

## REGIONALISM, RECONSTITUTION AND THESES FOR DESIGNING A STRATEGY FOR ECONOMIC GROWTH AND DEVELOPMENT OF SLAVONIA AND BARANYA

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### **Message:**

*“In Slavonia and Baranya every attempt to increase a GDP has been blocked in terms of newly acquired and added values!”*

### **Overview**

Intensive ageing of population as well as its overall wrong educational orientation send a strong message that economic regression indicates that population and economy are caught in a vicious circle of a crisis, since under such circumstances people aged between 20 and 35 are leaving this region and heading to Zagreb, Istria and, what is modern these days, to Ireland. It is not difficult to conclude that such trends of a demographic and economic crisis are mirrored in all other relevant issues and relationships.

We should not lose sight of important factors stipulated by such circumstances, such as: first, the economy itself, specifically and traditionally conditioned (agriculture and industry) as well as the war and war consequences, and second, a complete political failure to adapt to new conditions, absence of a growth and development strategy, selection of huge chains of stores as the basis of growth and development of cities, etc. It can also be noticed that all other resources are neglected (as well). Among others, special stress should be place on education, science and the University. Therefore, it is quite obvious that the above mentioned circumstances must be promptly halted based upon new high-quality fundamentals in the community aiming at creating conditions for the policy of regionalism.

**Key words:** Regionalism, reconstitution, strategy, economy, education, science, Slavonia and Baranya, Slavonian Parliament.

## Introduction

In the past period from 1990 to 2004 political factors did not manage to solve any problems referring to the growth and development of Slavonia and Baranya. During that period the Slavonia and Baranya Region faced unbelievable negative changes.

Demographic features of population, the situation in general and trends assumed strikingly negative tendencies, even worse in comparison with the overall bad tendencies at the level of Croatia, which has the worst demographic degression in Europe. What demographic tendencies are still ahead of us, if we point out the data that the source of their negativity is concentrated in the sample of the situation in the economy.

At the moment Slavonia and Baranya are absolutely in the state of the economic and general crisis, which is made especially clear when it comes to characteristics of their economy as monocultural and existentially dependent on the natural setting(land, forests, water). You may well say that the present situation pertaining to the economy of Slavonia and Baranya is worse than the one experienced in 1950.

Intensive ageing of population as well as its overall wrong educational orientation send a strong message that economic regression indicates that population and economy are caught in a vicious circle of a crisis, since under such circumstances people aged between 20 and 35 are leaving this region and heading to Zagreb, Istria and, what is modern these days, to Ireland. It is not difficult to conclude that such trends of a demographic and economic crisis are mirrored in all other relevant issues and relationships.

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Conditions should be created in Slavonia and Baranya the result of which would be the annual growth rate of 10% in the next 10 years and that would then enable revitalization of economy and reconstitution of the society in general and stop the transformation of our region into a geriatric environment.

Slavonia and Baranya must present their problems as national, since agriculture and reindustrialization as the bases for their growth and development and the way for solving a general crisis in the region contribute to solving the problem of the country's balance of payment, as well as the way of integrating national economy, which has been impermissibly disintegrated and made subordinate to both Croatian and foreign monopolies. —

By defining the strategy for public and economic growth and development of both Croatia and local community units, it has become evident that independence of the developing region must be provided for.

Taking the existing constitutional solutions as a starting point, it was necessary to define the region on new foundations. This refers equally to legal and economic aspects of the growth and development strategy.

Growth and development of the region must proceed not only from comparative advantages, complementarity to other regions within the country, but also from the present situation and possibilities of growth and development. Thus, development disturbs current relationships between numerous factors and creates new equilibria of all relevant factors, both interfering and interacting.

A region is defined as a union that comes into being as a result of an agreement between counties. There are 4-5 characteristic regions in Croatia which meet criteria stipulated by the European Convention (Committee of the Regions). Hence, conditions for regionalism must be stipulated.

For the purpose of researching and defining regional growth and development, the following key issues should be determined for a longer period of time: general economic, ecological and social regularities on the basis of which growth and development can be funded and specific characteristics of the region and behavior of subjects can be recognized which determine organized and/or disorganized impacts of general growth regularities.

Development, both global and national and regional, is conditioned by the overall development of all factors (economic, ecological, technical, technological, social, political, etc., such as interfering and interacting environments).

Economic growth and development is just a subsystem of development in general. Crucial growth and development factors are the following: starting point from which development commences, technical and technological needs and changes, natural possibilities and restrictions, population and its structure with evaluation, human resources and demands, etc., such as religious and other events and relationships.

Therefore, regional development makes a (simulated) system in which there exist fixed elements (subject to change in the long run), such as: space, resources,

population and other, then target elements, which represent part of the development program, such as changes in the economic structure, and finally, factors that appear just like that without being included in the development program, such as the following: wars, economic crises, natural disasters, important political changes, or development of science, engineering and technology, new discoveries, new products, etc.

Regionalism within the framework of both national development as well as concepts and strategies pertaining to growth and development of the country and its integration into the European Union is of crucial importance to the region itself and to a modern country in European context.

**Not only is the Croatian country Slavonia and Baranya invited to represent and capable of representing the state in a regional sense, but the existence problem of the community is directly dependent on capabilities of Slavonia and Baranya residents to be self-represented within.**

Slavonia and Baranya obviously lags behind others which follows from a shift of historical reality with discrimination against agricultural complexes caused by prejudice and the Croatian low self-esteem. Instead of insisting on concepts and strategies, not rhetoric, based on our own tradition, according to a foreign model, Croatia wanted to be regulated unitary, thereby producing incoherent and illogical internal tensions.

With respect to domination of a neo-liberal economic idea from 1990 to 2005, theory and practice in Croatia did not consider the problem of regional development a problem at all, so in line with those policies no new solutions were offered officially. The first important document is “The concept of regional economic development of the Republic of Croatia” (1999). However, that document is full of political prejudice and its concept boils down to the following viewpoint: “regional policy in Croatia should be decentralized and implemented at the level of counties”. This implies that conceptually regional policy in the whole is relocated to the level of counties, whereas regional policy is pursued “**from the bottom**”! Hence, the basic attitude towards regional development represents a continuation of neo-liberalism based only on “decentralization” with government investments in infrastructure that would “additionally stimulate development of mountain, border and depopulation areas” and especially island economy.

**In our opinion, the Slavonia and Baranya region should now start moving towards regionalism as the process of regional independence and strengthening in all segments of growth and development, in order to make regionalism a competitive starting point in the overall development of any country.**

A classical approach to development, in which the foundation of growth and development was to exploit nature and society in undeveloped and powerless states

and/or territories, should die out, and *sustainable growth and development* should take place instead, which rely on competitive and comparative advantages, balanced development of all parts of a region and its cities, as well as a clear definition of the regional center observing thereby policy standards of big cities (e.g. *Osijek as a center of regionalism of Slavonia and Baranya*).

These principles of regionalism of Slavonia and Baranya are as follows:

1. Development is conditioned by comparative advantages of the region, which must be defined, developed and used.
2. Development must guarantee to permanently meet interests and needs of the community living in the region.
3. Development must be complementary and competitive with respect to development of other regions within the country, as well as regions in neighboring countries (policy of economic, market and **“triangles of interest”**).
4. Development should contribute to goals of the government economic policy, whereas regional factors should be obliged to and responsible for the situation in the region, such that their economic policy becomes competitive with respect to regional development of the country as a whole.
5. Regionalism entirely depends on quantitative and qualitative foundations for population evaluation.
6. Development should rely on the unity of economy and ecology, space exploitation, as well as complementarity of all aspects of human activity.
7. Development must be based upon a general consensus of all political factors for a longer period of time.
8. Local community and self-government should take care of development in the region, carry out reconstitution of present political, social and economic relationships regarding the policy of regionalism.
9. Regionalism policy, its growth and development should be adjusted, headed and followed by expert teams and institutions.

The policy of regionalism should be considered a subsystem of national development, development of a broader area (regional in the sense of big macroregions that can be regarded as transnational regions (e.g. Central European Region, the Danube Region, Mediterranean, etc.) of continental and global development. For regional development interest and impacts of the environment are not conditioned only by regional and national, but also by much broader interests. Of course, it does

not apply to all aspects of regionalism. Development of e.g. local community and/or some public activities is primarily interesting to the local and regional community, development of the primary and the secondary sector is of regional and national interest, while some productions can be of both continental and global interest, whereas communications, ecology, science, etc. are at the same time of regional, national, continental and global importance.

Regionalism plays a very important role in lives of individuals living in the region, since through regional development their interests and needs are met. Development also enables life of better quality in the region. Within the framework of democratic institutions, inhabitants of every region want to make decisions pertaining to their lives alone. Therefore, development of the region is conditioned by the democracy for decision-making.

From the viewpoint of the state, development of the region is a subsystem of development of the state. But, quality of the system depends on the quality of the subsystem.

## **1. Criteria for distinguishing regional features**

Criteria according to which regional features are distinguished vary. If economy is taken into consideration, its content is determined by the economic structure and subjects as key issues concerning growth and development. Here cities are very important, considered in terms of their power in economy, policy, culture, education, etc., such as the strategic position and close proximity to road, railroad, water and air communications and the existing infrastructure.

The city of Osijek is the most important and the biggest town in Slavonia and Baranya. It is quite normal to consider the city of Osijek a regional center from which growth and development of the Slavonia and Baranya region should be significantly influenced. As it is nowadays, Slavonia and Baranya lags behind the “national average” socially, economically, culturally, scientifically, educationally and politically. This is especially reflected in a high and permanent unemployment rate, severe decrease in production, a high migration rate out of Osijek and other towns and regions, a low level and a slow increase of the GDP, etc. Infrastructure has also lagged behind and thus not adapted to new conditions and there has been various political lobbying always directed against authorities and never towards success as a result of unity and cooperation. Now in a new political era in the County we have a chance to fund a political and professional wish to improve the current situation (i.e. the city of Osijek provides capital investments for revitalization of both city squares, which will not solve any of the problems, except politically, prior to elections (definitely!)). A question naturally arises: Is it possible that in a city as

big as Osijek these fourteen years of lagging behind with respect to development as well as growth completely misdirected towards overcrowded chains of stores responsibility for the (un)done will be evaded?

Meanwhile, that neo-liberal economic theory, which supports the view that differences in “the national average” are temporary and short-term, that unemployment is short-term, and that the revenue per capita is temporarily low, sustained a crushing defeat.

They also hold the opinion that in the course of time market lines of force will affect the balance of the level of development (convergence theory). However, our unemployment rate is increased, the standard of living is lower, socio-economic picture of population is complicated, production is lagging behind, institutions are bureaucratized, judiciary is expected (?), etc.

Why in Slavonia and Baranya nobody can notice that companies are moved to the region with a lower unemployment rate and a lower income? Why these companies cannot see that in our region lower costs as to labor force are visible on the surface? At the moment we have an inversion, i.e. labor force is moving from Osijek and Slavonia and Baranya to more developed cities and regions in Croatia (e.g. Zagreb, Istria). This real shift of labor force from poor Osijek and Slavonia and Baranya takes place under pressure of a richer job offer, better employment and higher salaries.

However, we have lately experienced a revival of the interest in regionalism and regional policy in establishing production and service complexes providing stable living conditions, high-quality and inexpensive supply of various services (industrial districts, technology parks, growth poles, research centers, finance, educational system, etc.).

An increased interest in regional policy also emphasizes the issue of the system of functioning referring to local government and self-government (e.g. the Parliament of Slavonia and Baranya headquartered in the building of the Croatian Chamber of Commerce in Osijek) with the overall network of institutions and businesses in regions. As to that issue, there increase both the interest in and the need for management and marketing of institutions in question (cities, counties, various profit and non-profit institutions), which make a network of local and regional economy.

On the basis of the document “Development priorities of the Republic of Croatia in the period 2002-2004” an emphasis is placed on the following fundamental elements of regional development and policy of regionalism:

1. by the year 2010 the difference between “the most and the least developed regions should be reduced to the ratio of 2:1 (measured by GDP per capita),

2. in the same period, by means of the “national policy” current differences in the fields of employment, health care and education should be reduced by 25%,
3. development and living conditions in specific regions should be improved (border areas, underpopulated areas with unused natural resources, islands, war-affected areas),
4. “regional system” should be built (regional units, new institutions for regional planning),
5. regional system should be harmonized with the EU system,
6. regional policy should be formed such that the Republic of Croatia starts using EU funds for regional development as soon as possible,
7. the Croatian Government will “form a Commission for regional development and policy”,
8. counties, cities and municipalities will represent active participants conducting regional policy.

It should be kept in mind that the current government and the Croatian Parliament have gradually changed their relationship towards concepts, strategy and policy of regionalism, which represents a favorable circumstance.

A thorough change of government policy is necessary in this field due to the following:

- optimal economic development of Croatia with policy of increasing competitiveness of the Croatian economy based on available and unused resources (physical, human and social),
- need for harmonization of regional policy with the EU system and policy,
- need for a more uniform economic and social development of all areas in Croatia for the purpose of stopping a trend of demographic “emptying” threatening to “empty” some areas in the next two decades (this especially refers to Slavonia and Baranya).

Hence, as regards the attained level of the total growth, as well as development, the need for a faster convergence of regions and Croatia with respect to the EU, inherited regional disproportion, negative impacts of the war, etc., it is not appropriate for Croatia to have a “classical” neo-liberal policy referring to the regional development, which is confirmed by economic facts from the 15 years, the period during which regional disproportions increased and Croatia started to lag behind developed European countries.



Furthermore, the reason of a negative inheritance of a classical “state interventionism” policy in the field of regionalism should be stressed. It goes without saying that such policy should be abandoned. Regionalism policy should be approached in a complex way, paying a lot of attention and sensitivity, since it is that policy on which future economic and social growth and development depend. It is necessary to combine an approach including our past experience, but also the EU experience, where a sophisticated model of regional development is developed, which has yielded good results in some countries.

The current regionalization in Croatia should be abandoned since it represents an “improvised” condition not created on the basis of economic criteria, and a “rump” decentralization of the fiscal expenditure done in 2001 does not enable formation and application of interregional tax communication and competitiveness.

*Competitive regional tax policies (of tax revenues and expenditures) can represent a representative economic basis for the application of numerous modern marketing concepts on the level of cities, counties and other profit and non-profit institutions interested in a faster economic growth of the region.*

As to the issue of defining constituent elements of regionalism policy referring to Slavonia and Baranya, expert teams should be formed, that would operatively research the following:

1. financial results of entrepreneurs per counties;
2. data on the number of entrepreneurs per counties;
3. data on the number of employed persons per counties;
4. data on the number of unemployed persons per counties;
5. data on the total revenue and expenditure per counties;
6. data on the profit tax per counties;
7. data on the net profit and the net loss per counties;
8. data on the consolidated financial statement per counties;
9. economic indicators of Slavonia and Baranya;
10. general characteristics of the Slavonia and Baranya economy;
11. national processes;
12. position of Slavonia and Baranya;
13. labor market;
14. economy and economic setup;
15. global effectiveness;
16. investments;

17. fundamental financial results;
18. secondary market;
19. regionalism and globalization;
20. the role of “Agrobank” in the regional development of Slavonia and Baranya;
21. noneconomy;
22. religion;
23. university;
24. sports.

Such approach to the strategy of regionalism policy has an advantage since it relies on the existing not only on new resources.

We should not lose sight of the problem of creating a basis for the design of our own regional growth and development strategy referring to Slavonia and Baranya, which would be superior to the existing strategy of neglecting the rural area or the strategy of “transforming” the rural area into an urban one.

Sustainable rural development strategy must be based upon a strong relationship with tradition in all its segments, but it must also start from the hypothesis that it can be used as a significant initial resource for various entrepreneurial activities, especially in the field of rural tourism. Such practice would generate the need for completely new activities and businesses, especially in the service sector, like developing tourism and trade, museums, local applied art and handicraft production and presentation, publishing, etc., which would result in a higher employment rate of the population and a better chance for the young and educated people to stay within the region. When it comes to tourism and trade, it should be particularly emphasized that Slavonia and Baranya could provide its **specific and recognizable product** that would be a result of the interaction between **agriculture and tourism (agritourism business)**.

As things are now in Slavonia and Baranya, Osijek-Baranya county and the city of Osijek, neither successful *economic policy* nor *the process of decentralization* can be recognized.

What should be clear at the moment is the fact that the usual method of consultation, negotiation, grumbling and delay cannot be used any more, and that this time, in the system of decentralization, (right) political credentials will be displaced to the knowledge and competence market. Speaking of the knowledge and competence market, let us mention that in our weary economy assistance given by an illusionist will be greatly appreciated.

Perception of a rich region is usually directed through domestic policy that farmers and weary manufacturing industry are to be blamed for lagging behind. It is these people who cannot make a deal with the government – *What do they actually want with prices?*

Trade, catering and tourism depend on both the attractive offer and the purchasing power. Trade, especially retail trade, is constantly under attack. The number of workers employed in trade has been reduced. The so-called “*lost generations*” are drafted as salespersons, who are, as a rule, extremely underpaid for the amount of work they do. But, as a message of development possibilities, there appear new forms of trade, e.g. product exchanges, i.e. discount stores for agricultural products. That message makes sense if and only if we “*change*” the way of thinking and start directing Slavonia and Baranya production and trade towards a new *tourism-oriented future*. The message will make sense when our publications and other media start presenting e.g. the Slavonia and Baranya region and the Osijek-Baranya County and their productive forces, when specific production potentials become directly linked to the tourist season, when our products become *in continuo* present on the coast, when our products sold in chains of stores significantly contribute to tourist spending and vacancies for domicile labor. Due to that transformation, productive forces of agriculture and food processing industry of the region and the Osijek-Baranya County is of great importance to tourism of Croatia. E.g. the Osijek-Baranya County covers an area of 3,500km<sup>2</sup>, which makes 6.5% of the Republic of Croatia. According to the 2001 census, 341,180 people live in that area, which make about 7% of the total number of population living in Croatia. About 230,000 hectares of plough-fields represent the most important part of production in the county. 300,000 tons of wheat, 30,000 tons of barley and 450,000 tons of corn are grown there. In terms of industrial crops, there are 3,500 tons of oilseed rape, 40,000 tons of sunflower, 3,000 tons of soybean and 450,000 tons of sugar beet. In addition to this primary production, over 10,000 tons of grapes are also produced. If livestock production is added to such production as well as processing of over 30 mil liters of milk, over 20,000 heads of cattle, 200,000 pigs, 50,000 sheep, 711 horses and 600,000 poultry, then it can be seen how impressive productive forces of this region are. We should not forget to add fish and fry of about 1,200 tones as well as over 160 tones of honey. In terms of percentage, this primary production with respect to Croatia implies 20% of wheat, 33.5% of sugar beet, 56% of sunflower, 45% of soybean, 18% of corn, 3.6% of heads of cattle, 11.1% of pigs, 3.5% of horses, 5.7% of sheep and 4.5% of poultry. Milling industry and baker’s trade in the county engage 7 stock corporation mills with the total annual processing capacity of 200.500 tones. Two industrial facilities in the county with the annual capacity of 3,968 tones produce pasta. There is one oil refinery in the county with the annual capacity of 5,000 tones of refined oil, and the only

sugar refinery functioning in the county has a capacity of producing 62,500 tones of sugar. Currently, there is only one factory dealing with fruit and vegetable processing with the capacity of 2,000 tones. There are also capacities for juice production. Confectionery industry has a capacity of producing 38,000 tones of various products. A significant factor in the brewing industry is the Osijek brewery with the annual capacity of 500,000 hl and capacities for juice production, whereas wine production in four big wineries with the total capacity of 2,012 wagons produces fine wines of good quality. In 24 hours dairy industry processes 200,000 liters of milk into butter, yoghurt, cream, cheese and cream cheese. Slaughter and meat processing industry with daily capacities of 1,300 pigs, 235 heads of cattle, 500 sheep and lambs and 24,000 poultry, as well as high-quality processing of medium- and long-life products enables production of fresh and processed meat for all markets. Moreover, there are also capacities for fodder industry with the annual production of 270,000 tones. Such productive forces in agriculture and processing of Slavonia and Baranya represent an important factor of the overall development of the processing industry, trade, catering and tourism in the region.

Finally, if we mention that the total output can rely on primary commodities produced in the region and taken as the basis of the overall food and drinks production, the picture of development capacity of Slavonia and Baranya is complete.

## **2. Wrong growth and development of the city of Osijek**

In a socio-economic sense, the city of Osijek, as a future development center of the region, has not been developing well at all, and both the region and the County feel it as an increasingly heavier millstone, since it will be neither possible nor allowed to cover **this deliberate shift of debt to the government** from the budget.

The fact that growth and development of the whole region of Slavonia and Baranya have been misdirected and headed without any broader concept is specially disturbing.

We have to insist on the fact that the time has arrived for the policy to shift towards Slavonia and Baranya. Too much time has been lost for the purpose of finding “quick” solutions, which obviously do not give expected results. Thus, e.g. Osijek is full of a variety of huge chain stores employing salespersons and cashiers and others who are underpaid and deprived of any rights. Or, which is even worse, aware that one day their daughters and sons will be salespersons and/or catering workers. From a social point of view, it will take decades before they form their own families, have children and security.

Therefore, reindustrialization and the competitive city of Osijek have the region of Slavonia and Baranya as its stronghold. First of all, reconstitution and

revitalization of all of its comparative contents and advantages should take place, and then by means of the growth and development policy, reindustrialization should be defined.

Hence, the time has come for the political turn towards agriculture that can represent a good starting point not only for reindustrialization but also for making Osijek a big competitive city.

The first move would be to convince the government policy, not politically but by means of programs, to take some other steps concerning agriculture in Slavonia and Baranya, since it can make a completely different economic picture of Croatia, and the production basis that would make profit.

Capital intensive agriculture in the Slavonia and Baranya region is not supported by any agricultural bank. In that way agriculture in Slavonia and Baranya has been discouraged from the inside since in modern Croatia there is no special bank for credit financing agriculture. Exceptions to the rule are cooperative bank emerging. Foundation of the "Agrobank" in Osijek is an extremely important factor for agriculture in Slavonia and Baranya.

Agriculture based on new foundations would represent a significant beginning of the reindustrialization process. This and such reindustrialization would entirely release agricultural-processing industry and contribute to forming a new industry in line with modern tendencies concerning nutrition of population in Europe. It requires much modernization since we have to take into account severe competition on the European market. Our neighbors Hungarians, then Czech, Serbian, Macedonian, Bulgarian and other producers of such products are our direct competitors. To us it would be a new beginning since we have traditional knowledge and values in that production. What we need is the capital and time that would create conditions for a fast reindustrialization and regional affirmation of the country in Europe as well as Slavonia and Baranya in Croatia.

It should be stressed that commercial capital is subject to fast changes, but unfortunately, reindustrialization policy is subject to very expensive and slow changes. We have run behind schedule so far when it comes to the question of growth and development. If we use all of our potentials and create conditions for reindustrialization, we will solve a complex problem of unemployment and socio-economic structure in the region, County and the city of Osijek.

### **3. Education and development**

Minister of Science, Education and Sports announced that pupils who enroll in grammar schools in school year 2004/2005 must compulsory take the national

school-leaving examination at the end of their fourth year. For a number of years the whole world was concerned with the education phenomena in Japan. All were fascinated. They also researched a series of reasons for suicide among pupils and freshmen, isolation of some young people from society and the overall isolation from the outside world which has placed unbridgeable obstacles in their ways referring to competition, knowledge and other issues, such as individual illnesses, alcohol, drugs, etc.

However, all researchers pointed out one common trait, i.e. Japanese society is strictly traditional and well ordered with powerful economy and an entirely coherent domestic and foreign policy isolating Japan from the rest of the world and placing it on top of the pyramid of values that should be followed. But, Japan is a strong and well organized state whose rule of law is, from our point of view, formed almost to perfection, and in which democracy is admired. On the other hand, youth in Croatia has been formed differently. It is the youth which does not differ (differs) from the Japanese with respect to knowledge and demands. Just the conditions they live in are different. Can conditions with overstretched contents in poor and underdeveloped economy be changed without causing any deviations that will be difficult to follow? Japanese youth is strongly oriented from birth. An increasingly greater number of demands arises constantly, but at the same time, a lot of attention is paid to that sensitive resource by providing full care in an organized, systematic and institutional way. Does anyone take care of the youth as a resource in Slavonia and Baranya? Do we make moves according to the old proverb with a frog, a horse and shoeing!

With respect to the procedure and counseling done by the Ministry, it seems that for the first time since independence we have made a structurally very significant and symbolic move in one important segment of the society. It is even more important than it seems to be because the process of transition has permeated almost every pore of the society, excluding education, especially higher education, and especially in Slavonia and Baranya.

The youth represent a resource which can significantly contribute to harmonization of Slavonia and Baranya with European contexts.

Croatia does not have a problem with the ill-behaved youth, but with the educational institutions. Such superficial penetration into the way of thinking of our youth is based on quite realistic foundations.

Namely, their views of the world, studying and life are strongly based on everyday practice, which is completely familiar to them, and which they cannot change just like that, although they would like to do that. Very often they use the expression "Make a move!". What would they actually like to move? They usually level their criticism against some social deviations they faced while studying. They

can immediately tell who does what and how they can become successful. As a rule, there are no surprises when it comes to the position of some of their colleagues in the society in general, at the faculty, in the city. Almost as a rule, they believe that some of their dreams can come true outside Slavonia and Baranya, Osijek and Croatia. Somewhere there, abroad, they suppose they can be fully renowned.

#### **4. Science having growth and development of the region as its purpose**

Faculties networked into the J.J. Strossmayer University of Osijek are just individual institutions offering education within their respective facilities, but it is very difficult to think that the university will reorient towards the problems of growth and development of the Slavonia and Baranya region, the County and the city of Osijek, especially in terms of practice.

Faculties, and especially the University itself, have not achieved reinvention which would take illumination as practical perception of the importance of adjusting to new economic principles, i.e. knowledge economy.

Retaining the knowledge at faculties and University institutions means approving of the dominating hierarchical structure suitable neither for the implementation of innovative processes nor for democratization of organization relations. Everything boils down to the personnel policy referring to administration and management positions as well as employment of new and/or future scientists. A parasitic relationship towards spending budgetary resources has been established within which faculties and institutions became purposeful by default.

Moreover, on the national level (especially in Slavonia and Baranya), knowledge is not treated as an important resource of modern business activities and therefore it is not surprising that a systematic introduction of most recent innovations, knowledge and services represents an exception, not a rule.

Such situation should be changed if we want Slavonia and Baranya to shift from a misunderstood framework of Croato-centrism to acceptable growth and development of all contexts of Croato-dispersion (education meeting the needs of Slavonia and Baranya, as part of the policy of regionalism).

Care for centralization of all ideas and the intellect in general, which can be found only in Zagreb, opens up a possibility of taking phenomena of nepotism, paternalism and elitism as normal, which are at foreign universities subject to prosecution and administratively continuously controlled. Such phenomena at Croatian universities tend to be declared honorable, whereas any disapproval might cause casting out, humiliation and threats, all falling into a broad area of violation of human and civil rights.

Processes are avoided, the goal of which would be to influence growth and development of the region providing support, as well as to bring knowledge and science closer to the public, thereby suffering consequences of the overall condition together. Avoiding the public and hiding hypocritically the ruling elitist and paternalist internal communication at faculties has blocked competition of knowledge, invention and ideas, which has significantly affected the material status of the university that exists in a poor, neglected and underdeveloped region of Slavonia and Baranya (Baranya and the African unemployment rate).

The exact data referring to the J.J. Strossmayer University of Osijek which mention that 523 scientists, lecturers and associates are employed within the University with 10,427 students, and that natural sciences, technical sciences, biomedicine and health care sector, social sciences and humanities make 6.2%, 16.4%, 17%, 45% and 12.4%, respectively, do not represent any step forward.

An overview of the number of students enrolled in the first year of the application-oriented undergraduate study program in academic year 2003/2004 shows even worse percentages with respect to scientific fields. 17.3% of students enrolled in programs in technical sciences, 9.4% in biotechnical and 73.3% in social sciences.

It is not difficult to draw a conclusion from these data that the whole region has been developing in a wrong direction. That condition is both exhausting, measured by workloads at foreign universities and their faculties, and poor, with respect to higher education processes present in the environment of knowledge transfer to students without application of knowledge of economy and joint responsibility for the overall growth and development of the region.

In such conditions there is no knowledge competition, faculties are becoming gerontological institutions in which personnel high appointments are on average over 55. Employment of younger personnel is reduced to painstaking assisting without any significant and recognizable market conditions and knowledge competition.

## **5. Mistakes of macroeconomic growth and development of the region**

Mistakes of macroeconomic growth and development of the Slavonia and Baranya region should be halted and the region should be reconstructed in these pre-integration times of our accession to the European Union for the purpose of redefining economic policy (by 2015) that should guarantee survival of our product in order to show that community that we know how to produce, and not only how to incur debts and buy somebody else's products. By such redefined economic policy we introduce Europe to the fact that traditional values of the specific Croatian production would enrich the European goods and commodity market.



At the same time, we have emphasized that we are ready to have our place and recognizability at the European market that will gain profit which will be further invested into national growth and development.

## **6. Mental metamorphosis in the region**

Now, in peace-time, and for the sake of our future, our social and economic growth and development, it is necessary to re-attain that war motivation that would now have a character aimed at development.

Consistence of all of our motives as parts of the regionalism policy with necessary mental metamorphoses in the region at all levels of education, culture, religion and sports can help us reach our goal – competitive Slavonia and Baranya.

For the purpose of development, it is necessary to make authorities responsible, and within the framework tools used for motivation and required for development employees in companies should be motivated. This can be done by means of the system of management that would stimulate rationalization and new solutions to the existing technologies or an introduction of new technologies as well as participation in the management of a company as a legal obligation, not only as an unaccomplished constitutional possibility. Citizens should be motivated to do voluntary work in their municipalities, cities and various activities, thereby reducing costs and having a positive effect on development in general. Inventive work should be encouraged as well, by setting up centers that would enable realization of ideas as well as acceptance and implementation of innovations in national companies. Furthermore, it is important to encourage scientists to solve development problems and projects and to develop technical, technological, organizational and other ideas. Scientists should (also) be engaged outside the faculties in a practical sense, whereas at faculties they should transfer their own achievements and knowledge for the overall practice. Citizens should be motivated to purchase both government and local government bonds and to take over a series of business activities that can increase employment by founding various types of cooperatives which would be supported by smaller banks on the local level.

Motivation factor should become a constituent part of any stimulation provided by the government, through its funds and tax benefits offered to companies developing their own knowledge.

Unfortunately, the motivation factor is lost due to closing down of some scientific institutions, distrust of our own science, non-introduction of participation, etc. Its part is *irreplaceable* in the development policy of every country thinking of its future. With respect to this issue, a motivational process should be launched

the result of which would be a mental metamorphosis, that would very soon show outstanding results in every segment referring to growth and development of our society and economy of Slavonia and Baranya.

The fundamental assumption concerning the mental metamorphosis as a driving force of development should be a change of the current and created system of values. That difficult and worrisome job is worth its while since it will bring us to a successful reconstruction of our economy and a democratic reconstitution of the Slavonia and Baranya region.

## **7. Strategy of social and economic development**

Strategy of social and economic development is the main topic in the Republic of Croatia. After ten years of stagnation concerning development of democracy, society and economy, in the year 2000 a favorable environment was created, but the economic situation has complicated, and stagnation has not stopped. It acquired characteristics of a general crisis of the Croatian society and economy.

Republic of Croatia is now in a new environment which offers it new conditions by which its development can speed up, but on the other hand, they made its internal problems significantly more complicated. Implementation of the UN methodology for determination of the concept of development is very demanding and an enormous effort should be made by a country like Croatia. In order to provide conditions favorable for recovery and surmounting a crisis, some of the existing views should be abandoned, which encumber economic theory and practice, and refer to revision of privatization that should be carried out, false dilemma regarding the parity of kuna, ownership of the means of production, leaving an impression of the former society Croatia left and became an independent country, superiority of macroeconomy to microeconomy, since national wealth is obviously made in economy and companies involved in production.

The development strategy can be represented as a system in which goals should be set, after which there follows their realization. Thereby, a series of factors referring to the system has to be harmonized, such as the structure, functions, standards, environment, human factors, management, distribution, credit policy, prices, etc.

However, a question naturally arises: Whose hands is our future in? We tried to find the answer to this question on the website of the Government of the Republic of Croatia, where we found "The program of the Government of the Republic of Croatia for the period 2000-2004" (Zagreb, February 8, 2000). After studying the contents of this program, we could not help feeling that particular activities per individual ministries are represented in a completely stereotypical way. The content

included the following: democracy and rule of law (what would be the opposite?), economic policy, social welfare policy and public services, domestic policy, foreign policy and conclusions. Very important regional issues are present as well, such as: European Union, NATO, USA, Russia, Agreement on Stabilization, Regional cooperation, Relationships with neighbors, Countries in transition, promotion of economic interests, all as part of foreign policy.

Social and economic development strategy of the Republic of Croatia should start with economic recognizability of the country and its individual regions. These regions should be reconstituted in accordance with European standards from the policy of regions.

Cooperation between science and economy might results in new ideas and possibilities needed as central values for all promotions in all segments of the national development i.e. development of the national economic, political, social, cultural, university and other type of environment. It is important for a young country that has recently become independent and an international subject.

Here the essence should be stressed and we should orient toward the need for and the function of creating recognizability for the existence, proper functioning and development of the regional economy.

**At the present moment, at our new beginning, we are not able to envisage orientation, encouragement, and integration of our potentials, whereas for the world we are still not recognizable enough.**

Development strategy for Slavonia and Baranya is a logical and the only possible answer to all of our wishes for successful and fast development. Improving the quality of life as well as paving the way for the accession to the European Union are just but starting points that can be approached in different ways, but there is one common wish shared by all of us: how can real concepts of economic development of Croatian regions be created as a solid foundation for an objective strategy of development, tactical goals and concrete tasks of the Croatian society and economy. Thereby, a great number of political, social and economic delusions should be displaced, which have overpowered the overall relationships in Slavonia and Baranya, the county and the city, as well as in the Croatian society and the country in general.

## 9. Transitions and mistakes

By ownership, foreign capital was meant, in the sense of a starting position, according to which individuals claim that development is possible only if that capital is invested. Opinion of other people was completely neglected!?

These others share an opinion that foreign investments represent just one of possible sources of investment, taking into account national/regional capital, which was, as a rule, treated as less valuable and out-of-function.

There are various points of view, but here we would like to emphasize the one claiming that only new technology can start development. Attention is not paid here to the fact that development is only but a regular motion with no breaks possible without a drastic influence on further development. Supporters of such standpoints, almost as a rule, forgot what can be brought by the national/regional structure of economy and technological development. There occurred the extreme: national/regional capital is not considered at all and it is politically absolutely underestimated.

Delusions of former carriers of economic policy in the Republic of Croatia have started to be manifested in form of the overall lagging of Croatian regions, society and economy.

A long-lasting economic and political crisis in the former socialist countries resulted in a disastrous collapse of the overall social system of those countries. Naturally, what caused a political crisis originated primarily in the economic (financial) sphere, and it is exactly that segment that acted as a catalyst in the breakdown. Namely, problems in a spiritual sphere are coped with better in economic welfare, and vice versa. A downfall of a social system assigned a task to scientist to find a way how to switch from the past into a new system which would not be familiar with shortcomings of the previous system and which would be over the long term more stable and superior to the previous one in the field of economic activities, as well as political and other activities.

Development strategy deals with theoretical and practical aspects of that problem. It requires a complete elimination of the former theory of system convergence, thereby avoiding any modification or revision of the former system.

By adopting the theory and policy of transition the Republic of Croatia has opted for the principle of the so-called one-way return from socialism to capitalism.

Basic principles of the theory of transition have been adopted, and these are: indisputable privatization, development of market institutions and market economy. These principles are derived from the model of maximization of individual interests i.e. benefit by means of absolute competition at the commodity, labor and capital market.

Practical aspects of transition are more complex than theoretical ones because of the difficulty in applying the theoretical knowledge to the organism called national economy and society as a whole, including powerful ideologization towards the approach to the system itself.

Application of the theoretical knowledge implies absolute respect of scientific principles as a matter of procedure. That is exactly what is demanded by the strategy of development. It requires the system to be established to consist of elements every system must contain, and these are: the defined goal, establishment of the structure and functions of the system, influence of the environment on the system, subjective factor in the system, information in the system and normative parts of the system.

In the particular case of the regionalism policy of Slavonia and Baranya the "step-by-step" principle should be followed in order to avoid any improvisation in the sense of legal and political as well as economic arrangements.

The strategy encompasses very sophisticated economic and social conditions. Economic conditions of development are subject to a slow change, just like economic and human factors of the economic structure of any state, whereas social conditions are subject to rapid changes, such as changes in the character of the socio-political and socio-economic system. Rapid changes of social conditions can cause an inexpressible damage to economic and human factors, while economic and human factors can be millstones in the development of social conditions.

If we consider the present condition of development as a legal motion and advancement as a level reached in Slavonia and Baranya, we may open up an extremely important need for a regional strategy of development.

That effort is worth the trouble since the regional strategy of social and economic development of Slavonia and Baranya is always put into a positive Croatian context as to results.

Such context referring to Slavonia and Baranya says that a stable strategy of development should guarantee **10% of growth in the next ten years.**

Only that rate of the total economic growth and development of the Slavonia and Baranya region enables continuous involvement of our county into European and world integrations. This exactness in expressing percentage of the total growth rate interferes directly with the time of our desirable European integrations into the European Union. Our total social and economic system requires measures to be defined by which a more undiscriminated start and implementation logistics are guaranteed. —

In addition to knowledge, capability, self-confidence and courage, only a unique strategy of our overall social and economic development can take us out of misery and lead us to a developed Europe.

## 9. Development logistics of Slavonia and Baranya regionalism

Logistics for developing regionalism of Slavonia and Baranya can be especially well described as follows:

1. in the real sense – selected concept and strategy, starting position and environment,
2. in the sense of time – period of 10 years (with the rate of economic growth of 10%),
3. in a technical sense – organization and a general mobilization concerning strategy realization with all relevant factors contributing to the logistics target.

Logistics targets, whether in a company or on the level of local community or national units, are results of a given concept and strategy. If the concept is linked to e.g. tycoon privatization, then within the framework of strategy realization, logistics should enable tycoons to get loans, legal and political protection, etc. Of course, that concept, as well as strategy and its logistics, suffered a severe setback.

If a new concept of development guarantees better life of citizens based on the tradition of civil society, existence of a strong middle class, entrepreneurship, with due respect, but not idealization of private property, making huge joint stock companies, saving and increasing of the capital, with the development of industry and production as well as companies able to come out to the market, then logistics is entirely directed towards development on the concept and strategy given in advance. Anyway, logistics is created for a concrete strategy. But, it must be continuously adjusted to present conditions, as well as new changes, without questioning concept, possibly adjusting the strategy to new changes in the system. This also holds for changes referring to means, economic and social structure, functions in a normative system and all other factors defined by social and economic development, as the system for which logistics is defined. Since the starting position is fixed and cannot be changed, it is necessary to choose a targeted environment and adjust the system of measures and activities needed for accomplishing goals. This holds for subjects invited to do some actions in order to obtain good results.

Logistics has its time dimension and dynamics. In order to reach a goal, some actions planned per particular subjects are to be done today or in a year or the last year of a strategic (plan) interval. If e.g. we want to access the European Union in 2015, then requests set by the European Union must be fulfilled by the year 2010, and in order to have them fulfilled in 10 years, a question arises: what should be done this year, who will do that, by which means and from which starting position?

In the time given in this way, every subject must contribute to the common goal in order to accomplish the main goal, but also all other independent goals leading to the main one. Subjects which should carry out the strategy of development are as follows:

- Companies with their development and production program, management, labor, product (service), market and other factors;
- Environment, affecting the company, in which banks, social services, public utility services, other cooperative and competitive companies, etc. appear as subjects;
- State and local self-government units, which by means of their systems of values and means and within economic policy, create environment suitable for development, with an influence on all three factors of state authority, that by concrete measures of economic policy, enables realization of work in companies providing high-quality management, which gives more than what is spent on it, as well as judicial authorities, which by arbitrating and removing the ones not going “*by a rule*” ensures realization of the concept, the strategy and logistics.
- Citizens who accepted the concept of development, as well as strategy, believe in them and are motivated for strategy realization.

In the course time it is necessary to ensure activities of all subjects at the same time, on the same concept and with the same goals. Therefore, national consensus of all factors referring to these issues should be reached, especially of political parties, when it comes to a dynamic implementation of the policy of regionalism.

Consensus is necessary as to the concept and goal of development. Consensus gives measures of economic policy with respect to which different views and attitudes arise, all of which should acknowledge solutions accepted once in the past. Such solutions, giving conditions for activities of economic subjects, are obtained by legal regulations, which must be acknowledged. The concept of development should be adopted by citizens who should adjust their behavior to it.

Within the framework of its legislative function, the Croatian Parliament (House of representatives) should do the following:

- define the concept of development of the Republic of Croatia, as well as identify goals and strategies of development in form of a document, that may be wither a resolution or a decision on the definition and approval of the concept, goals and strategy of development, with a possible consensus of all relevant political parties;

- on the basis of documents referring to the concept, determine the resolution dynamic of the system as well as subjects due to undertake appropriate actions (Government, ministries, Croatian National Bank);
- pass laws, aimed at accomplishing the concept of development in the field of companies, employment, financial activities, etc., that make development faster, improve operating conditions, protection of workers, participation in management, revision of privatization, rationalization of administration, etc.;
- through parliamentary committees control all segments of the society aimed at development;
- create a system for motivation and information of citizens, etc.

Within the framework of its executive function, the Government should do the following:

- create conditions for enforcement of all laws and acts, especially the ones referring to development, as well as propose to the Parliament to pass the Law/Act that will carry out revision of privatization, create better working and operating conditions, stimulate development by economic policy measures, all based on the proposal made by a company (contribution and tax exemption in case of introducing work in shifts, contribution and tax reduction for particular products, etc.);
- release gradually from the budgetary costs referring to expenditures outside government functions;
- enter into a general long-term collective work agreement in order to make wages (with contributions) fixed or anticipated operating expenses;
- enable development of local self-government, giving it functions and resources;
- develop and stimulate work through ministries or indirectly, when it provides logistics to big companies and systems which are able to develop economy;
- by economic policy measures direct the banking system to finance development of money-making activities, but to base its development on the domestic market, raw materials and higher employment;
- create possibilities for employment of high-quality management teams in state-owned enterprises, economy and the public sector;
- pursue foreign policy in such a way to make the Republic of Croatia a nice country;



- stop a general sale of national wealth meant to cover costs made in the budget, and direct privatization and the sale of companies toward development so that certain ministries or agencies evaluate every sale by using the received funds for the purpose of developing new companies, introducing new technologies, etc.;
- contact and stimulate continuously development of particular companies;
- encourage development in an unconventional way, etc.

Based upon the proposal made by management, individual ministries and the corresponding administration structure should make implementation decisions within the framework of economic policy, which enable a better position, guarantee development, make profit, etc. Thereby autonomy of these subjects should not be challenged, but more favorable conditions for doing business should be created. It is necessary to form working groups (councils) within ministries, which will on the basis of immediate experience propose to the ministry and the government which measures should be undertaken or which regulations are required for the purpose of doing business in a more qualitative way. Capable managers should take over management of state-owned companies and functions of supervisory boards should be executed by bodies elected by workers (workers' council), subsumed under participation. The Government and ministries must create a system of motivation for all factors. Bearing this in mind, it is necessary to elaborate the motivation system covering awards to best managers, workers, national medals for successful businesses, titles that can be used, such as meritorious manager, worker, medical worker, professor, etc. Media should be included in motivation through promotion. The major news in the media is neither a crime nor a criminal, but achievements made by some managers, innovators, workers, professors, medical doctors, teachers, etc.

After reconstruction from the regionalism policy and a decrease in the number of cities and municipalities, self-government units should:

- take over and manage part of the state property by giving it into concession;
- encourage motivation of citizens for activities and provide financial support to these activities through voluntary taxes or bonds;
- take their part of obligation concerning employment of citizens;
- develop programs in which volunteers can take part, and provide assistance to non-government organizations already employed on a voluntary basis within the framework of various activities, etc.

Self-government units, in accordance with the Anglo-saxon model, should become units in which citizens along democratic lines satisfy their needs and interests in all sectors of life and work.

They can also be managed as a big system or a big company, not exclusively as a political invention with power as the ultimate goal.

Courts of justice and judicial authority should speed up their work within a new or the existing legislature. Based upon new regulations on procedures initiated on the basis of their experience and passed by the legislator, they should process creditors' claims for debt enforcement faster, treat the issue of liquidation in a more qualitative manner, especially the one including restructuring, organize the work of registers and executive bodies better, etc. In this sense it is necessary to have better computer equipment that would enable access to various data bases, data networks, etc. Judicial authority can also be improved by founding special judicial departments for particular cases. Improvement of the work of courts of justice is a constituent part of the political will of the legislative and executive authority, which guarantees autonomy of the judicial authority.

Banks and financial institutions, mostly consolidated, should do the following:

- make new offer to citizens and legal entities referring to collection of assets (except savings), with adequate guarantees as given by foreign banks;
- provide service concerning government, self-government and corporation bonds;
- financially support investments for which there exist objective facts confirming that they are not risky, but with taking risk. Hence, credit financing of companies and their programs in a more liberal way;
- forward saving assets to self-government units in which they have been collected.

The key for success is in the companies. All measures of economic policy, stimulations on the legal basis, credit financing by a bank, shares, etc. are held in the company function. Therefore, the company is a real carrier of any strategy and logistics, and the main problems of the company are as follows:

- poor management both in administration and supervisory boards, roughly the same in public services, state-owned and private companies;
- shortage of the circulating capital, extracted from some companies or taken out of the country, transferred to other companies, reinvested into other companies – it simply turned into losses;

- companies are lagging behind in terms of development – there have been no investments in the last ten years;
- markets were lost due to crucial geopolitical changes in the environment, such as breakup of Yugoslavia, foundation of European Union, recent international associations and integrations of Croatia;
- design of new products is lagging behind;
- too high taxes and contributions;
- insecure and too slow judiciary;
- lack of motivation with workers, whose wages are low, they even do not get their wages regularly, etc., and instead of creativity, they take social insecurity with them when they go to work.

Some economic problems, emerged from obvious social problems, must be solved in the companies themselves. Within their frameworks, the following can be solved:

- Incapable management should be replaced by high-quality people on a short notice, since a long dismissal period and high allowances are not granted to poor managers, and success should be the only remuneration criterion. Responsibility should be claimed for failure and operating loss going to the level of private property mortgaged;
- Supervisory boards should be set up, in which employees would have the majority. Participation should be defined by the Statute and in accordance with the Labor Act;
- Development programs should be defined, which must guarantee both the market and development of new production, as well as enable a high profit rate. Such new production programs must be based on innovations, new design and an adequate ratio between prices and quality;
- Trade association along with big companies or associations for the purpose of integrating in the product or creating a brand for the market, etc.
- Return to the lost markets regardless of unsolved political problems in the last ten years. Here the motive is the interest. Lost markets here imply not only the market of former Yugoslavia but also markets of non-aligned countries.
- Motivation of workers, labor productivity, etc.
- Relationships with unions.

It is clear from the previously mentioned that real problems are concentrated in companies, although they have not necessarily emerged from them, so they have to be solved within companies, so that the logic of development is used by activities of the company itself as well as all other factors of strategy and tactics. Within its framework, all contents should be fulfilled with logistics in a dynamic sense. Here starts separation of the concept and the strategy of development for which the deadline is now. Namely, the concept of social and economic development represents in society and dominant forces in society attitudes with respect to the goal in the society as well as attitudes with respect to goals this society and economy tend to acquire. Thus, after an overall acquisition of the logic of the concept of social and economic development, there comes strategy, which represents a set of measures of logistics, tactic goals and exact tasks along the way of realization of goals of society and economy that are envisaged in advance. Passing single laws/acts, especially the ones referring to revision of privatization, is extremely important for a sound beginning of the overall changes in society and economy. The deadline: at once!

Definition of programs referring to the transfer of rights and assets to self-government units – deadline: next two years.

Changes of management structures, which are unsatisfactory, with conditions set for manager contracts – deadline: at once! Definition of development programs in companies – deadline: 1 to 2 years, realization in a ten-year period.

Therefore, it can be said that the deadline for creating the business framework is too short!

However, for the realization of strategic goals with a ten-year deadline or even longer, then for urgent changes in the degree of technology development, design and changes in the business logic, the feeling should be continuously nourished implying that the constant in the trend of development cannot be given up or discussed.

Also, care in the field of social welfare must be a constant, especially concerning employment (the Irish model) for which a company must be stimulated, while the Government and local community units must find an adequate stimulation model.

We would also like to outline the principles that macroeconomy is realized through successful operation of microeconomy, that there are no weak companies, there is only poor and incapable management, that there are no working results without motivation of all employees, that there should be a continuous process of accelerated employment and labor turnover, that the country cannot successfully implement measures falling into the microeconomic sector, that judiciary and administration must be reconstituted, that science must be reconstructed, that education must change, and that the political life in Croatia and Slavonia and Baranya must adhere to democracy of the civilized world and Europe.

## Summary

Intensive ageing of population as well as its overall wrong educational orientation send a strong message that economic regression indicates that population and economy are caught in a vicious circle of a crisis, since under such circumstances people aged between 20 and 35 are leaving this region and heading to Zagreb, Istria and, what is modern these days, to Ireland. It is not difficult to conclude that such trends of a demographic and economic crisis are mirrored in all other relevant issues and relationships.

We should not lose sight of important factors stipulated by such circumstances, such as: first, the economy itself, specifically and traditionally conditioned (agriculture and industry) as well as the war and war consequences, and second, a complete political failure to adapt to new conditions, absence of a growth and development strategy, selection of huge chains of stores as the basis of growth and development of cities, etc. It can also be noticed that all other resources are neglected (as well). Among others, special stress should be place on education, science and the University. Therefore, it is quite obvious that the above mentioned circumstances must be promptly halted based upon new high-quality fundamentals in the community aiming at creating conditions for the policy of regionalism.

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