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# POVERTY IN CROATIA: THE BASIC FACTS



Croatia is a country in Eastern Europe, part of the former Yugoslavia. It gained independence in 1991 after the Homeland War. As a result, the country struggles with poverty. It joined NATO in 2009 and the European Union (EU) in 2013, helping it advance as a country. In 2008, there was an abrupt economic slowdown that lasted into 2014, which plunged many into poverty. Now, poverty in Croatia is one of its biggest problems.

## Croatia's Economy

Croatia has high poverty rates. In 2015, an estimated 19.5% of the population was below the poverty line. Further, 15% of people [\[https://bib.irb.hr/datoteka/730633.TENDENCIES\\_OF\\_POVERTY\\_IN\\_THE\\_REP\]](https://bib.irb.hr/datoteka/730633.TENDENCIES_OF_POVERTY_IN_THE_REP) were unable to even afford basic necessities, such as food, shelter and water. Poverty in Croatia increased when it left Yugoslavia during the Homeland War, changing from a communist to a free-market country.

Unemployment rates in Croatia are also high. The average unemployment rate is 12.4% (2017 estimate), which ranks Croatia 164

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in the world. For youth, the unemployment rate is 23.7%. This is largely due to a lack of qualifications for jobs. Skilled professionals have moved to work elsewhere in the EU, and those remaining do not have the qualifications for the jobs that need filling.



## Living in Poverty

Poverty is influenced by geography.

[<https://www.worldbank.org/en/country/croatia/publication/croatia-poverty-maps>]. due to uneven developments throughout different regions. Small towns and other rural areas in the east and southeast, primarily near the border with Bosnia and Herzegovina and Serbia, are the poorest areas in Croatia. There is a 5.9% poverty rate in cities, while there is up to a 34.3% poverty rate in small towns and rural areas.

Similar to the discrepancy between urban and country is the disparity between the rich and the poor. The previous government did not allow such imbalances to occur. However, those in government positions received favored treatment. As Croatia recovered from war in its new free-market system, the status of those who were previously disadvantaged worsened. After Croatia became independent, the rich received advantages while the poor received disadvantages. This created a large gap between the poor and rich. It was estimated in 2015 that the poorest 10% of households in Croatia earn only 2.7% of all income, while the richest 10% earned 23%.

Some groups are more likely to live in poverty than others. Older people, single-person households and single-parent households, large families of four or more people, children lacking parental care, people with lower education, war veterans, victims of war and their families, displaced people and ethnic minorities are most likely to live in poverty in Croatia.

Additionally, retired people are also more likely to live in poverty. Retired people are one-fifth of Croatia's population. As a result, pension is becoming overburdened, and people on pensions are not given enough money to live. Those on pension receive less than 50% [<https://www.nationsencyclopedia.com/economies/Europe/Croatia-POVERTY-AND-WEALTH.html>], of the average Croatian salary.

## Working Towards a Better Future

Croatia is working on alleviating poverty. Croatia is participating in the EU's Europe 2020 strategy. The strategy aims to create sustainable and inclusive growth in the economy and employment while also reducing poverty and improving education. Because of regional disparities, Croatia is implementing a regional-based version of this strategy.

As a result, Croatia's employment rate has improved from 60.6% of the population to 66.7% in last five years. This figure even includes those who wish not to work. Also, the number of people at risk of poverty or social exclusion has gone down from 29.1% of the population [<https://ec.europa.eu/eurostat/web/europe-2020-indicators/europe-2020-strategy/headline-indicators-scoreboard>] to 23.3%.

After its economic slowdown in 2008, Croatia struggled with an increase in poverty. While it has the highest poverty rate in its region, Croatia is working to address this problem. The country strives to decrease the gap between rural and urban areas as well as the divide between different social groups.

– *Seona Maskara*

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