

SLAVONIA AND BARANJA REGION

Five counties in eastern Croatia - Brod-Posavina, Osijek-Baranja, Slavonia-Požega, Virovitica-Podravina and Vukovar-Sirmium – twenty-five years ago territorially organized in Slavonia and Baranja region. (Fig.1)

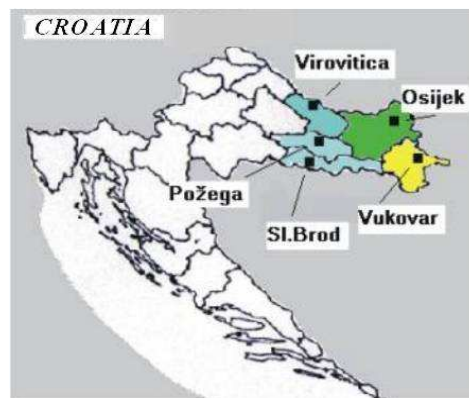


Figure 1
Geo location of Slavonia and Baranja

Despite its natural resources, traditionally strong economy (agriculture, crafts, industry) and expert human resources it has been lagging behind in economic development in recent decades comparing to the Croatian average. Part of the reason (for the region) were objective considerations: former socialist system has through its economic system and economic policy put agriculture in an unfavourable economic situation by using primary distribution (system and price policy), development priorities (heavy industry) as well as pulling out of it accumulation (instead of incentives as EEC). However, there were at that time a number of subjective weaknesses of the local (SiB) politics and science. After the democratic social change in the 90s there were again (for the region) three objective difficulties present:

- The aggression against Croatia has resulted in great human and material losses and cut of social relations - which has regressed economic and social development;
- Concept and implementation of privatization in Croatia. During the same period huge losses were made in the material, financial and social capital of the region local politicians are particularly responsible for this inappropriate implementation; and
- Processes of globalization changed the economic environment - with the large amounts of food imports extra large damage has been made to Croatia, especially in SiB region.

In this period there were a number of subjective weaknesses of local politics and science leaders.

Demographics and economic development

According to the 2011 Census Slavonia and Baranja had a population of 805,998. It should be noted that the region between the two censuses (1991_2001) lost 86,000 inhabitants during the war period, and in the next ten years (2001_2011) due to economic reasons (emigration to other regions and countries) lost more than 85,000 inhabitants.

Due to bad macro-economic policies and the War 1991-1995 this region has been in unfavourable conditions of development for decades - which is manifested in a high unemployment rate and lowers GDP per capita than Croatia's average (tab. 2 and fig. 2-3).

Tab 1 Number of inhabitants in the SiB region

County	1991	2001	2011
VPŽ	104,625	93,389	84,836
PSŽ	99,334	85,831	78,034
BPŽ	174,998	176,765	158,575
OBŽ	367,193	330,506	305,032
VSŽ	231,241	204,768	179,521
SiB	977,391	891,259	805,998

Source: DZS

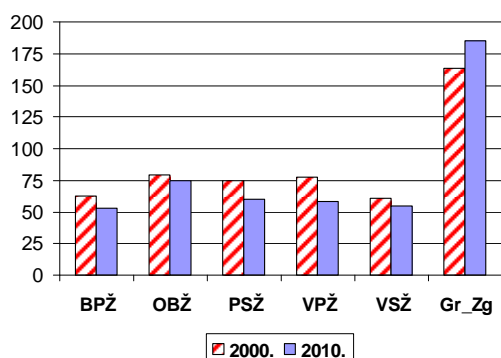


Figure 2
GDP per capita in the five SiB counties and the City of Zagreb (Croatia = 100)
Source: DZS

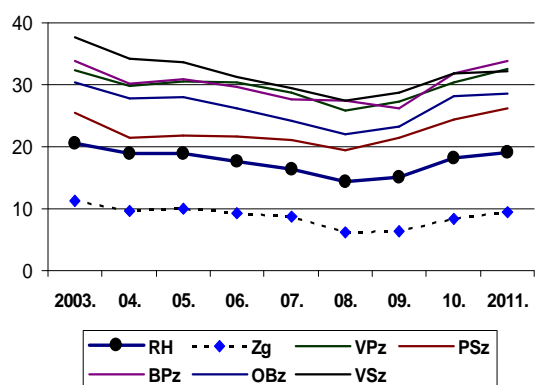


Figure 3
The registered unemployment rate in Croatia,
five SiB counties and Zagreb
 Source: DZS

Tab 2 Average numbers of unemployed in the five counties of the SiB region

County	2002.	2004.	2006.	2008.	2010.	2011.
VPŽ	10.943	9.716	9.484	7.729	9.242	9.395
PSŽ	7.602	5.446	5.332	4.669	5.795	5.996
BPŽ	20.035	15.876	15.339	12.796	16.297	16.906
OBŽ	37.417	32.481	30.176	25.633	32.722	32.663
VSŽ	23.929	20.183	18.477	16.380	18.748	18.377
SiB	99.926	83.702	78.808	67.207	82.804	83.337

Source: DZS