of Zagreb	6.244
City of Zagreb	779145	1.217	356186	296272	59.914	16,82%	28.180	169	19.704
County of Split-Dalmatia	463676	102	194082	143526	50.556	26,05%	9.243	42	10.259
County of Primorje-Gorski Kotar	305505	85	141139	113424	27.715	19,64%	7.590	40	8.678
County of Istria	206344	73	95694	79876	15.818	16,53%	6.234	32	7.680
County of Osijek-Baranja	330506	80	137948	104521	33.427	24,23%	4.120	29	4.237
County of Varaždin	184769	147	81828	68362	13.466	16,46%	2.697	29	3.180
County of Međimurje	118426	162	61302	53886	7.416	12,10%	2.196	21	1.945
County of Dubrovnik-Neretva	122870	69	52242	39848	12.394	23,72%	2.334	17	2.540
County of Krapina-Zagorje	142432	116	69480	60117	9.363	13,48%	1.565	14	2.937
County of Koprivnica-Križevci	124467	72	57127	48071	9.056	15,85%	1.527	14	1.801
County of Zadar	162045	44	65154	47132	18.022	27,66%	2.225	13	3.977
County of Slavonski Brod-Posavina	176765	87	71519	53546	17.973	25,13%	1.558	13	3.143
County of Sisak-Moslavina	185387	42	75951	56883	19.068	25,11%	2.059	12	2.463
County of Vukovar-Sirmium	204768	84	82798	60876	21.922	26,48%	1.544	10	2.918
County of Karlovac	141787	39	62295	47662	14.633	23,49%	1.984	9	2.514
County of Bjelovar-Bilogora	133084	50	63963	53797	10.166	15,89%	1.595	9	1.911
County of Požega-Slavonia	85831	47	34954	28080	6.874	19,67%	939	9	1.102
County of Virovitica-Podravina	93389	46	39098	31214	7.884	20,16%	934	8	1.311
County of Šibenik-Knin	112891	38	44892	30990	13.902	30,97%	1.641	5	2.287
County of Lika-Senj	53677	10	20561	15904	4.657	22,65%	671	1	978

Source: Croatian Bureau of Statistics, database of the Chamber of Commerce, Croatia