



Transformation of Rural Peripheries by Tourism. Case Study: the Croatian Islands Cres and Lošinj

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Research question

The paper investigates the impact of tourism on a classical rural periphery. It asks for the potentials of intensive tourism to improve the social and economic structure and situation of a rural region in a sustainable way. The real example of the Cres-Lošinj archipelago at the Northern Croatian coast offers the opportunity to refer this question to mass tourism under the auspices of the former Yugoslavian Communist regime as well as to an intensive tourism in transformation after 1990 and especially after 2000.

Geographical characteristics of the island group Cres-Lošinj

The archipelago of Cres and Lošinj is located on the Eastern coast of the Adriatic Sea in the Kvarner Gulf nearby the city of Rijeka and the Istrian Peninsula (see figure 1). It belonged to Venice up to 1797, later part of the Austrian Empire and the Austrian half of the dual Austro-Hungarian Monarchy up to 1918 with a short French intermezzo from 1809 to 1813/15, belonged to Italy during the interwar period and up to the end of the Second World War, became part of Communist Tito-Yugoslavia in 1945 and belongs to independent Croatia since 1991.

With a surface of 404 sq.km Cres is (after Krk) the second of the largest Croatian islands, while Lošinj with 75 sq.km ranks at the 11th position. Much smaller islands like Unije (16,8 sq.km), Plavnik (8,8 sq.km), Ilovik (5,9 sq.km) and the very specific Susak (3,8 sq.km) surround these main islands, which naturally form one land and were only separated by a canal during Roman times (figure 2, 3).

The archipelago forms the seaward chain of the Kvarner Islands [Kvarnerski otoci], which in total are part of the Dinaric mountain system stretching in the NW-SE direction. Limestone ranges (figure 4) alternate with flysch valleys, which are, however, mostly inundated by the sea. Only the scarce bottom of non-inundated flysch valleys offers some opportunities of agriculture. Like along almost the entire Eastern Adriatic coast the coastline is rocky and much intersected. The climate is partly Mediterranean and sub Mediterranean and generally more balanced in its daily and annual course than at the mainland coast (figure 5). Especially the Southernmost islands of the archipelago enjoy much more sunshine than the interior of the Kvarner Gulf (figure 6). A specific climatic phenomenon is the cold and strong North-Eastern wind bora [bura], which reaches its highest intensity in winter, but it may also blow extensively during summer. The Cres-Lošinj archipelago is not as much affected as interior parts of the Kvarner (figure 7), but still bora is also a natural force determining a specific land use, settlement, traffic and tourism. A longer bora period in late August may give many tourists a good reason to depart. The relief of the two main islands Cres and Lošinj is characterised by limestone and dolomite ranges and plateaus with a thin soil layer, while especially Susak, while Unije and some smaller islands are partly covered by a substantial loess stratum offering good opportunities for viticulture.



Figure 1. Topographical survey over the Croatian coast.

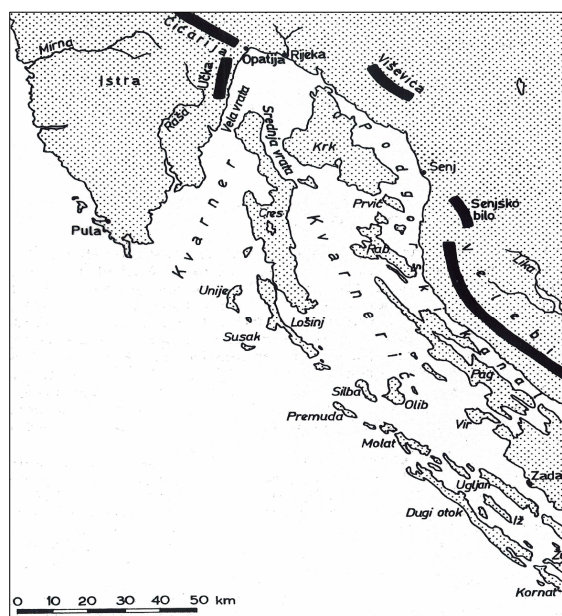


Figure 2. Topographical survey over the Northern Croatian coast.



Figure 3. The Roman Osor canal separating the islands of Cres and Lošinj (photo taken by JORDAN in 2006).

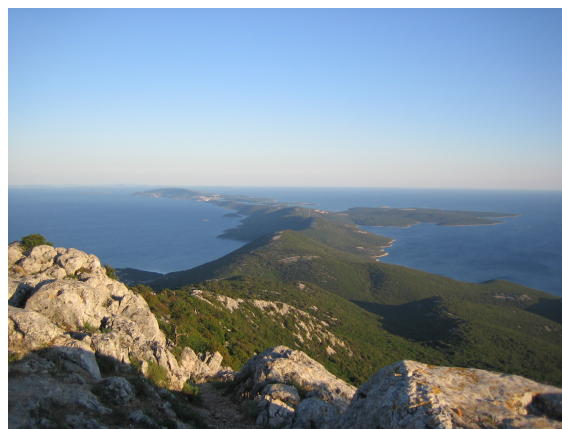


Figure 4. View from the highest mountain of the Cres and Lošinj archipelago (Osorščica, 589 m) at the limestone range forming the "backbone" of Lošinj (photo taken by JORDAN in 2006).

For millennia, limestone and dolomite ranges and plateaus were used as pastures for sheep and goats causing the degradation of the original vegetation cover of oak trees.

Oak forests have been confined to small reserves and replaced by stony grassland with some secondary vegetation (figure 8) or by degradation stages of original oak forests (scrub). The archipelago has been densely populated since the Roman times (with Osor, in Latin Apsorus, as its centre). A high population density and intense economic activity (mainly agriculture, but also fishing and maritime trade) continued throughout Byzantine, Venetian and French rule well into the period of Austrian domination up to the late 19th century. In the period of Ottoman rule in the Adriatic hinterlands (15th century up to 1878) the Cres-Lošinj archipelago - like most of the other islands - sheltered a lot of refugees. Therefore, in the middle of the 19th century the situation was characterised by a dense agrarian population working on tiny farmsteads and small plots and as shepherds, while especially Lošinj was a seafaring centre with many ship-owners and a good share of maritime trade. Taking into account its carrying capacity, the archipelago was by far overpopulated. During the second half of the 19th century significant economic decline caused emigration to overseas. The reasons for the economic decline were decline in navigation (in turn caused by a shift from vessels to steamships making small ports superfluous, by railway development favouring large ports on the mainland), a serious grape disease destroying viticulture for years and stronger competition on the wine market due to the fact that Austria opened up its market for imported cheap Italian wine.

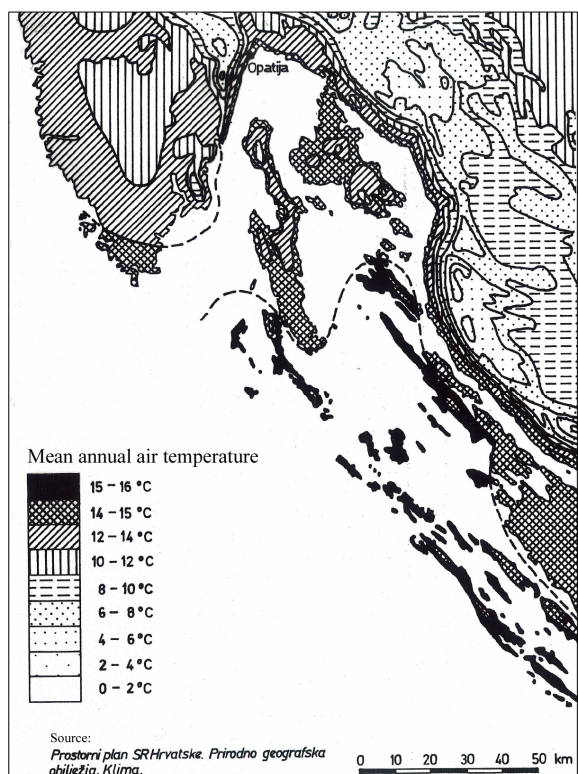


Figure 5. Average annual air temperature at the Northern Croatian coast.

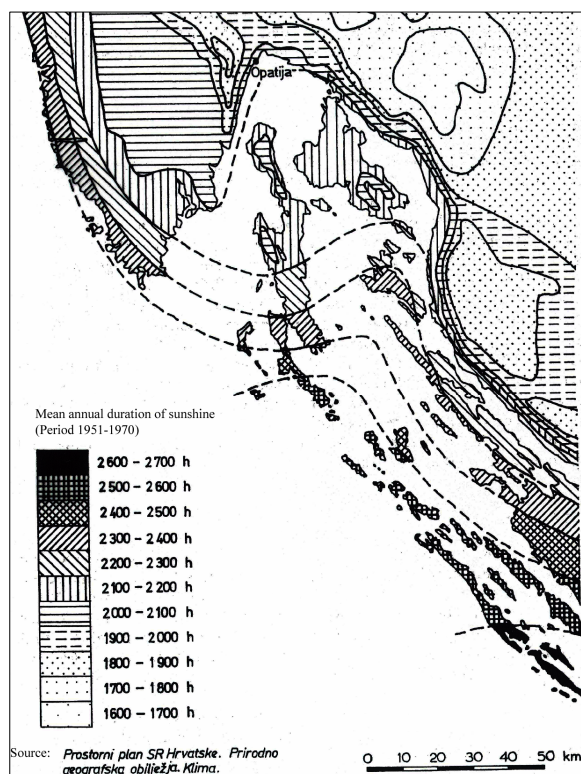


Figure 6. Average annual sunshine duration at the Northern Croatian coast.

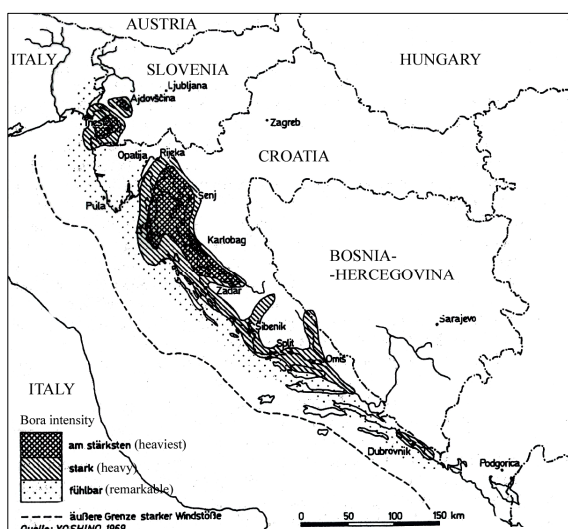


Figure 7. Bora intensity at the Eastern Adriatic coast.



Figure 8. Scrubs and other secondary vegetation spread over former pastures (near Orlec on Cres, photo taken by JORDAN in 2006).

Early tourism before the First World War

In this situation a first wave of tourism meant a certain relief. It started at the mainland coast at Abbazia [Opatija] and reached the point, when the first railways in 1873 to Fiume [Rijeka] made the Kvarner coast more accessible to the islands for the tourists from Vienna [Wien] and Budapest.

Some of them proceeded by ship. Lussingrande [Veli Lošinj] on the island of Lošinj became a more prominent destination.

During this period the tourism was characterised by a social upper class presence (nobility, high-ranking civil servants) as guests, who predominantly came in the winter season to enjoy the healthy maritime climate and an elite social atmosphere. A relative small number of guests provided for reasonable revenue (high revenue per guests). Most guests came from Vienna or Budapest, but also a large share of the employees in tourism were Austrians, e.g. from tourism regions of Carinthia. Locals were only scarcely involved, as room maids and kitchen helpers at most.

To some extent the growth in tourism was able to compensate the economic losses by the decrease of navigation on Lošinj. Nevertheless it could not stop or even slow down the wave of emigration to overseas. Just the island of Susak - due to its loess covering - was not affected by the grape disease and for this very reason did not suffer from emigration.

Italian interwar period

After 1918 and up to 1944 the archipelago, including Istria, the Riviera of Abbazia [Opatija] and Fiume [Rijeka] belonged to Italy and not to the young Yugoslavian state. Although at that time Italy itself had already had a flourishing tourism, this meant no advantage for tourism at the Cres-Lošinj archipelago. On the contrary the Italian tourism enterprises bought hotels on Lošinj (the other islands of the archipelago that were not yet developed from the tourism point of view) just to close them down in order to get rid of the competitors. Thus, emigration to overseas continued.

Post war mass tourism (till 1989)

In 1945 the archipelago was incorporated into Communist (Titoist) Yugoslavia, who opened her borders for commercial Western tourists in contrast to all other Communist countries that only did it in the 1950s. Tourism development was one of her policy priorities and resulted in a substantial improvement of the road network and in the construction of many hotels managed by public, but state-independent, "self-administered" enterprises. Moreover, private room renting and small-scale private catering enterprises let a dual public-private tourist industry emerge, in which the public sector played the dominant role, but into which a larger part of the private households got involved and from which many islanders took advantage one way or other.

Overnight figures for the Cres-Lošinj archipelago in figure 9 show a strong increase during the 1960s and even more during the 1970s, which somewhat slowed down in the 1980s.

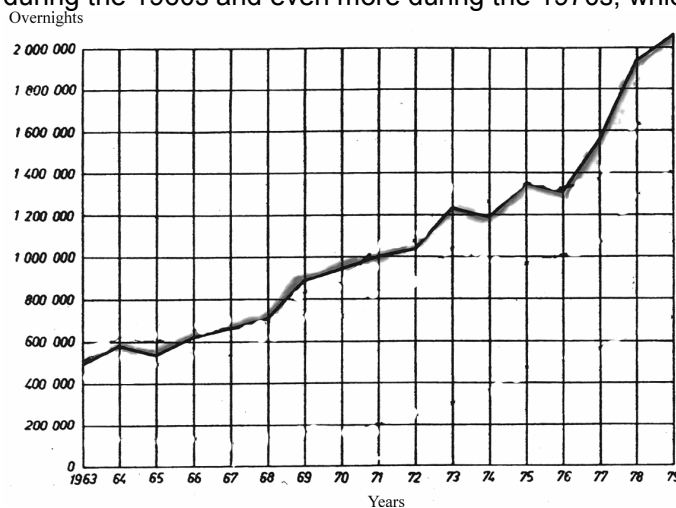


Figure 9. Overnights 1963-1979 on the Cres and Lošinj archipelago.

As figure 10 indicates, Mali Lošinj was with almost 1 million overnights the leading destination not only on the Cres-Lošinj archipelago, but also on all of the Kvarner and Northern Dalmatian Islands. Tourists came mainly from (West) Germany, Austria and Italy. Domestic tourists (mostly from Slovenia) used their own weekend and summer houses and this way contributing only randomly to tourism revenue.

But this type of tourism had some structural problems. As the seaside and bathing tourism was highly seasonal and hotels enjoyed of full occupancy not much longer than three summer months, this resulted on one

hand in low returns for investments (low profitability) and on the other hand in rather limited permanent labour, although public authorities aimed (with limited success) at supplementing the economic structure by (subsidised) small factories offering labour outside the tourist season. The local population had any benefits from tourism mainly through room renting and increased turnovers in retail trade, while seasonal work in hotels was not attractive. A large part of the seasonal labour force in tourism came therefore from outside, mainly from Bosnia-Herzegovina and Slavonia [Slavonija].

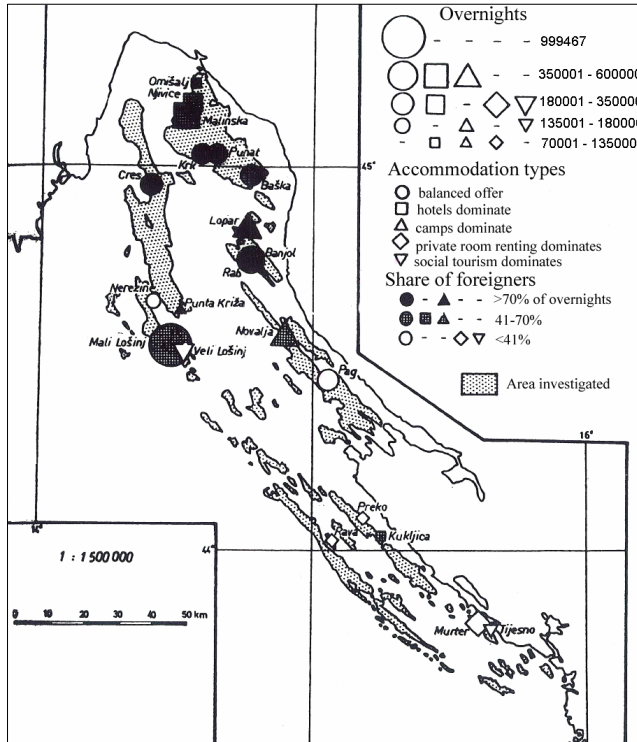


Figure 10. Major tourist resorts on the Kvarner Islands by overnights and prevailing accommodation category in 1978.

In spite of these shortcomings, the development of commercial mass tourism in the 1960s, 1970s and 1980s reduced emigration and also migration to the Yugoslavian cities by far prevailing at that time (see figure 11). Yugoslavian guest workers, who had returned from Western Europe, invested their earnings, language skills and other know-how into tourism by founding small restaurants, family hotels or constructing large houses for renting most of their rooms to tourists during the season. Tourism development could, however, not stop the decrease in agriculture and the intensive land use. It rather accelerated it, since it was much more profitable to invest in the tourism industry or to work in tourism. Mass tourism of the post-war period also initiated a very distinct concentration process in spatial terms:

tourist destinations at the coastline with all the advantages of a seaside location gained population and investment, while already the first village in the hinterland lost. Some smaller villages in the hinterland were even abandoned.

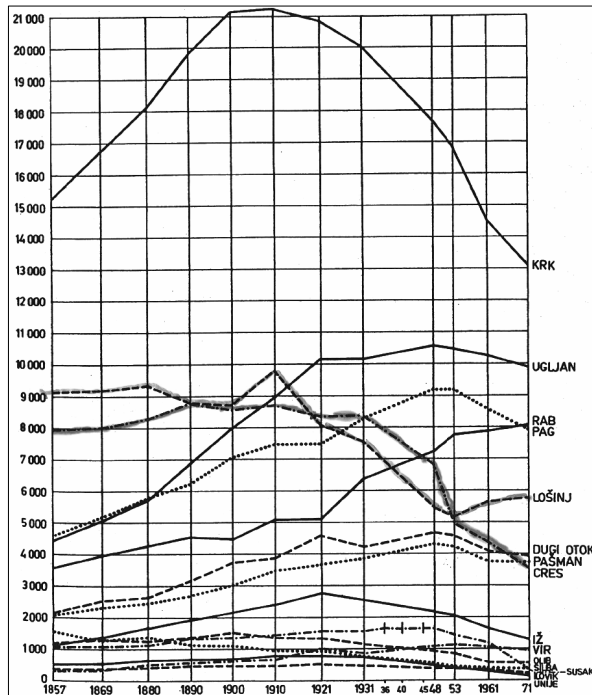


Figure 11. Population development 1857-1971 on the Kvarner Islands.

Much more, parts of the coast not at all affected by war events experienced very much the same decrease. Hotels remained empty and private room renting broke down. For some years the local population had to neglect its additional income from room renting and tourism-induced retail trade. The situation did not substantially improve before 1995, when, in August, the Croatian Army re-conquered the Serbian territories, which had declared independence before, and this way brought the violent conflict to an end. Just guests from East-Central European countries like the Czech Republic rented some rooms using cheap offers, but spending almost nothing. Italians and Austrians, better acquainted with the regional situation than tourists from more distant countries like Germany, started to return in small numbers.

The years after 1995 saw a certain

revival with a backlash in 1999 due to the Kosovo crisis, but full recovery was not obtained before the early 2000s.

Thus, the island population suffered from an income gap, the tourism industry from an investment break almost for a decade.

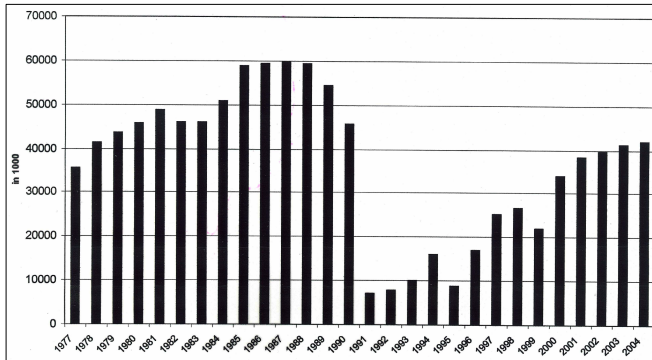


Figure 12. Foreign tourist nights in Croatia 1977-2004.

Recovered (and transformed?) tourism of the 2000s

In 2004, 2005 and 2006 overnights spent by foreigners reached again more or less the numbers of the late 1980s, all along the Croatian coast and also on the Cres-Lošinj archipelago. This may be explained by six major reasons:

- in spite of the management and employee-buyout performed in the 1990s, in 2000 **real privatisation** of the hotel industry had started. This resulted in an improvement of the offer, when hotels were purchased by strategic investors;
- a switch to **regional marketing** emphasised the specific features of a certain region, e.g. the Cres-Lošinj archipelago, creating a more specific and, on the whole, diversified tourism product, not just a uniform sun/sea tourism;
- communes and tourism associations have taken measures against some weaknesses of the former mass tourism. On the Cres-Lošinj archipelago such measures referred especially to:



Figure 13. Modern waste treatment in Osor (photo taken by JORDAN in 2006).



Figure 14. The well-developed Riva in Mali Lošinj (photo taken by JORDAN in 2006).



Figure 15. Traditional entertainment after a concert in the church of Lubenice on the island of Cres (photo taken by JORDAN in 2006).

- ✓ **environmental protection at a local scale:** former wild waste deposits were replaced by regular and well organised waste treatment, on small islands, as well (figure 13). Sewage plants replaced the former habit, to spill the waste water into the sea. The public space (pavements, parks, gardens, benches etc.) receives much more attention and care than in the past

and it was considerably rehabilitated (figure 14);

- ✓ **complementary cultural offer:** The daytime bathing on the beach offer is complemented by cultural offers in the evening having concerts and other kinds of entertainment in churches, monasteries and other locations of cultural interest (figure 15). Signposts and maps for walkers and bikers supported a significant development of hiking and biking, which are not bound to the summer season, but find their optimum in spring and autumn, when air temperatures are more convenient. This has the possibility to extend the season;

- active measures are taken **to improve the road network**. This is essential for tourism on the islands, since the vast majority of tourists come by private car. The measures comprise the upgrading of the high-ranking (motorway) network making the coast more accessible for the tourism markets of Central Europe as well as the improvement of ferry boat services and local roads. On Cres and Lošinj larger sections of the North-South main road have already considerably been upgraded and further reconstruction proceeds;
- a **diversification of the catering industry** has made eating as an additional attraction. Diversification refers not only to the quality of restaurants (including a set of top level offers), but also the variety of food offered. While in the period of mass tourism a guest frequently had just a limited choice between some types of dishes in fact not really typical for the coast itself, the menu comprises now a variety of really local and traditional food;
- in spite of the considerable increase as compared to the 1990s (and even more to the 1980s) the **level of price is still moderate** and reasonable, at least comparing it to Italy, the strongest competitor in the wider region.

But it is not only that the number of tourists equals again the best years of the Communist period. Also the structure of tourism has also improved:

- **guest structure is better balanced** comprising not only the traditional segment of families with children, but (due to additional offers) also the old and retired people as well as the segment of the younger, who are attracted by good opportunities for biking, mountaineering and diving, also of evening entertainment and a larger variety of good restaurants, cafés and bars;
- at least at a local level some **movement towards quality tourism** can be noticed;
- the **season has slightly been extended**;
- the **local population is more involved into tourism**, seeing tourism not as just a business between external actors.

However, still (and perhaps even more) the economy of the archipelago is a tourism monostructure in which other economic branches have almost no position. Except for the small wharfs in Mali Lošinj and Nerezine industry play no role at all. Agriculture suffers from further decrease except for some olive gardens nearby Cres that are still worked and some shepherding.

But the right shepherding, characteristic especially for the central and Southern parts of the large island of Cres, during former times and still in the Communist period, has significantly decreased resulting in the fact that scrubland and forest proceed at the expense of pastures. By this very reason, e.g., the former barren central and Southern parts of Cres have significantly changed their appearance and look green.

Conclusion

Concluding the impacts of tourism at a typical rural periphery like the Cres-Lošinj archipelago, one has to distinguish between the effects of mass tourism in the Communist period and the effects of a transformed tourism, which did not emerge much earlier than 2000s and is still developing.

Mass tourism in the Communist period was indeed able to stabilize population development, i.e. to reduce out-migration, to create seasonal jobs in the tourism industry as well as in retail trade and to provide private households with substantial additional income through room renting. But due to its one-sided offer and extreme seasonality it only created a very

limited number of permanent jobs, which were not really attractive for the local population, and was characterized by over-investment (too much invested capital related to potential revenue). Thus, it is certain that it was not sustainable in the social as well as in the economic sense. Whether it would have been sustainable in the ecological sense, it can hardly be testified. The growing number of wild waste deposits, the lack of sewage plants, unlimited house construction destroying the landscape direct to the opposite. At a micro-level it had a spatially polarising effect promoting tourism resorts at the coastline, while the settlements without tourism practices as well as agriculture and agricultural land use suffered.

The transformation of tourism, which generally started at the Croatian coast as well as on the Cres-Lošinj archipelago in particular not much earlier than in 2000, is going to improve the inherited mass tourism in two important points: it increases quality and diversity of the tourism product. This, in turn, has the potential to extend the season (from summer into spring and autumn), to attract additional tourist segments (in addition to families with children also the growing segment of the retired as well as young, sportive people) and to let expenditures per guest grow. This again may result in more permanent jobs in the tourism industry with higher wages and a higher prestige, making them attractive for the local population, as well. This way the social as well as the economic sustainability will increase. Ecological sustainability is very actively supported by the environmental measures mentioned before. This is at least true for the Cres-Lošinj archipelago. All these developments, however, are still in their infancy. But the entire Croatian coastal tourism and particularly the Cres-Lošinj archipelago are on a very good path into this direction. The vigour of the inherited behaviour, global competition and the latent danger of political crisis of the Balkans (affecting the non-Balkan country Croatia as well, see the year 1999) may nevertheless exert their detrimental effects being only partly under disposal of Croatian and local actors.

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