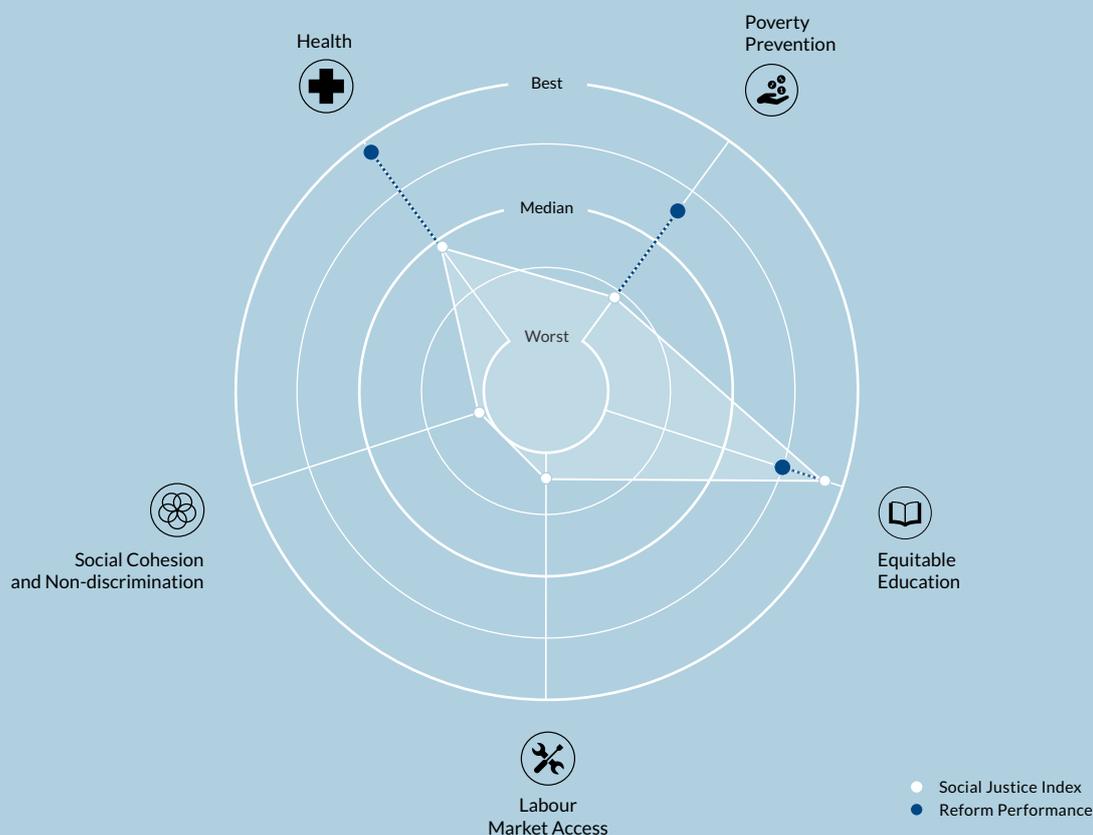


## Findings by Country



# Croatia

How does the country rank in the EU?



## Overall Findings

**Need** Though Croatia ranks 22nd in the 2015 Social Justice Index, the experts see a relatively low need for social reforms (2.06, rank 8/23), which is even slightly lower than the EU median (2.18).

Quite pressing reform needs are seen in the Health dimension (2.23, rank 9) and in the Poverty dimension (2.22, rank 17). Unsurprisingly, the experts see a rather low need to safeguard Equitable Education (1.74, rank 6), as Croatia ranks 3rd in the Social Justice Index's education dimension. Looking at the related policy objectives, the most pressing issues for the Croatian government are to:

- reduce poverty among seniors (2.63), single parents (2.5) and children (2.44)
- improve public health (2.57)
- safeguard independence of learning success from children's socioeconomic background (2.75)

While the first two issues are unsurprising, an urgent need of 2.75 to ensure educational mobility is somewhat surprising, as Croatia ranks 7th in this regard in the 2015 Social Justice Index.

## Overall Reform Performance Ranking



## Overview of Reform Barometer Scores



**Activity** The experts say that 56 percent of the overall reform need to improve social inclusion in Croatia has been addressed, ranking the country 3rd in this regard – behind the leaders in this respect, Luxembourg (65%) and Bulgaria (60%). The highest activity rate in Croatia can be reported in the Health dimension (83%, rank 2/20). The biggest reform gap is assessed in the Education dimension (36%, rank 10/22). With regard to Poverty, the related activity rate is slightly higher (46%, rank 11/27).

Looking at the main pressing challenges mentioned above, the activity rate differs strongly: While 100 percent of the experts reported there was government action to improve public health, none said there were any initiatives to safeguard social mobility in the education system. The activity rates aimed at reducing poverty are between 41 percent (children) and 67 percent (single parents).

**Quality** An overall quality score of 1.02 (rank 1/20) shows that the experts expect the introduced reforms to have a positive effect on social inclusion in Croatia. Looking at the individual dimensions, the reforms related to Health (1.14, rank 3/19) and Poverty reduction (0.79, rank 13/24) are both expected to have positive effects.

## Dimension Findings



### Poverty Prevention

**Need** In Croatia, as in other EU member states, some population groups are more likely to become income poor than others. Thus, it is no surprise that the experts saw an urgent need to combat poverty among senior citizens (2.63), single parents (2.5) and children (2.44).

**Activity** Looking at these specific subgroups, the experts said that the activity rate to reduce poverty among single parents was 67 percent, while this rate was significantly lower with regard to seniors (49%) and children (41%). With regard to poverty among refugees, the activity rate was very low (10%), though the need was assessed relatively high (2.0). Some experts report on a Social Welfare Act introduced in 2013: “The aim of this Act is to direct monetary payments to the most vulnerable socially deprived citizens through the introduction of a guaranteed minimum benefit (GMB), consolidating the four former social benefits.”

**Quality** The initiatives to improve the situation for single parents and children are expected to have quite positive effects, as scores of 1.06 (children) and 1.0 (single parents) show. The respective quality score for the activities aimed at reducing poverty among senior citizens is significantly lower (0.62) but still positive. One expert explains why he is not satisfied with benefits for families and veterans: “These programmes are either means-tested (excludes non-taxable incomes and assets) or are categorical and act discriminatorily compared to means-tested benefits for the vulnerable and poor (like GMB).”<sup>1</sup> Another expert complains about missing pressure for politicians to really take care of the most vulnerable groups: “There is too much political compromise or accountability to special interest groups with political power and voting capacity, while the groups at real risk of poverty are neglected because they have no social and political bargaining power.”<sup>2</sup> Another expert claims: “Generally, more resources should be found for poverty alleviation and for well-targeted policies for the most vulnerable groups. Currently, substantial resources are distributed as category benefits which are often not reaching the poor.”<sup>3</sup>



### Equitable Education

**Need** The highest need in this dimension is seen as safeguarding independence of learning success from children’s socioeconomic background (2.75). This is somewhat surprising, as Croatia ranks 7th in this regard in the 2015 Social Justice Index. Furthermore, the experts see a more or less urgent need to ensure equal opportunities in the education system (2.25) and to improve the structural conditions regarding finances and human resources (2.25). A low need (1.0) is only seen for reducing the number of early school leavers, which is not surprising as Croatia ranks 1st in this regard in the 2015 Social Justice Index. For a better integration of refugees in the education system, the experts see practically no need at all (0.33).

<sup>1</sup> Sanja Madzarevic Sujster, World Bank Office, Zagreb

<sup>2</sup> Stjepan Oreskovic, University of Zagreb

<sup>3</sup> Daniel Nestić, Institute of Economics, Zagreb

**Activity** Looking at the policy objectives, the related activity rates differ strongly. While 84 percent of the reform need to ensure equal opportunities in the education system has been addressed, the activity rate aiming at improving the structural conditions regarding finances and human resources was extremely low (7%). No expert could report initiatives to safeguard social mobility in the education system. On the other hand, the activity rate to improve the quality of teaching is 90 percent, though the respective need was only modest (1.85).

One expert reports: “In February 2015, the Croatian government began the realisation of a new Strategy for Education, Science and Technology (2014) by forming an expert group on curriculum reform. The reform includes all [levels] of the educational system up to tertiary education, and is aiming at deep changes in the structure and content of pre-tertiary education. In September 2015, the national expert group for enhancement of the social dimension in higher education was formed, also following the Strategy’s aims and goals.” Another expert reports a more concrete reform with regard to higher education funding: “Whereas, prior to 2013, the funding system was based on input factors, such as number of staff and students, over the last two years it has changed to an output-based system. Higher education institutions have to choose several goals they plan to achieve over the three-year funding period. From an equal-opportunities perspective, their choices include ensuring access to higher education for students from low socioeconomic status backgrounds and students with disabilities, as well as mature students (first enrolment above the age of 25).”

## Health

**Need** Looking at the policy objectives embraced, the experts see a more or less urgent need for reforms in all of them, as no policy objective shows a need lower than 2.0. The highest needs are measured with regard to improving public health (2.57) and caring for a sustainable and fair financing of the health system (2.4). As one expert explains: “[The] majority of publicly-sourced finance comes from the mandatory health insurance system, but with lowering rates of employment, the health system needs an extra-large amount of public money from the state budget.”

**Activity** According to the experts, 100 percent of the reform need to improve public health has been tackled. Also for most of the other policy objectives, the reported activity rates are quite high, as between 69 and 79 percent of the reform need to improve health care governance, to improve the quality of health care, and to ensure a sustainable and fair financing of the health system has been addressed by the Bulgarian government. With regard to health system efficiency, the activity rate is significantly lower (36%). One expert reports: “There are a lot of health policies in the area of prevention for sustaining public health, such as no smoking campaigns or public invitations for checking blood pressure, early diagnosis of various cancers and so forth.”

**Quality** The experts expect the reforms aiming at a sustainable and fair financing of the health system to have strong positive effects (1.37, rank 3/13). The respective reform quality with regard to improving public health (0.83, rank 8/19) and to improving health care quality (0.58, rank 14/19) is assessed as lower.