Although Croatia’s socio-economic indicators have strongly improved since its accession to the European Union,1 the Covid-19 pandemic and several earthquakes hit the country dramatically and brought challenges and inequalities to the surface. For the first time, the government decided to employ a comprehensive tool for the recovery and development of the country. In February 2021, it adopted the 2030 Naciona1 Razvojnu Strategiju (National Development Strategy to 2030).2 Aimed at encouraging Croatia’s recovery, the strategy established four development directions: a sustainable economy and society, strengthening resilience to crises, green and digital transitions, and balanced regional development. Each of these directions aims to contribute to strategic goals, as well as to the objectives set out in the European Green Deal and the European Territorial Agenda 2030.

The National Strategy Group (NSG) identifies the most pressing issues for Croatia as combating poverty and social exclusion, housing policy, and recovering from the earthquakes throughout the year in the counties of Zagreb and Sisak-Moslavina.3
Equal opportunities and fair working conditions

Even though there were no major changes to the provision of welfare in Croatia in 2020, major changes are expected in coming months. The government issued a National Development Strategy setting out policy objectives to be implemented throughout 2021, and a Legislative Action Plan for 2021 was adopted to translate objectives into clear and concrete reform projects. The plan already contains 12 legislative proposals and mandates public authorities to draft further regulations to reach its strategic objectives. In addition, the government is drafting a new Social Welfare Act which – according to the NSG – is expected to introduce significant structural changes. Croatia’s 82 Social Welfare Centres will be merged into a single institution, and centres for families will be set up within counties’ Social Welfare Centres. Most interestingly, an academy for the continuous training and education of workers will be put in place to ensure continuous adult training.

These reforms should ease the socio-economic pressure on living conditions and help to achieve equal opportunities and access to services. Indeed, 19.4% of the population is still at risk of poverty and social exclusion.

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9 CIVICUS (2021). Civic space monitor - Croatia: [CIVICUS - Tracking conditions for citizen action](https://www.civicus-monitor.org/country/croatia/)
11 The Republic of Croatia (2021) [https://zakonodavstvo.gov.hr/](https://zakonodavstvo.gov.hr/)
Unemployed people are easily prone to poverty, therefore long-term measures are needed to increase Croatia's employment rate and working conditions and to mitigate the negative effects of the Covid-19 pandemic.

However, the NSG reports that legislative amendments introduced at the beginning of 2021 to reduce income tax will benefit only Croats with the highest salaries. In addition, the NSG fears that the tax reduction, together with a welcome initiative to increase minimum wages, will cut public revenues and ultimately weaken the welfare system. This concern echoes a report published by the Croatian Platform for International Citizen Solidarity (CROSOL), which stated that the income tax reduction would be relevant only to people who already have high incomes, further disadvantaging those earning below the median wage.14

WORKING CONDITIONS AND COLLECTIVE ACTION

After the economic downturn caused by the 2008 financial crisis and following Croatia’s accession to the European Union, the economy has been on a recovery path since 2015. Yet, fair access to the labour market and satisfactory working conditions are far from a reality. A study requested by the European Parliament’s EMPL Committee on the employment and social situation in Croatia15 found that growth in the employment rate was attributable to a rise in temporary contracts. Indeed, the employment rate rose slightly, from 66.7% in 2019 to 66.9%16 in 2020, but Croatia remains among the EU countries with the highest rates of precariousness. This has been the case for a long period: in 2015, more than 95% of all new employment contracts in the country were fixed term.17 Moreover, such contracts were more common for women, migrants, people with disabilities, and workers with low educational attainment.

The NSG highlights that Croatian working conditions remain inadequate, mainly due to extremely low salaries: 17% of Croatian workers earn less than two-thirds of the median gross hourly earnings.18 The share of low-wage earners is therefore high. Moreover, as highlighted by a Eurofund study, 29% of people feel they do not receive the recognition they deserve for their work.19 The Croatian Bureau of Statistics (CBS) found that in-work poverty is a reality for 5.1% of workers overall and 12.6% of the self-employed.20 Poor working conditions combined with a high level of precariousness have adverse effects on mental health and mean that workers have fewer learning opportunities.

In addition, despite a decrease in recent years, youth unemployment still represents a major challenge for Croatia. The rate is now 16.7%, four percentage points above the EU-27 average of 12.5%.21 This data is alarming, as the NSG points out that young workers have been most prone to lose their jobs during the

20 CBS (2020) Indicators of poverty and social exclusion 2020: https://www.dzs.hr/default_e.htm
pandemic. Some job preservation measures have been implemented, but these are too narrow – they cover only certain sectors – and short-term. The organisation of young workers is also very low in Croatian trade unions, so they are underrepresented in trade unions’ demands and priorities.

Though a change in trajectory is needed, the NSG reports that only sectoral amendments were made in 2020 and 2021, and they will not apply to the whole labour force. Nevertheless, public consultations with the social partners on a new Labour Act started in September 2020, and a document is now being negotiated. The new Labour Act is planned for enforcement from August 2022, and it will mainly touch upon topics related to the pandemic: work-life balance, teleworking, and flexible working hours. It is reported that 80% of workers would support a prohibition of work on Sundays.22

GOOD PRACTICE
The Arise Roma Project23

The organisation “Centre for Peace Studies – CMS”,24 a member of the SOL-IDAR network, is committed to fighting racism, xenophobia, and ethnic exclusivism through intercultural projects, education, and training. In 2019, it launched the “Arise Roma” project, together with the Roma Youth Organisation ARTERARIJ and co-financed by the Rights, Equality and Citizenship (REC) Programme of the European Union.25 The project implemented a six-month job-shadowing and mentoring programme, designed to empower Roma people aged 18 to 28. First, an internship gave them the opportunity to observe and follow the work of their mentors in the host civil-society organisation. This involved work on various socially relevant topics, such as environmental protection, human and minority rights, media, culture, and social services. Then, they elaborated and implemented project proposals in their local communities with the support of their mentors. The main objective was to contribute to the achievement of real equality for young members of the Roma community, which continues to be a highly marginalised social group.

23 Arise Roma Project: https://romhr.hr/projekt/arise-roma
24 Centre for Peace Studies, website: https://www.cms.hr/hr
EDUCATION

Croatia’s education system did not undergo any major change in 2021. Nevertheless, it was one of the sectors most hit by the Covid-19 pandemic and by a 6.4-magnitude earthquake, which severely damaged school buildings and facilities. While studying conditions have deteriorated for every learner and student, the NSG points out that Roma people have been particularly disadvantaged. They are more likely not to receive support from family members, as these have normally attained relatively low educational levels and often struggle with a language barrier. Lacking physical space, technology tools, social contact, and support from fellow students, more Roma learners are expected to drop out if no measures are adopted to mitigate these conditions. In addition, online schooling exacerbated educational inequalities: rural areas often have no internet connection, and these areas are mostly populated by the national minority groups. The NSG strongly calls for more personal assistants for students with disabilities. The lack of infrastructure and social support is the most pressing issue for the education sector.

The National Development Strategy 2030 sets ambitious targets both for young students and adult learners. By 2030, 97% of children over four years old should receive early childhood education, while the adult participation rate in lifelong education – which was 3.5% in 2020 - should reach the EU average of 10.8%. If these targets are reached, the number of highly educated people will rise from 66.7% to 75%, while overall employment rates will rise.

GENDER EQUALITY

The NSG reports that no major steps have been taken to close the gender gap in Croatia. The NSG calls for European policies to be quickly developed and adapted to the country’s needs, such as the European Directive on Pay Transparency. They should then be included in the upcoming reforms under the new Croatian Labour Act. Trade unions at both national and European levels are demanding that the right to bargain for equal pay be included in the upcoming reforms.

Tackling gender equality should be of crucial importance for Croatia, but the issue is not included in the National Development Strategy for 2030. According to the European Institute for Gender Equality, Croatia ranks 20th out of the 27 EU countries, with a score of 57.9 points out of 100, exactly 10 points below the European average of 67.9 points. Alarmingly, no significant improvements have been made since 2017. Moreover, the share of women members of parliament has decreased in the last decade, from 29% in 2010 to 19.5% in 2020.

Only 9% of women are undergoing training to improve their digital skills, half the European average, and working conditions for women have particularly deteriorated over the last year due to the Covid-19 pandemic. The number of women taking care of children, elderly people, or people with disabilities is almost double that of men, and women take care of household activities six times more than men. Indeed, the rate of full-time equivalent (FTE) employment in Croatia is

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26 National Development Strategy, Objective 2: Educated and Employed people: https://hrvatska2030.hr/rs1/sc2/
39.9% for women, compared to 52% for men. The NSG calls on the national government to tackle this systematic discrimination against women with children. They mostly have short-term contracts, but parental leave benefits are accessible only to parents with at least 18 months of insurance without interruption in the two years preceding the birth. Moreover, the level of benefit is based on healthcare contributions, which are based on a person’s average earnings. Low wages and fixed-term contracts therefore put women, families, and children at a disadvantage.

IMPACT OF COVID-19

The Covid-19 pandemic strongly hit the Croatian economy, and GDP fell by 15.1% at the beginning of 2020, compared to the previous year. Unemployment peaked at 7.7%, with youth unemployment rates touching 18.2% in the first quarter of 2020. The epidemiological situation worsened throughout the year. In addition, central Croatia was struck by a magnitude-6.4 earthquake at the end of December 2020, worsening the country’s already-difficult situation.

To mitigate the economic downturn caused by the pandemic and the 21.3% increase in the number of unemployed people from December 2019 to December 2020, the Ministry of Labour and Pension System of Croatia extended its employment subsidy programme. This then covered full-time and part-time workers’ salaries for companies that experienced major decreases in revenues. In June 2020, making use of the allocations available from the European SURE programme, the government introduced a support facility for short-time employment. Generally speaking, the country’s political forces and social partners welcomed the measures adopted by the government during the emergency period. But they also called for long-term measures and a better monitoring system to combat employers’ misuse of job protection support.

Social protection and inclusion

The share of people at risk of poverty or social exclusion in Croatia is 23.3%, and 7.3% of the population live in materially deprived conditions. The risk of poverty before the transfer of social benefits and financial aid is 24.3%, showing that social protection measures have a very limited concrete effect on living conditions. The NSG denounces the lack of a follow-up strategy to the Strategy for Combating Poverty and Social Exclusion 2014-2020, which has now expired. Significant improvement is needed, as the State Audit Office of Croatia highlighted that no reform was implemented during the 2014-2020 period. The office therefore asked for the creation of a monitoring and assessment body. In the same report, the office found that the implementation plan for the strategy was adopted by the government only nine months after the strategy’s adoption, meaning a huge delay for the programmes envisaged. Moreover, out of 10 measures proposed, two were not implemented, and eight were either not aligned with the overall aims and deadlines or referred to too wide a target group. In conclusion, the measures and initiatives undertaken by the government on social protection and inclusion are often inadequate and require significant improvements.

A good positive step identified by the NSG was the introduction in 2021 of a monthly allowance of 800 HRK (€106.26) for people aged over 65. The act introducing the allowance, the National Allowance for the Elderly Act, entered into force in January 2021, so its impact will be soon measurable.

GOOD PRACTICE
Ray of Sun – Light of Hope

Zelena akcija (Green Action), FOE Croatia, and the People for People Initiative organised the humanitarian campaign “Ray of Sun – Light of Hope” with the aim of mitigating energy poverty in poor communities in Sisak-Moslavina County, one of the poorest areas of the country. Raising awareness of energy poverty in Croatia, they trained local communities in the benefits of renewable solar energy. Using a crowdfunding platform, they collected enough money to bring electricity to six households, which had electricity for the first time and became energy independent.

39 Consulted on 22.10.2021
ACCESS TO ADEQUATE AND AFFORDABLE HOUSING

Croatia has a housing model that promotes home ownership and has resulted in an ownership rate of 89.7%. Nevertheless, as the NSG highlights, this is not encouraging data. Croatian households are overcrowded and on average host more people than in the rest of Europe. According to Eurostat, 38.5% of the population live in overcrowded homes, which had an impact on people’s living conditions during the pandemic lockdowns. Moreover, 6.6% of the population cannot keep their house warm during the winter; energy poverty is still a reality, particularly in the country’s poorest regions.

The NSG denounces that the government’s lack of plans for a comprehensive housing policy that answers the needs of the population. Since 2017, a housing loan subsidy has been available to new buyers, but this measure does not seem to be making housing more accessible or affordable. According to recently published research, which is supported by the NSG’s observations, there is evidence that the subsidy has been contributing to an overall increase in housing prices. Therefore, the measure is ineffective for the subsidy’s recipients and makes housing less affordable for those who are not applying for it.

The earthquakes that hit the country in 2020 had serious consequences for the quality, accessibility, and safety of buildings – especially older ones but also new ones. Reconstruction took several months to start, leaving people leaving in poor conditions. Often, citizens did not know how to apply for reconstruction grants, and the Human Rights House Zagreb found that information about the procedures was neither accessible nor transparent.

GOOD PRACTICE
Right to the City: A Handbook

The organisation Pravo na Grad (Right to the City) held a series of workshops with a large number of tenants, analysing their rental contracts and the relevant regulations. It then prepared and published a handbook for tenants describing common elements of rental contracts, showing practical examples, introducing the legal framework for renting, and recommending how to conduct contract negotiations. The handbook also contains contacts of civil society organisations that provide free legal advice.

HEALTHCARE

Aside from the direct effects of the pandemic, the NSG reports that insufficient investment in both human capacity and infrastructure has had a negative impact on the quality of and access to healthcare in Croatia. Although there is no publicly available

42 Ibid.
45 Right to the City: Handbook for Tenants: https://drive.google.com/file/d/1iZWwV6co2_vE2r8IZ6K7nC0OWchVEF/view
data on the quality of healthcare in the country, there is a clear and measurable lack of general practitioners, paediatricians, dental care teams, and gynaecologists. The problem was exacerbated by the pandemic, and access to health services was furthered limited.

Many changes were introduced to cope with the Covid-19 emergency, but Human Rights House Zagreb denounces human rights violations such as denying parents’ permission to visit children being treated in hospital. It criticises an overall lack of clear regulations for visits and stays. This resulted in unequal hospital treatment during the pandemic. In addition, the earthquakes had impacts on medical treatment and healthcare buildings and facilities, further increasing delays to treatment.

Limitations on the right to move freely during the pandemic had negative impacts on access to healthcare in rural areas, where there is a shortage of medical teams and facilities in many areas. Groups living in these areas were therefore disadvantaged.

**JUST TRANSITION TO A GREEN ECONOMY**

In contrast to 2020, some policy directions were published in 2021 on the just transition to tackle the climate crises. In the National Development Strategy 2030, the third strategic objective, “green and digital transition”, aims to turn Croatia into a European leader in the green transition, by carrying out a just and inclusive shift towards climate neutrality by 2030. Talk of turning environmental challenges into opportunities fits with a Croatian economy oriented to the service sector. However, the NSG demands an impact assessment and clear regulation on the transition to a green labour market.

Two Croatian regions – Istria and the Sisak-Moslavina County – together with the Ministry of Regional Development prepared territorial plans, identifying areas in need of major support and ways to address social and economic consequences. Finally, 30% of the grants from the EU Multiannual Financial Framework (2021 to 2027) and 37% of the funds received for the national Resilience and Recovery Plan are scheduled to be invested in green-transition projects.  

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49 National Development Strategy (2021), Strategic objective 3: https://hrvatska2030.hr/rs3/
Civic Space

The NSG reports that freedom of association, peaceful assembly, and speech are formally respected and protected, but that the procedures are often not clear and sometimes hinder organisations’ enjoyment of these rights. Funds and finances are the most pressing issue for ensuring freedom of association, but bureaucratic and administrative barriers often prevent organisations from applying for and receiving the necessary funds. Moreover, the NSG finds that local communities’ priorities, which have been identified by CSOs through surveys and on-field action, are inconsistent and not recognised by national donors. As a result, they are often not included in the funding priorities. The NSG calls for longer financing periods, as short-term programmes adversely affect advocacy work and forward planning.

Most importantly, and echoing the findings of the Croatian civil society organisation “Gong” in a report published in June 2020, the government still has not developed a strategy for the Council for Civil Society Development. This is an advisory body to the government tasked with monitoring and cooperating with civil society, as well as participating in the planning and programming of projects to help civil society develop. This is therefore unlikely to become a usefully functioning body.\textsuperscript{52} Moreover, both the report and the NSG denounce the Ministry of Labour’s failure to comply with the calendar deadlines for tender announcements, as well as delays in or suspensions of existing calls and the ministry’s lack of flexibility and transparency.\textsuperscript{53}

Regarding the freedom of peaceful assembly, the NGS reports that it is often difficult to receive information on guidelines for notifying public authorities about public assemblies and activities. This hinders the process of obtaining the necessary permits. Moreover, Covid-19 measures, despite their legitimate aims, caused concerns over their unfair and unequal implementation. The NSG denounced the lack of clear, published guidelines on the requirements for public gatherings, even though some events were still allowed.

\textsuperscript{52} Gong (2020), Government Attacks on Civil Society in Croatia: \url{https://www.gong.hr/media/uploads/government_attacks_on_civil_society_in_croatia_eng.pdf}
\textsuperscript{53} Ibid.
Civil dialogue on national recovery and resilience plans

The NSG denounces an historic low level of involvement of civil society and its organisations in the decision-making processes. Despite the existence of the Council for Civil Society Development, delegates from civil society organisations make up just a minority of its members. The NSG reports that the Council did not have regular meetings in recent months, despite the pandemic and the devastating earthquake. Most importantly, the government has not appointed new representatives to the Council since May 2020. This has hindered the participation of CSOs in all working groups of the Council for Civil Society Development, including the one charged with providing opinions on the national Resilience and Recovery Plan (NRRP). Therefore, civil-society representatives sent an open letter to the government, calling for the appointment of new representatives from public authorities to the Council. The letter also denounced the Council’s dysfunction and inability to vote and take decisions. The biggest consequence was that civil society was unable to select CSO representatives for government working groups for the preparation of the financial period 2021-2027.

Moreover, the NSG concludes that CSOs have not been adequately included in the development of the NRRP. The government only presented them with an executive summary of the draft plan, making it impossible for CSO representatives to comment on the full content, for which detailed descriptions were not provided. When the government published its NRRP on 13 April 2021, CSOs organised a public demonstration and held a press conference to denounce once again the unfair procedure and complete lack of public consultation and participation.

54 Republic of Croatia, Council for Civil Society Development. Website: https://udruge.gov.hr/highlights/the-council-for-the-civil-society-development/163
55 Open letter to public authorities: https://www.qong.hr/hr/aktivni-gradani/civilno-drustvo/imenuje-predstavnika-tilja-javne-vlasti-u-savjet/
SOLIDAR's Social Rights Monitor 2021 has been developed in the framework of the Together for Social Europe programme co-funded by the EU Programme for Employment and Social Innovation (EaSI). It provides an insight into the state of social rights in 16 European countries. The Monitor assesses the state of social Europe in terms of equality of opportunities, fair working conditions, social protection, inclusion and civic space based on the observations of Civil Society Organisations working on the ground in combination with statistical data and scientific findings. This information is provided by National Strategy Groups that are set up in each of the 16 countries by a SOLIDAR member or partner. The 2021 Monitor also analyses to which extent civil society and social partners have been involved in the design of the national Recovery and Resilience Plans, integrated in the 2021 European Semester cycle.

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SOLIDAR is a European and worldwide network of Civil Society Organisations (CSOs) working to advance social justice through a just transition in Europe and worldwide. With over 50 member organisations based in 26 countries (19 of which are EU countries), member organisations are national CSOs in Europe, as well as some non-EU and EU-wide organisations, working in one or more of our fields of activity.

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