



Exploratory study: filling in the knowledge gaps and identifying strengths and challenges in the effectiveness of the EU Member States' minimum income schemes

Country Fiche - Croatia

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Table of Contents

Summary	1
1 Description of national schemes providing minimum income support	1
1.1 Eligibility.....	1
1.2 Coverage	2
1.3 Adequacy.....	3
1.4 Links with other benefits.....	3
2 Links with labour market activation	4
3 Links to social services and integrated provision of targeted social services	6
4 Governance mechanisms	6
5 Impact of MI schemes	6
6 Sources	8
7 Annex.....	10

Summary

Croatia has a single basic minimum income scheme, the 'Guaranteed Minimum Benefit' (GMB) (*Zajamčena minimalna naknada (ZMN)*). The GMB was introduced in the Social Welfare Act in 2013 and came into effect from 2014. The GMB base was set at HRK 800 (EUR 106) by the Government Decision of 25 September 2014 and was not indexed, meaning that the same base still applies.

The GMB is implemented through local centres for social welfare (CSWs), with funds provided in the central State budget. Positive economic trends and an effective reduction in the income threshold have seen the number of GMB beneficiaries decrease, from 2.5% of the population in 2015 to around 1.5% of the population in 2020.

Research in Croatia concluded that the GMB scheme is appropriately targeted to the poor, but the low benefit level and relatively low coverage means that the poverty alleviation effect is relatively weak. In 2018, only about 20% of the people in the first decile of income distribution were covered by the GMB (Thi Viet Nguyen and Rubil, 2021).

There is no research or data on the non-take-up rate in Croatia. Research suggests, however, that the coverage rate of the GMB is relatively low, because of the low benefit levels and fairly stringent means test criteria (see Section 1).

The activation of GMB beneficiaries (Pillar 2) is more formal, with a greater focus on sanctions than on real activation. Data suggest that the inclusion of GMB beneficiaries in active labour programmes is relatively small (see Section 2). Pillar 3 (supplementary social services) is at the very early stage of development in Croatia.

This fiche describes the main characteristics of the guaranteed minimum income scheme (represented by the GMB) in Croatia, labour market activation of GMB beneficiaries, additional supplementary social services, governance mechanisms, and the impact of GMB scheme on poverty.

The following sections, first, outline the features of the MI support in place; secondly, describe the eligibility criteria and coverage and consider the adequacy of the financial support provided and the links with other benefits; thirdly, examine the extent of integration with labour market measures to help those supported into employment; fourthly, consider the access provided for the people concerned to social services; fifthly, summarise the governance mechanisms in place; and, finally, review the evidence on the impact on reducing poverty and assisting beneficiaries to find work.

An annex outlines the underlying situation in terms of the relative number of people at risk of poverty or social exclusion and the changes that have occurred over recent years, as well as the characteristics of the people concerned – their gender, age, employment status, education level, country of birth and the structure of the households in which they live. As such, it provides the context in which MI support is operating and indicates the groups on which support needs to be targeted.

1 Description of national schemes providing minimum income support

The Social Welfare Act defines different social rights, including the 'Guaranteed Minimum Benefit' (GMB), which is granted to a Croatian citizen who is resident in Croatia, and to a foreigner or stateless person with permanent residence in Croatia. Foreigners under subsidiary protection or who have an established status of a victim of human trafficking, as well as asylum seekers and their family members legally residing in the country, are granted social welfare rights under the conditions prescribed by the Social Welfare Act and by a special regulation.

According to the Social Welfare Act, the GMB is the monetary amount that should ensure the fulfilment of basic needs of a person or a household. The Act does not provide a definition of basic needs. Beneficiaries of the GMB are single persons or families forming one household who do not have enough financial resources for the basic means of life. For a one-member household, the base for GMB is HRK 800 (EUR 106) a month. Depending on household composition, those who have insufficient income from work, property income, or from the person liable to pay support (if the welfare centre establishes that the person concerned is not able to provide support) are eligible to receive the balance of this base. The amount received thus varies according to the composition of the household and the claimant's (household) income. The base amount of HRK 800 (EUR 106) used to calculate the GMB was established by Government Decision. Household GMB cannot exceed the gross minimum wage. In 2021, the gross minimum wage amounted to HRK 4 250 (EUR 563) per month, which is determined annually by Government Decision.

Total annual expenditure on financing GMB benefits depends on the number of beneficiaries, with expenditure totalling HRK 388.4 million (around EUR 52 million) in 2020, HRK 20.8 million (around EUR 56 million) in 2019, and HRK 484.8 million (around EUR 65 million) in 2018. It represents less than 1% of total social protection expenditure in Croatia, according to the Croatian Bureau of Statistics.

1.1 Eligibility

Those capable of working must be registered with the Croatian Employment Service and must actively seek a job and must accept any job offer, regardless of their qualifications or experience, including temporary and seasonal jobs. If beneficiaries of GMB refuse a job offer or terminate their employment, their right to GMB can be suspended for six months.

Residence: Permanent residence is required, with temporary residence accepted in exceptional circumstances. Citizenship is required, but foreign nationals with residence permits are entitled to benefits in accordance with the applicable treaties. Beneficiaries of international protection and their family members legally residing in Croatia are entitled to social welfare according to the provisions of the Social Welfare Act (Official Gazette No 157/13, 152/14 and 99/15). No age requirements are applied.

Income test: Household disposable income earned in the three months before the claim is taken into account, including income from work, property or social benefits. The income test is stipulated by Article 30 of Social Welfare Act. The GMB amount for a single person capable of taking up work shall be 100% of the basic amount stipulated by Article 27 of the Social Welfare Act (HRK 800/ EUR 106), whereas for a household it shall be established by summing up income shares for each household member as defined by the Social Welfare Act (see Section 1.3). If a single person or a household accumulates income, the GMB amount shall be established as the difference between the GMB amount (base amount HRK 800/ EUR 106) and the average monthly income of the single person or household accumulation in the three months prior to the month claiming the benefit. A number of sources of income are not taken into account in the means-testing of GMB. These include housing allowance, fuel allowance, disability allowance, care allowance, personal disability allowance, child

support, and social benefits from regional or local government. For example: a person fit for work earned a wage of HRK 400 (EUR 53) last month and is entitled to the fuel allowance of HRK 200 and housing allowance of HRK 200 (neither included in the means test), thus they will receive GMB of HRK 400 for this month. Their total disposable income was HRK 400 + HRK 400 GMB + HRK 200 fuel + HRK 200 housing = HRK 1 200. However, the 2020 poverty threshold was HRK 2 900 (at risk of poverty (AROP) rate: 60% of median disposable income).

Asset test: People are not eligible for GMB if they own a second residence that brings in income, or if they have sold a property within three years prior to their claim. The Social Welfare Act does not set a specific value for that second property. If an owned property could be used to generate income through rental or sale, without compromising basic needs, then a person or household will be deemed ineligible. In some cases, inheritance of worthless real estate could be grounds for a person's non-eligibility for GMB.

Generally, claimants cannot possess a registered vehicle, except in cases of disability, old age or limited mobility. This criterion for exclusion from the GMB seems both strict and problematic in take-up of the scheme. After widespread media attention¹, the new Social Welfare Act² (planned to enter the Parliament procedure by the end of 2021) proposed setting a car value above HRK 20 000 (EUR 3 000) in the means test procedure.

No measures sought to simplify or facilitate access to GMB or other social benefits during the COVID-19 crisis in Croatia (Šućur and Babić, 2021).

1.2 Coverage

The Ministry for Labour, Pension System, Family and Social Policy (MLPSFSP) reported that there were 57 335 GMB beneficiaries in 2020, approximately 1.5% of the country's population (compared to 62 301 in 2019 and 72 159 in 2018). The share of those over 65 years of age remained around 12%³. Eurostat estimates for Croatia put the extreme poverty rate (40% of median disposable equivalised income) at 7.3% in 2020, 7.2% in 2019, and 8.3% in 2018, while the AROP rate for relative poverty (60% of median) was 18.3% in 2020 and 2019, and 19.3% in 2018.

This relatively low coverage is explained by the stringent means-test criteria described above, and the low benefit level. The benefit level was determined by a relatively low base (HRK 800/ EUR 106) in 2014 without indexation, excluding many poor people from the GMB scheme. Between 2014 and 2021, the AROP threshold of relative poverty for a one-person household increased from HRK 2 000 (EUR 266) to HRK 2 930 (EUR 390), decreasing the poverty threshold coverage of the GMB from 40% in 2014 to 27% in 2020.

No data are available on the non-take-up rate in Croatia and the MLPSFSP has not undertaken any research in this area.

¹ <https://slobodnadalmacija.hr/vijesti/hrvatska/ministarstvo-ukida-sve-obiteljske-domove-znacajno-se-dizu-i-iznosi-socijalne-pomoci-za-pojedine-kategorije-osoba-evo-eko-sve-moze-ostvariti-pravo-1132779>

²

<https://vlada.gov.hr/UserDocsImages//2016/Sjednice/2015/245%20sjednica%20Vlade//Prijedlog%20zakona%20o%20izmjenama%20i%20dopunama%20Zakona%20o%20socijalnoj%20skrbi,%20s%20Kona%C4%8Dnim%20prijedlogom%20zakona.pdf>

³

<https://mrosp.gov.hr/UserDocsImages/dokumenti/Socijalna%20politika/Odluke/Godisnje%20statisticko%20izvjesce%20u%20RH%20za%202020.%20godinu.PDF>

1.3 Adequacy

The Croatian minimum income system, represented by the GMB, has serious shortcomings in respect of its adequacy. The value of the GMB depends on a 2014 Government Decision that set it at HRK 800 (EUR 106)⁴, without any reference budget to set the level of benefit. One EU-wide research study⁵ established that in Croatia, the monthly budget required for a healthy diet (including kitchen equipment) in March 2015 was EUR 166 (HRK 1 269.58) for a single person and EUR 564 (HRK 4 313.53) for a family of two adults and two children. According to the Croatian Bureau of Statistics, the at-risk-of-poverty-and-exclusion (AROPE) threshold for one person living alone was around EUR 280 (HRK 2 183) monthly in 2015. A single adult living alone receives around EUR 106 in monthly GMB, which was not enough to cover healthy food expenses in 2015, and it reached only 38% of the poverty threshold that year. The situation is worse for a family of two adults and two children, which receives around EUR 215 GMB monthly (excluding other social benefits), despite needing EUR 564 to cover healthy food expenses alone (rates 2015).

The stringent means test procedure can result in exclusion of the poor from the right to GMB (e.g. having a car can render a person ineligible for the GMB). The calculation base of the guaranteed minimum benefit has remained at HRK 800 (EUR 106) since being set by Government Decision in 2014. A one-off allowance of up to HRK 2 500 (EUR 330) for a single person can be approved once a year in cases of sudden difficulties in meeting basic needs. The Social Welfare Act does not provide more specific criteria, leaving the types of need to the discretion of the social case workers in CSWs.

The amount of the GMB is determined as a percentage of the base, as follows:

- Single person incapable of work: 115%, (HRK 920, EUR 122);
- Single person capable of work: 100%, (HRK 800, EUR 106);
- Adult household member: 60%, (HRK 480, EUR 64);
- Child: 40%, (HRK 320, EUR 42);
- Child of a lone parent: 55% (HRK 440, EUR 59);

If a single person or a household generates income, the amount of the GMB is the difference between the amount of the minimum benefit and the average monthly income in the previous three months. The amount of the benefit for one household shall not exceed the gross minimum wage as determined annually by government decision (HRK 4 250 (EUR 563) in 2021);

'Social benefits ceiling' - this rule sets the maximum social benefits accumulation in one household, which cannot exceed the gross minimum wage.

There is no indexation of GMB benefits and the base has remained unchanged since 2014. However, the MLPSFSP has suggested that forthcoming social welfare reform will see the base increased to HRK 1 000 (EUR 133) in 2022. Again, however, there seems to be no underlying method or calculation basis for the increase.

1.4 Links with other benefits

Rights to GMB function as a 'passport' to other benefits, such as one-off allowances, housing benefits, fuel allowance, or benefit for energy buyers at risk. A one-off allowance can be approved each year in cases of sudden difficulties in meeting basic needs, arising from the birth or education of a child, illness or death of a family

⁴ https://narodne-novine.nn.hr/clanci/sluzbeni/2014_09_114_2172.html

⁵ European Commission (2015). The Croatian Food Basket. March. Available at: <http://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=7841&type=2&furtherPubs=yes>

member, natural disaster, etc. The allowance can be given in cash or in kind as a one-off payment, but its total amount is capped per year per household. The cap is based on the gross minimum wage for all household types and includes only GMB benefit, not other possible social benefits (e.g. child benefit). The amount of the benefit for a single household cannot exceed the gross minimum wage determined annually by government decision (HRK 4 250 (EUR 563) per month in 2021).

Housing benefits are provided to GMB recipients in principle only. Paid by local governments or by the City of Zagreb, they cover the cost of rent, electricity, gas, heating, water, water drainage and other housing costs. The benefits paid equal up to 50% of the monthly amount of the GMB to which the individual or household is entitled. In addition, GMB beneficiaries who use wood for heating are entitled to a fuel allowance (3 cubic metres of firewood once a year) or a financial amount for the same purpose, determined by the competent regional government. Beneficiaries of GMB and personal disability allowance are entitled to the benefit for energy buyers at risk. The monthly amount of the benefit is determined by Government Regulation, up to a maximum of HRK 200 (EUR 26). These benefits can be renewed and are unlimited in time.

2 Links with labour market activation

Unemployed GMB beneficiaries capable of working (aged between 15-65) must be registered with the Croatian Public Employment Service (*Hrvatski zavod za zapošljavanje*) and must accept any job offer, regardless of their qualifications or experience, including temporary and seasonal jobs. Exceptions to these rules are:

- People who are within five years of entitlement to the old-age pension;
- Children up to the age of 15, or older for the period of their regular education, or young adults up to 29 until the end of their education;
- Pregnant women and new mothers for up to six months after giving birth; parents caring for children up to the age of one for one child, up to three for twins, and up to 10 for three or more children, as well as parents on adoption leave;
- People wholly incapable of working;
- Those established as being temporarily unemployable by a competent authority, according to special regulations;
- Unemployed family members with no income, caring for a child or for an adult family member who is unable to take care of themselves, insofar as the care provided replaces institutional care under the Social Welfare Act.

If recipients of GMB (specifically the claimants) refuse a job offer or terminate their employment, their right to benefit can be suspended for a period of six months. Claimants capable of working are required to take part in active labour market policy (ALMP) measures and must participate as directed in community work programmes organised by local authorities for 30-90 hours per month. If they do not comply, their GMB entitlement is suspended.

According to the Croatian Employment Service database, in 2018, 26 235 unemployed GMB beneficiaries were registered out of 148 919 registered unemployed, compared to 23 876 unemployed GMB out of 131 753 total in 2019, and 25 586 unemployed GMB out of 159 845 total registered unemployed in 2020.

Activation regime: All unemployed (including unemployed GMB beneficiaries) registered with the Croatian Public Employment Service must prepare an employment plan, which comprises several activities:

1) The Ordinance on Active Job Search applies to all unemployed people (including GMB beneficiaries). The Ordinance stipulates that all unemployed people should be

involved in individual counselling within 15 days of registering as unemployed, and should create a professional job search plan with a counsellor within 60 days.

2) If the person is not employed within 12 months of their entry in the unemployment register, they should be included in motivational counselling and should draft and sign an agreement on inclusion in the labour market (individual action plan). The professional job search plan and the labour market inclusion agreement determine the person's obligations and activities, and the manner and time of execution of a particular activity. For example, long-term unemployed GMB beneficiaries may be involved in workshops on acquiring active job search skills, or GMB beneficiaries maybe included in a community work programme. In 2018, an activation programme for the long-term unemployed aimed to recognise and overcome obstacles in their job search, strengthen their motivation to accept work, and motivate them to take a more active approach to their job search. If a beneficiary does not comply with the employment activation rules and procedures, they may be removed from the unemployment register and lose their GMB benefit.

Inclusion in ALMPs: In 2018, 886 or 3.4% of all registered unemployed GMB beneficiaries were included in ALMPs, compared to 1 706 or 7.1% of all registered unemployed GMB beneficiaries. Data for 2020 are not representative, due to the COVID 19 lockdown. According to Croatian Employment Service data, general unemployed participation in ALMP was 24.1% in 2018 and 28.7% in 2019. Unemployed GMB beneficiaries appear less likely to be activated through ALMP measures. GMB recipients most often participate in public work and education ALMPs, although precise data are not publicly available. If engaged in community work (initiated by the local community or civil society organisations), the GMB is not suspended.

Information exchange on unemployed GMB beneficiaries: The CSW and the Croatian Employment Service are obliged to exchange data on beneficiaries of GMB aged between 15 and 65, who are unemployed and able to work, or partially able to work. There are two types of exchange: daily/monthly and periodic. The daily/monthly exchange is initiated by the CSW to check whether individuals are registered in the unemployment register. These are individual cases (new users, additional checks for existing users, etc.). Periodic exchange happens several times a year, where all unemployed GMB beneficiaries are checked for registration with the Croatian Employment Service. These checks primarily verify that all GMB beneficiaries fit for work are registered appropriately, as required. Those who are not registered can lose their right to GMB.

Tapering: Those receiving GMB will continue to receive GMB support for the first three months - the full amount in the first month of work, 75% in the second month, and 50% in the third month. The right to the GMB is suspended after three months of work if the average earnings over the period exceed the amount of the GMB.

According to Bejaković et al. (2012), the accumulation of social benefits, especially for families with more dependent children and low-skilled beneficiaries whose employment prospects are low-salary jobs only, could end up in a 'welfare trap', with a negative effect of different welfare provision accumulation (GMB, child allowance, etc.) and reduced motivation for employment. In response, the Social Welfare Act from 2013 introduced the 'social benefits ceiling', which stipulates that the maximum social benefits accumulated by one household cannot exceed the minimum gross salary in Croatia. However, this can have negative effects for families with three or more children, particularly in terms of preventing child poverty.

3 Links to social services and integrated provision of targeted social services

CSWs have responsibility for meeting the non-financial needs of individuals and families at risk of poverty. The links between receipt of GMB and access to appropriate services is intended to be facilitated by social case workers, for example through multidimensional assessments (e.g. health assessment). CSWs use this assessment on a discretionary basis. According to Stubbs and Zrinščak (2015), the case work approach between GMB beneficiaries and appropriate quality services remains relatively underdeveloped.

Social case workers usually assess the claimant's overall social situation and inform them of any social services that may be relevant. For older GMB beneficiaries living alone in a household, for example, they will inform them about the social services available, such as 'in house help', or in some very hard life circumstances, institutional placement in a home for the elderly.

GMB beneficiaries do not sign a formal social integration plan, but, after the assessment, are usually informed about the social services suited to their situation (e.g. counselling, in-house help, in-kind benefits). The links between GMB cash assistance and appropriate (in-kind) social services to enhance the social inclusion are at a very early stage as yet.

Public health services are available to GMB beneficiaries under the same conditions as other citizens, usually free of charge. Some GMB beneficiaries lacking financial resources may struggle to pay fees for some pharmaceuticals products and medicines that are not reimbursed. The childcare system in Croatia is decentralised and the governing and financing of childcare centres is under local government jurisdiction. Childcare facilities for children of GMB beneficiaries is usually free of charge, but finding a place may be problematic, as priority is based on parents' employment status. Children in GMB beneficiaries' households have a right to completely free local and intercity public transport.

Homeless people may receive social services from CSWs, including being placed in accommodation or in a shelter. Further services for social reintegration are scarce, however, and need further development. Generally, social services aimed at improving the social inclusion of GMB beneficiaries should be tailored to GMB beneficiaries and respond to their specific circumstances and needs.

4 Governance mechanisms

The GMB scheme in Croatia is national, financed from the central budget, and implemented under the authority of the MLPSFSP. It is administered by 83 CSWs + 34 sub-offices. Units of local and regional self-government (municipalities, cities and counties) are obliged to pay housing and heating costs for their poorest households.

The MLPSFSP and CSWs are responsible for monitoring the implementation of the GMB. Monitoring primarily refers to any changes in the employment and income situation of GMB beneficiaries. The CSWs are equipped with a database and software (*Soc.skrb*) and are connected with other public databases (e.g. local and regional tax offices), as well as with local/regional Croatian employment offices. No mechanisms have been established for regular evaluation of the GMB scheme.

5 Impact of MI schemes

Several research studies on social assistance and the GMB system concluded that the GMB in Croatia is well targeted at the poor (Babić, 2008; World Bank, 2014; Thi Viet Nguyen and Rubil, 2021). It was also found to be relatively well organised through

longstanding CSWs, with trained staff (mostly social case workers) and good technological equipment (Government of Croatia, 2011).

Despite effective targeting, the low benefit level affects GMB adequacy, with only a limited effect on alleviating poverty. Coverage of the poor by the GMB has also been found to be relatively low: 'In 2018, it covered approximately 80 000 beneficiaries, which was only about 20% of the people in the first decile of the income distribution. An option to expand the coverage and the amount of benefit is to increase the GMB base, which has been unchanged at HRK 800/month per person since the day the programme was introduced..... In addition, some eligibility criteria such as wealth tests might be relaxed to potentially include more people in the programme' (Thi Viet Nguyen and Rubil, 2021, p.35).

Several older papers or reports published on the GMB scheme (e.g. Šućur, 2005; Babić 2008) pointed to several serious shortcomings. Firstly, the value of the GMB depends on an arbitrary decision made by the Government. It does not use any kind of reference budget to set levels of benefit and no indexation is implemented. The GMB base is set at a very low level, at EUR 106 for an adult in 2020, compared to the relative poverty threshold for a one-member household of EUR 385. In some cases, a low level of GMB plus very strict means-test procedures result in exclusion of poor people from the right to GMB (e.g. because they have a car). No data are available on the take-up rate. Activation of unemployed GMB beneficiaries capable of working is not very effective, as evident in the very low inclusion of GMB beneficiaries in ALMP measures (see Section 2). Coordination between the CSWs and the Croatian Employment Service aimed at activating the unemployed is very formal and focuses primarily on sanctions rather than activation.

The stringent asset test sees possession of a car as grounds for exclusion from the right to GMB. Following media discussion⁶, the new Social Welfare Act proposes changing this condition to set a car value of higher than HRK 20 000 (EUR 3 000). Owning (or selling) a second piece of real estate (house, flat, land, etc.) as an exclusion criterion can also be problematic in some situations. There are areas in Croatia (e.g. Slavonia) where real estate has a very low value and is difficult to sell. It is therefore possible that a family of GMB beneficiaries living in Zagreb in their own apartment that inherits (almost worthless) real estate in Slavonia may lose the right to GMB.

It can be concluded that the GMB scheme has very limited capacity to lift the poor out of poverty and help them to live a decent life, instead providing them with GMB benefits that are barely enough to survive. There is significant room to improve the GMB scheme in terms of adequacy, coverage rate, and activation (e.g. through mentorships and tailored activation programmes).

⁶ <https://slobodnadalmacija.hr/vijesti/hrvatska/ministarstvo-ukida-sve-obiteljske-domove-znacajno-se-dizu-i-iznosi-socijalne-pomoci-za-pojedine-kategorije-osoba-evo-tko-sve-moze-ostvariti-pravo-1132779>

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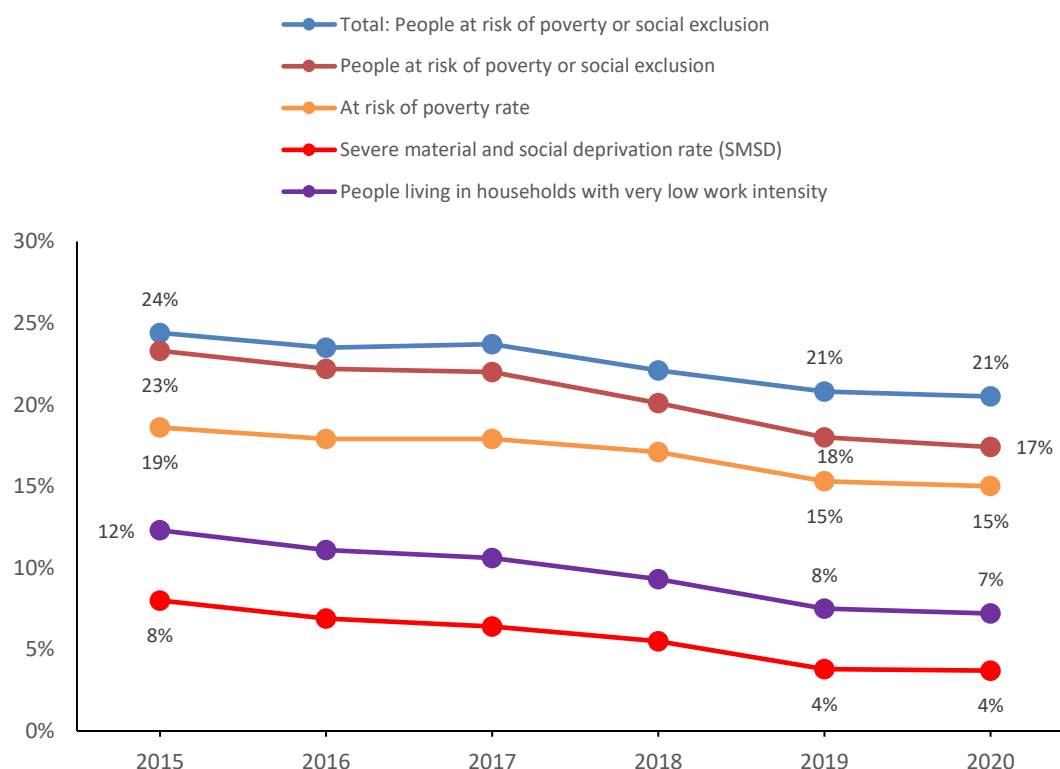
Interview:

Katica Lažeta - Director of the Department for the Prevention of Poverty and Social Exclusion, Humanitarian Aid and Volunteers within the Ministry for Labour, Pension System, Family and Social Policy (Wednesday 20 October 2021).

Kristina Fleischer – Croatian Employment Service, Central Office, Department for Employment Mediation (Wednesday 6 October 2021).

7 Annex

Figure 1. AROPE indicator and components, Croatia, 2015-2020 (%)

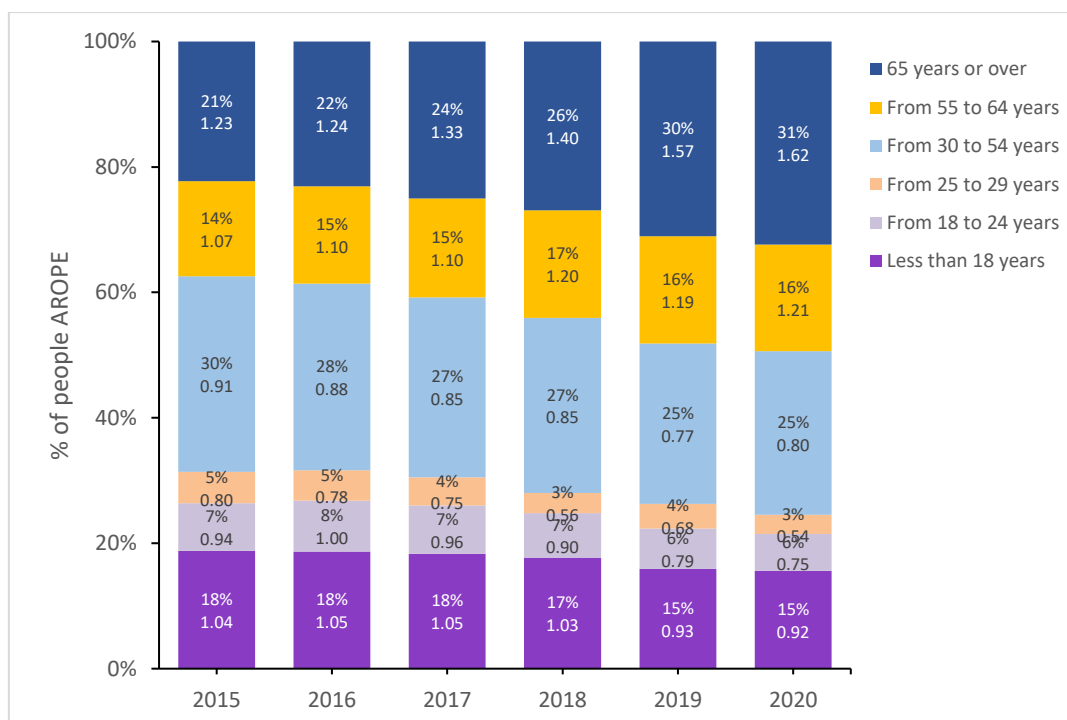


Note: The line for "Total: People at risk of poverty or social exclusion" indicates the trend for overall population, while the other lines show the figures for individuals aged 0-64.

Source: Eurostat EU-SILC indicators [ilc_peps01n], [ilc_li02], [ilc_mdsc11] and [ilc_lvhl11n]. Data downloaded on 14/02/2022.

- In 2020, the share of total population at risk of poverty or social exclusion (AROPE) in Croatia stood at 20.5%, which was significantly more than for those aged 0-64 (17.4%), reflecting the much higher risk for those of 65 and over. Over the 5 years 2015-2020, the share of those aged 0-64 at risk declined markedly (by 6 percentage points). The total AROPE rate also declined but much less, as the rate for those of 65 and over increased over the period (by 3 percentage points).
- Most of the people at risk of poverty or social exclusion in 2020 (15.0 % of those aged 0-64) had household disposable income of below 60% of the median (I.e. they were at risk of poverty). The share of the people concerned also declined between 2015 and 2020, but by less.
- 41% of those aged 0-64 at risk of poverty or social exclusion lived in households with very low work intensity in 2020 (7.2% of those aged 0-64). The proportion of people in the age group concerned declined significantly between 2015 and 2020, in line with the AROPE rate.
- Only 21% of those at risk of poverty and social exclusion were affected by severe material and social deprivation in 2020, just 3.7% of those aged 0-64. The latter proportion halved over the period 2015-2020.

Figure 2. Division of people aged 0-64 at risk of poverty or social exclusion by age group, Croatia, 2015-2020 (%)

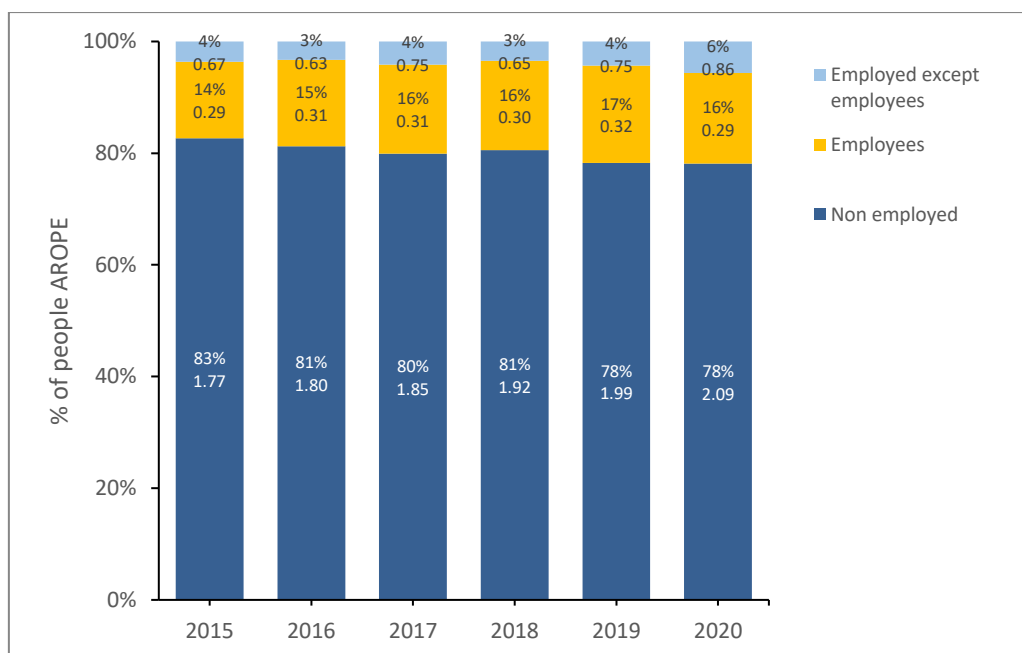


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps01n], own calculation. Data downloaded on 14/02/2022.

- Much the same number of women aged under 65 as men were at risk of poverty or social exclusion in 2020. Since there were slightly less women than men of this age, women were marginally more likely to be at risk than men.
- As indicated in Figure 1, older people aged 65 and over are much more likely to be at risk of poverty or social exclusion than those in some younger age groups and these accounted for almost a third (31%) of the total at risk in 2020.
- The likelihood of older people being at risk increased significantly over the 2015-2020 period, this reinforcing the growth in their numbers, so that their share of the total at risk increased by 10 percentage points over these 5 years.
- Children under 18 are more likely to be at risk of poverty or social exclusion than adults in younger age groups, while those aged 18-24 are less likely to be so than older age groups.
- People aged 55-64 nearing retirement age are more likely to be at risk than those aged 25-54, accounting for 16% of the total at risk in 2020.

Figure 3. *Division of people aged 18-64 at risk of poverty or social exclusion by most frequent economic activity status, Croatia, 2015-2020 (%)*

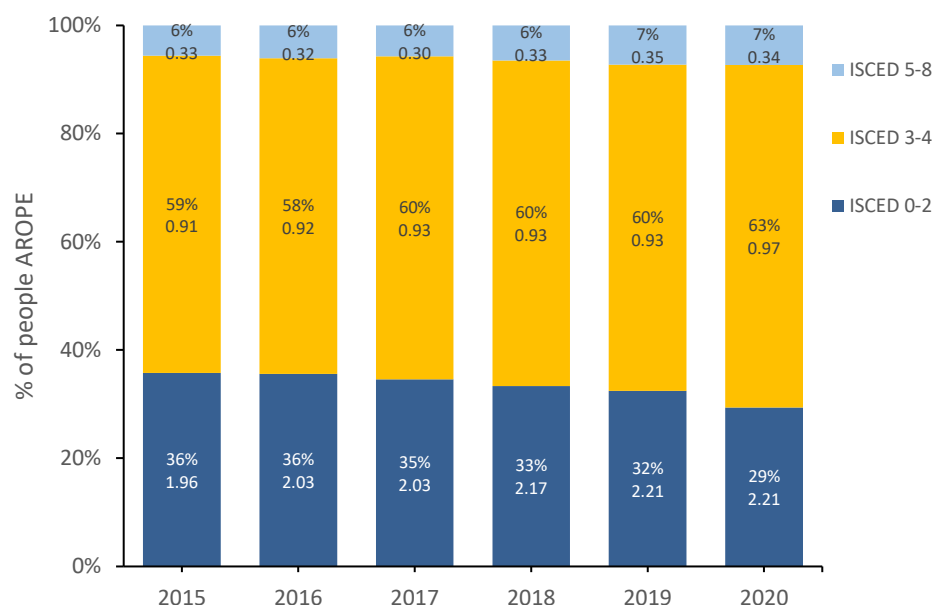


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps02n] and [ilc_lvhl02], own calculation. Data downloaded on 14/02/2022.

- People aged 18-64 not in work are considerably more likely to be at risk of poverty or social exclusion than those in employment, in 2020 accounting for 78% of the total at risk.
- The likelihood of the non-employed being at risk increased significantly over the 5 years 2015-2020, though a decline in their numbers (i.e. a growth in employment) more than offset this, so their share of the total at risk fell
- Among those in employment, the self-employed together with a small number of family workers, are much more likely to be at risk of poverty or social exclusion than employees, but, in 2020, their small numbers meant that they made up only 6% of the total at risk.

Figure 4. *Division of people aged 18-64 at risk of poverty or social exclusion by education level, Croatia, 2015-2020 (%)*

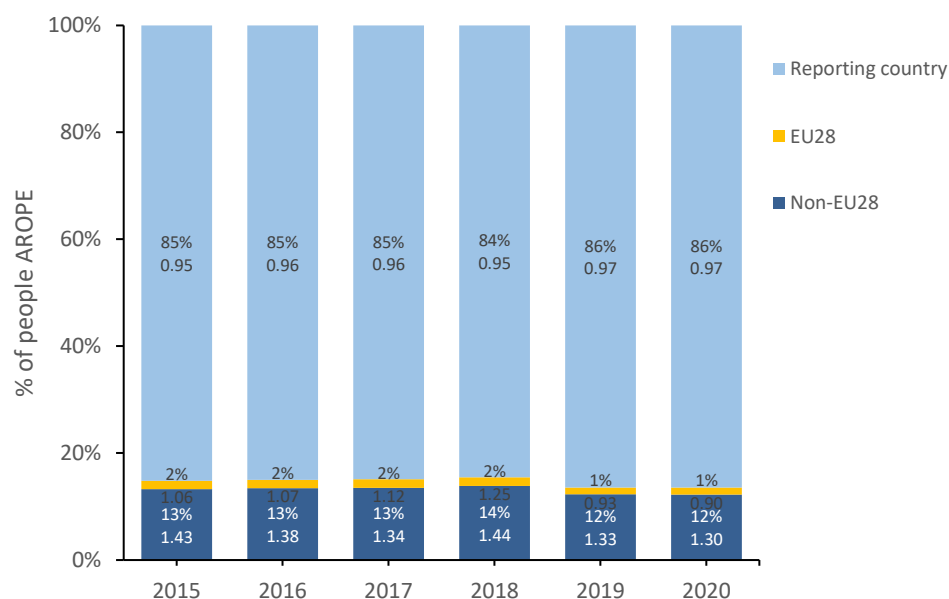


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps04n] and [ilc_lvps04], own calculation. Data downloaded on 14/02/2022.

- People aged 18-64 with only basic schooling (ISCED 0-2) are substantially more likely to be at risk of poverty or social exclusion than those with higher education levels, making up 29% of the total at risk in this age group in 2020.
- The likelihood of those with low education being at risk increased over the period 2015-2020 but a decline in the numbers with this level of education meant that their share of the total at risk fell.
- People with tertiary education (ISCED 5-8) are far less likely to be at risk than those with upper secondary education (ISCED 3-4) and they accounted for only 7% of the total at risk in 2020.

Figure 5. *Division of people aged 18-64 at risk of poverty or social exclusion by country of birth, Croatia, 2015-2020 (%)*

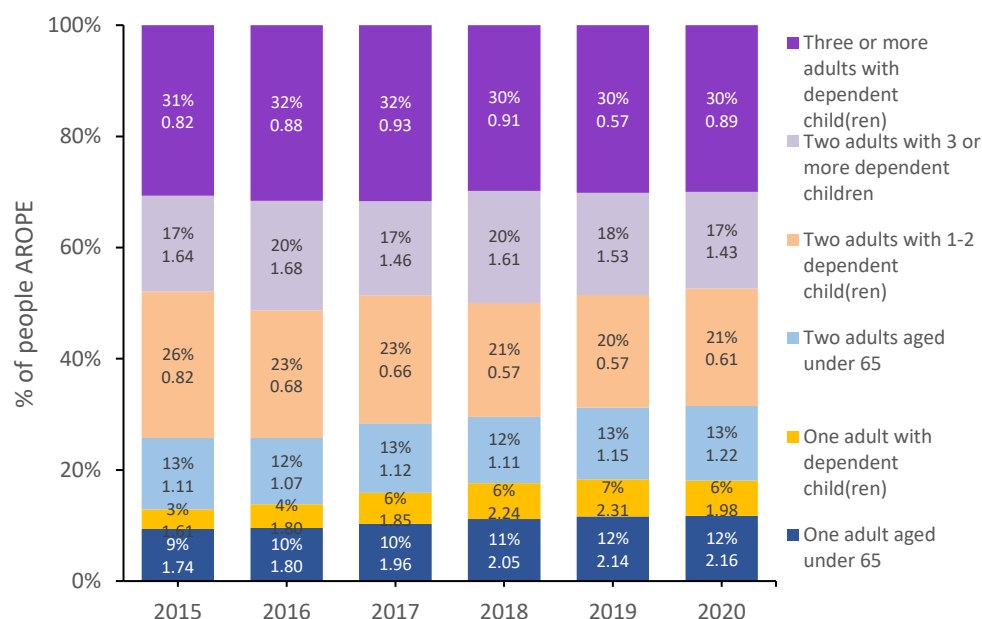


Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Source: Eurostat EU-SILC indicators [ilc_peps06n] (Data downloaded on 14/02/2022) and EU-SILC microdata, own calculation.

- People aged 18-64 born outside of the EU are much more likely to be at risk of poverty or social exclusion than those born in Croatia and they made up 12% of the total at risk in 2020.
- The likelihood of them being at risk declined slightly over the period 2015-2020, pushing down their share of the total a little.

Figure 6. *Division of people at risk of poverty or social exclusion by household type, Croatia, 2015-2020 (%)*



Note: Figures below the percentage figures in the bars show the ratios of the share at risk to the share of the age group in total population, which indicate the relative likelihood of the age group being at risk.

Note that the chart does not include all household types. In particular, it excludes those aged under 65 living in a household with three or more adults without children, who are difficult to distinguish in the published data.

Source: Eurostat EU-SILC indicators [ilc_peps03n] and [ilc_lvps02], own calculation. Data downloaded on 14/02/2022.

- People aged under 65 living alone, including those with children, are far more likely to be at risk of poverty than others. Their relatively small numbers, however, mean they made up only 18% of the total at risk in 2020.
- Couple with 3 or more children are also more likely to be at risk of poverty or social exclusion than average, accounting for 17% of the total at risk.
- Households with three or more adults with children are less likely than average to be at risk of poverty or social exclusion, but their relatively large numbers mean that they made up 30% of the total at risk in 2020.

Table 1. At risk of poverty rate before and after social transfers, excluding old age benefits, for those aged 0-64, Croatia, 2015-2020

	Before social transfers, excl. old-age benefits (%)	After social transfers (%)	Effect of social transfers on arpop rate (%-point change)
2015	29.7	18.6	-11.1
2016	26.7	17.9	-8.8
2017	25.6	17.9	-7.7
2018	24.7	17.1	-7.6
2019	22.3	15.3	-7.0
2020	21.5	15.0	-6.5

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li10]. Data downloaded on 14/02/2022.

- Social transfers had the effect of reducing the at-risk-of-poverty (arpop) rate by only 6.5 percentage points in 2020, cutting the number at risk by under a third (30%), much the same as in the preceding 5 years.

Table 2. At risk of poverty rate and persistent at risk of poverty rate for those aged 18-64, Croatia, 2015-2020

	At risk of poverty rate (%)	Persistent at risk of poverty rate (%)	Persistent rate as % of annual rate
2015	17.9	13.9	77.7
2016	17.2	12.2	70.9
2017	16.9	12.6	74.6
2018	16.4	12.2	74.4
2019	14.8	11.1	75.0
2020	14.5	9.7	66.9

Source: Eurostat EU-SILC indicators [ilc_li02] and [ilc_li21]. Data downloaded on 14/02/2022.

- Two-thirds of people of working age (18-64) at risk of poverty in 2020 were at persistent risk, i.e. they were consistently at risk for a number of years rather than being at risk for only one year, or temporarily. This is less than in the preceding 5 years, when the proportion ranged between 71% and 78%, meaning that a large majority of people at risk were at risk for a long time.

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