



CROATIA

INSIGHT PAPER

Authors: Andrea Lorenzini, Giorgio Ambrosino
MemEx Italy

Date: 20.05.2019

Photo by Hrvoje Klaric on Unsplash

RURALITY (1)

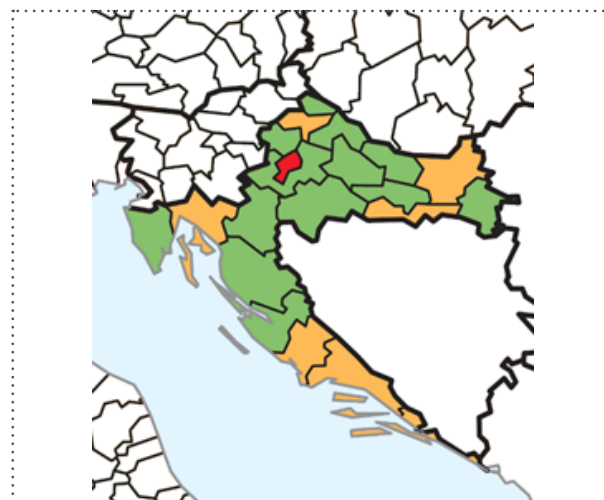
Degree of urbanisation for local administrative units level 2 (LAU2)



- Cities
- Towns and suburbs
- Rural Areas
- Data not available

Source: Eurostat, JRC and European Commission Directorate-General for Regional Policy, 20 January 2014

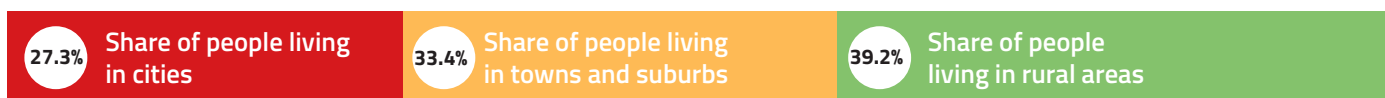
Urban-rural typology for NUTS level 3 regions



- Predominantly urban regions
(rural population is less than 20% of the total population)
- Intermediate regions
(rural population is between 20% and 50% of the total population)
- Predominantly rural regions
(rural population is 50% or more of the total population)
- Data not available

Source: Eurostat, JRC, EFGS, REGIO-GIS, December 2016

DISTRIBUTION OF POPULATION



Source: Eurostat, 2017

GEOGRAPHY

Officially part of the European Union from 1 July 2013, Croatia is currently the newest member of the EU. From a geographical point of view, Croatia can be divided into three different zones: the coastal strip on the Adriatic Sea, the mountain ranges (The Dinaric Alps) and the wide flat area (lowland Pannonian). According to the Urban-rural typology for NUTS level 3 regions, in 2015 close to 80% of Croatia's land area was classified as 'predominantly rural region' and, in 2016, about 43% of the population lived there. The population density in Croatia is very heterogenous. On average it stands at 75,9 inhab./Km² ranging from the lowest density in Lika-Senj County (10 inhabitants/km²) and the highest density (1.232 inhabitants/km²) in the City of Zagreb.

Rural communities in Croatia are generally characterized by poor access to basic infrastructure endowment and having poorer housing quality than households in urban regions in Croatia, slowing down the economic and social development process and as well posing environmental risks.

According to Eurostat, the share of people at risk of poverty or social exclusion in rural areas in 2017 amounts to 33,1%, so much higher with respect to the urban areas, where it stands at 18,0%.

A part of rural population lives in conditions of severe poverty and cannot satisfy their basic life necessities. The unemployment rate of persons aged 15–64 in rural areas, which after the economic crisis of 2009 was around 20,0%, in the latest years has decreased and in 2017 it amounts to 13,1%. In rural areas the share of youth aged 18–24 neither in employment nor in education or training in 2017 amounts at 24,0 %, so much higher with respect to the European average (15,6%).

RURALITY (2)

33.1%

Share of people at risk of poverty or social exclusion in rural areas, **2017**

2.5%

Share of people aged 16 and over who reported unmet needs for health care in the previous 12 months due to expense, distance to travel or length of waiting list in rural areas, **2017**

13.1%

Unemployment rate, persons aged 15–64, in rural areas, **2017**

24%

Share of young people aged 18–24 neither in employment nor in education or training (NEETs) in rural areas, **2017**

Source: Eurostat

NATIONAL POLICIES RELATING TO RURAL MOBILITY AND PUBLIC TRANSPORT

In Croatia specific transport policies related to transport and mobility in rural areas are not implemented.

At national level, the main document addressing the transport sector is the Transport Development Strategy of the Republic of Croatia 2017-2030 (Strategija prometnog razvoja Republike Hrvatske (2017 - 2030)). The Transport and Development Strategy (TDS) aims to i) assess and define the future measures (infrastructure, operation and organization) in the transport sector related to international and national transport in all transport segments, ii) provide the framework for the development of interventions and iii) define the interfaces to other strategies or assessments (Functional Regional Concepts-FRC, Master Plans, sectorial strategies, etc.). As stated in the TDS, the functional regions and/or cities *“will be required to develop proper Functional Regional Masterplans (following the Sustainable Urban Mobility Plans principles). These Functional Regional Masterplans will analyse the current situation of the transport systems considering not only infrastructural but also operational and organisational aspects, and based on the outcomes of these analyses the future needs will be identified”*.

These Functional Regional Masterplans, should also include the rural mobility issues.

Regarding the rural development, the Croatian Rural Development Programme (RDP) was formally adopted by the European Commission on 22 May 2015, outlining Croatia's priorities for using € 2.3 billion of public money that is available for the period 2014-2020. The main objective of the RDP is to restructure and modernise the farm and food sectors. It is expected that nearly 2000 holdings will receive investment support, more than 5000 farmers will receive start up aid for the development of small farms and around 1000 young farmers will get support to launch their businesses. The programme also puts emphasis on the restoration, preservation and enhancement of biodiversity.

The National Development Strategy of the Republic of Croatia by 2030 is in preparation and will be completed by the end of 2019. It will define development priorities and strategic goals and will identify the way in which the economic, natural, social and economic resources will be used for the quality progress and the growth and development of the country.

The Spatial Development strategy of the Republic of Croatia, emanated by the Ministry of Construction and Physical Planning and adopted by the Croatian Parliament in October 2017, is the document that directs the development in space. Based on the established values of the Croatian space and the spatial development management system and the established status and processes in the area, the general goal (vision) of spatial development until 2030 was determined with developmental priorities, directions and framework for implementation.

The National Strategy for Health Care Development 2012-2020 (Nacionalna strategija razvoja zdravstva) is the document emanated by the Ministry of Health of the Republic of Croatia which sets out the context, vision, priorities, goals and key measures in the healthcare sector for the Country. The Strategy makes the basis for policy making and healthcare decisions (including decisions on allocation of budget funds in the health sector) and for revising (and creating new ones) planning and operational documents which elaborate development measures and specific activities in individual segments of health care (e.g. Strategic Human Resources Development Plan, Master Plan Hospital, Strategic Development Plan palliative care, strategic development plan for public health, etc.).

There is no explicit policy on access to healthcare and other social support services.

INSTITUTIONAL FRAMEWORK

Croatia is divided into 21 counties, of which one is the capital city of Zagreb which has the authority and legal status of a county and a city at the same time. The counties are further divided into 127 towns (Grad) and 428 municipalities (Općina). The town status is given to municipalities that are seats of counties with more than 10 000 inhabitants. There are also 6 762 settlements which can be established by the municipalities and the cities and which have their own councils. A reform of local and regional government, part of a wider public administration reform, and which would result in larger regions and municipalities, is currently being discussed.

The regulations and acts are established at national level, as well as the planning priorities and the national transport policies.

Regarding the interurban bus services, concessions are provided by the Croatian Chamber of Commerce (Hrvatska gospodarska komora) that works as a National Transport Agency. The first Agency/Authority for mobility has been recently set up in Zagreb (IZPP); it will be fully operational in the following months.

As regards the rail transport, Croatian Railways (Croatian: Hrvatske željeznice or HŽ) is the national railway company responsible for the management of the railway infrastructure, as well as for the public, passenger and freight transport in the Republic of Croatia. From November 2012, the Croatian Railways is organised in three separate and independent companies: *HŽ Cargo doo*, *HŽ Putnički prijevoz doo* and *HŽ Infrastruktura doo*.



Photo by Ales Krivec on Unsplash

In particular, the Directorate of Land Transport and Inspection of the Ministry of Sea, Transport and Infrastructure has responsibility for all matters dealing with public transport.

As regards the public transport services, each County is responsible for planning and managing the traffic and transport infrastructure at local and county-level. In particular, within counties, county authorities have the power to award concessions in line with their transport needs, although they may authorise services offered by commercial operators. All services are licensed and operators must comply with a number of requirements relating to their capacity to offer the service and the proposed schedule.

The largest taxi player is the Association of Taxi Transport in the City of Zagreb (hereinafter: the "Association") which was founded in 1924 and is currently is handling around 1030 vehicles.

Uber has recently entered the market in Zagreb and it has extended its service with a new offer during the tourist season, making the UberX service available on the Croatian coast (Split, Dubrovnik) for summer period.

REGULATORY FRAMEWORK

Public transport services are ruled by the Ministry of Sea, Transport and Infrastructure. The MSTI is in charge of determining the scope of public service operations and concluding related contracts with operators.

The main regulatory instrument for passenger's transportation in Croatia is the Road Transport Act (Zakon o prijevozu u cestovnom prometu) entered into force in 2013 to regulate all matters relate to road transport in the country. In May 2018 a newest version of the Act has been emanated. In particular, the Act lays down the conditions for carrying out the activity of public transport of passengers and freight in the internal road transport, agency activities in road transport, the provision of railway services, transport for own use, as well as the powers of the bodies responsible for carrying out and supervising over the implementation of the Act.

Public passenger transport services are under the same regulations, whether urban, suburban, inter-city or rural. Licences to operate intra-county and inter-county transport services are issued at the request of operators, compliant to a number of requirements related to timetables and transport capacity.

If a county decides that public transport services are to be carried out on the basis of a concession, concessions are tendered pursuant to EU Law No. 1370/2007 (Law on Concessions for Public Transport). For the local bus services, usually there is freedom of entry to the market; majority of the main cities are also in compliance with Law 1370/2007 for in-house operators, with defined termination dates of public service contracts.

Regional bus operators can set their own fares but receive no subsidy from the government to operate these services. Regarding the occasional services, the market is free. Operators have to obtain the road transport licence and an authorisation from the Ministry to operate occasional transport services.

Market access to taxi sector is extremely difficult due to different applicable regulation and competition is limited by measures introduced at local level in order to maintain the status quo.

As regards the health care services (the so called "sanitetski prijevoz"), they are regulated by law NN 53/2011, but in general they are up to regional authorities (counties) to organise it.

ORGANIZATIONAL FRAMEWORK

Public transport services in Croatia are classified as:

- i. Regular inter-county public passenger transport services, which are run under a national authorisation regime (licences are issued by the Ministry of Maritime Affairs, Transport and Infrastructure for a period up to 5 years).
- ii. Regular intra-county public passenger transport services, which are authorised by the county (licences are issued by the administrative body of the county in charge of transport). Counties may alternatively decide that public passenger transport services in their respective area are carried out on the basis of concessions issued for a period up to 7 years, pursuant to the Law on Concession (Law No. 143/2012).
- iii. International bus services, which are conducted in accordance with EU Regulation 1073/2009 (or in cases of non-EU countries under bilateral agreements).

In Croatian rural areas, conventional public transport services are very scarce or, in some cases, inexistent and flexible transport services (like Demand Responsive Transport services) are not implemented. For this reason, rural population almost entirely depends on private cars. The state administration office in the county or the administrative body of the City of Zagreb responsible for traffic affairs is responsible for issuing licenses for the carriage of passengers in internal road traffic and for the taxi services.

Conventional public transport services within the territory of a county (rural transport also comes under this category) are usually operated (and therefore regulated) by concessions. In particular, local public transport services are tendered out to private companies or directly awarded to companies which owned by their respective cities or municipalities.

ORGANIZATIONAL FRAMEWORK

In compliance with Law 1370/2007, public service contracts of major cities typically last between 10 and 15 years. Conventional Public transport services may only be performed by buses with at least nine seats, including the seat for the driver.

Special transport services (Posebni linijski prijevoz putnika) can be performed by a personal vehicle (8 + 1) or special vehicles, on the basis of a signed and written agreement between the transport contractor and the carrier. A list of passengers is a compulsory part of the contract.

When conducting a special transport service, the vehicle must have a contract and a list of passengers. Passengers who are not registered in the list of passengers in special liner transport are prohibited. When issuing a license, the issuing authority applies the following measures: the timing and local availability of public road and other transport lines, the needs of special categories of transport users and the impact on the economic constraints of the existing lines.

Occasional bus services (Povremeni prijevoz putnika) may not include repeated line or special line items, such as the relation, time of departure and arrival, and the place of entry and exit of passengers. Transfers are intended for one-time transportation and do not have the function of daily migration.

As regards the taxi services, according to the Road Transport Act, to perform taxi transport activity a person must obtain an internal transport licence (hereinafter the "licence") and a taxi permit. The competence to issue transport licence belongs to the County Administrative Offices competent for the transport activities, while the issuance of a taxi permit is delegated to the competent body of self-government.

Demand Responsive Transport service are not successfully implemented in Croatia. There have been sporadic cases in the last years but without relevance. Regarding the school and health transport service, there is no a common (national) organisational scheme that covers this type of service (it is left to local/regional authorities to organise the transport).

As regards the health care service, there is so called "sanitetski prijevoz". In general, it is up to regional authorities (counties) to organise it, although recently it transport was put under responsibility of Regional Emergency medical service, which is also organised by the counties. It is meant to be used in cases of severe illness of the patients (service for "regular patients" from and to health care facilities does not exist).

FINANCIAL FRAMEWORK

According to the Transport Development Strategy, the public transport system has a deficit balance. It is estimated that public transport cover only 20% of the total costs. The loss of the municipal owned operators should be covered by the municipality budgets, although in several cases the municipal financial capability is not sufficient.

In terms of financing (apart from school transport and health care services), where local/regional authorities sign contracts with operators, co-financing of expenses in general is related to the social status of citizens (students, retired people, handicapped, etc.) for using regular transport means.

As regards the school transport services (organised with dedicated buses), they are regulated by a specific Government decision. In most cases, the Government secures national financing (the largest part of financing), local/regional authorities cover second largest part and the rest of the costs is covered by students (depends on the local/regional authorities' financing possibilities).

In any case, the funding for rural mobility is dispersed across multiple funding sources.

OTHER INFORMATION

- Considering that some parts of the Croatian territory do not have enough demand to justify the introduction of regular public transport lines (e.g. rural or disperse areas), the TDS aims to introduce on-demand public transport services
- Since August 2013, the MSTI started to use the functional regional and sector approach, which implies the division of the Republic of Croatia in functional regions based on real mobility interactions, regardless of the county or national borders
- At present, public transport in the Republic of Croatia is largely not integrated, as there are no coordinated timetables or single tickets for different modes of transport. In some areas, efforts towards an integrated public transport system are starting to be taken
- To ensure the sustainability of the transport sector as a whole, the TDS aims to increase the interoperability establishing a network of intermodal terminals to allow the passengers to easily interchange between transport modes.

KEY STAKEHOLDERS AND MINISTRIES ADDRESSING RURAL AREAS

TITLE	ROLE
Ministry of Sea, Transport and Infrastructure	The Ministry of Sea, Transport and Infrastructure is the government ministry for transport sector; it is responsible for the planning and management of all transport infrastructures and all matters dealing with public transport
Directorate of Land Transport and Inspection	The Directorate of Land Transport and Inspection (Uprava kopnenog prometa i inspekcije) carries out strategic and administrative planning activities in the field of road, rail and intermodal traffic, manages the implementation of administrative oversight over the units of local and regional self-government and to legal entities and participates in the elaboration of the TDS
The Ministry of Regional Development and Funds	The Ministry of Regional Development and Funds (Ministarstvo regionalnoga razvoja i fondova Europske unije) ensures quality public policies for improving working and living conditions in all parts of Croatia, especially in less developed areas

LINKS TO WEBSITES

- Ministry of Sea, Transport and Infrastructure: www.mppi.hr
- Public Railway transport (HŽPP): www.hzpp.hr
- Zagrebački električni tramvaj (ZET), the Operator responsible for public transport in Zagreb, www.zet.hr
- Promet, the public transport operator in Split: www.promet-split.hr

REFERENCES

- Transport Development Strategy of the Republic of Croatia 2017-2030 (Strategija prometnog razvoja Republike Hrvatske (2017 - 2030), available at www.va.minambiente.it/File/Documento/206640
- Road Transport Act (Zakon o prijevozu u cestovnom prometu, NN 41/2018 (4.5.2018.)), available at www.zakon.hr/z/245/Zakon-o-prijevozu-u-cestovnom-prometu
- Rural Development Programme of the Republic of Croatia for the Period 2014-2020, available at https://ec.europa.eu/agriculture/rural-development-2014-2020/country-files/hr_en
- VIČEVIĆ, Doris; HESS, Svjetlana. Analiza potražnje za javnim linijskim prijevozom u Republici Hrvatskoj. Annals of Maritime Studies/Pomorski Zbornik, 2013., available at <https://hrcak.srce.hr/file/178138>
- Dunmore, D. (2016). Comprehensive Study on Passenger Transport by Coach in Europe (No. MOVE/D3/2014-261), Member State Fiches – Croatia, available at <https://ec.europa.eu/transport/sites/transport/files/modes/road/studies/doc/2016-04-passenger-transport-by-coach-in-europe.pdf>
- Grimaldi Studio Legale (2016), Study on passenger transport by taxi, hire car with driver and ridesharing in the EU (no. MOVE/D3/SER/2015-564/SI2.715085), Annex III, Country Report, Croatia, available at <https://ec.europa.eu/transport/sites/transport/files/2016-09-26-pax-transport-taxi-hirecar-w-driver-ridesharing-final-report.pdf>
- Steer Davies Gleave, Study on economic and financial effects of the implementation of Regulation 1370/2007 on public passenger transport services European Commission, (MOVE/A5/SER/2014-356/SI2.698871) Final Report, Member State fiches, Croatia, February 2016, available at <https://ec.europa.eu/transport/sites/transport/files/themes/pso/studies/doc/2016-02-effects-implementation-regulation-1370-2007-public-pax-transport-services.pdf>
- Law on health care service, https://narodne-novine.nn.hr/clanci/sluzbeni/full/2011_05_53_1173.html
- Government decision for the funding of the school transport services, <https://vlada.gov.hr/UserDocsImages/Sjednice/2018/08%20kolovoz/111%20sjednica/Dokumenti/111%20-%205.pdf>
- Ministry of Social Policy and Youth, Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia (2014-2020), March 2014, available at https://vlada.gov.hr/UserDocsImages/ZPPI/Strategije/STRATEGY_COMBATING_POVERTY_SOCIAL_EXCLUSION_2014_2020.pdf