



Youth Guarantee country by country

Croatia
October 2020

Table of Contents

Introduction and context	3
Commission's assessment	4
EMCO's assessment	5
Youth Guarantee monitoring – Key data	6
Previous year	8
Links to further information	10

Introduction and context

The [Youth Guarantee](#) has become a reality across the EU. It has facilitated structural reforms and innovation in policy design across EU Member States.

This document provides extracts from official Commission documents on the implementation of the Youth Guarantee in Croatia. It contains extracts from:

- The country report drawn by the Commission for Croatia in the context of the [European Semester](#);
- The conclusions of the thematic multilateral surveillance review of the [Employment Committee \(EMCO\)](#).
- Results from the data collection on Youth Guarantee schemes.

A section at the end of the document is devoted to the assessments made by the Commission the previous year.

Croatia presented a [Youth Guarantee Implementation Plan](#) on 27 December 2013, updated in 2014, 2015, 2017 and 2019.

Croatia is eligible for the [Youth Employment Initiative](#).

Commission's assessment

From the 2020 country report (EN - HR):

“Unemployment continued to fall, but labour participation remains very low. At 8.4% in 2018, Croatia’s unemployment rate is at its lowest recorded level and projected to continue falling. The employment rate (20-64) reached 65.2% in 2018, 1.6 percentage points up from the previous year. However, this Social Scoreboard indicator remains among the lowest in the EU. The activity rate (15-64) dropped to 66.3% in 2018, pushing Croatia further down the EU country ranking for this metric. The improvements in the labour market benefited different categories of workers and jobseekers, including the long-term unemployed. However, across all age categories, employment rates are below the EU average, with the biggest gap recorded for older workers (55-64) [...]”

“Implementation of active labour market policy measures has improved, but some concerns remain. In 2018, employment and self-employment subsidies covered the largest share of beneficiaries of active labour market policy measures. Results have been good in terms of increasing employability, including for the long-term unemployed. The youth programme “occupational training for work without commencing employment”, is exceeding the initial coverage targets set by the authorities (27), though too few jobseekers are starting education or reskilling programmes (Ministry of Labour, 2019).”

“The outreach to the unemployed and inactive youth is still underdeveloped. The rate of young people not in employment, education or training (NEET) and the youth unemployment rate are fast -decreasing (down to 13.6% and 23.7% in 2018, respectively), but remain well above the EU average. Even though the rate of registration of jobseekers at the Public Employment Service is one of the highest in the EU, measures provided under the Youth Guarantee scheme in 2018 reached only 39% of young people (15-24) with the NEET status. The low and progressive decline in coverage is in part linked to the increasing population of non-registered NEETs (from 4.8% in 2017 to 6% in 2018). Around two thirds of those who received support in 2018 were in employment, education or training six months after the end of the measure (28), above the EU average of 50.4%.”

“The Social Scoreboard, which supports the European Pillar of Social Rights, identifies a number of employment and social challenges in Croatia. Despite overall improvements in the labour market, including the reduction of the rate of long-term unemployment and of young people not in employment, education or training, some challenges remain related to labour markets, as well as social protection and inclusion. The employment rate is still critically low, in particular among young people, older workers, the low skilled and people with disabilities. There are concerns regarding the effectiveness of active labour market policies and the remaining pathways to early retirement. The share of early school leavers in Croatia is well below the EU average. Nonetheless, access to and the quality of education, both for young people and adults, remain a challenge.”

For further youth-related matters please refer to the country report.

EMCO's assessment

Conclusions of the Employment Committee's multilateral surveillance review on youth employment, October 2019:

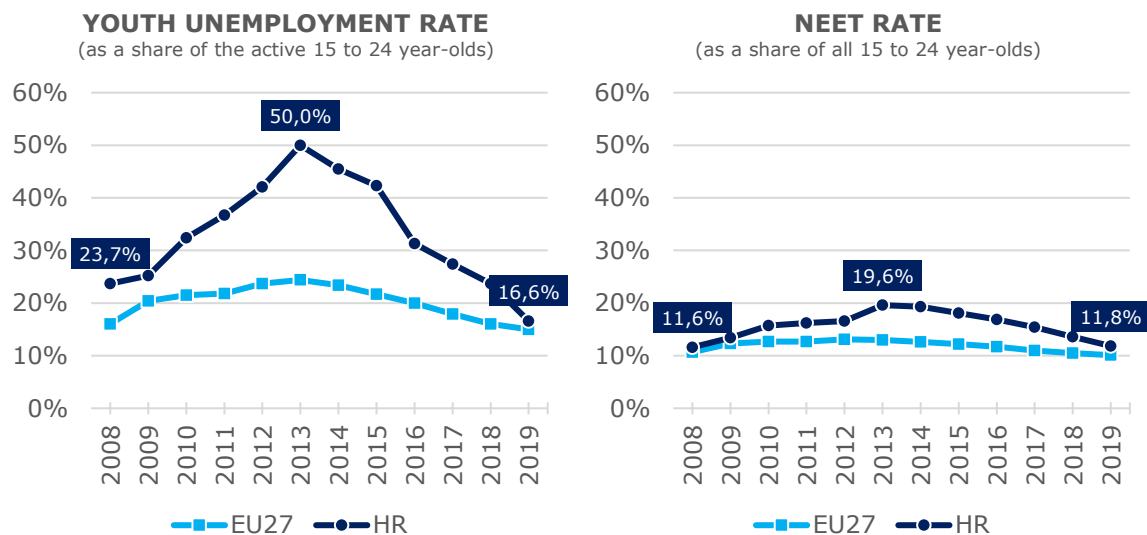
Progress has been made by Croatia in the implementation of the YG. However, a number of challenges remain before visible progress can be made. Partnerships between PES and education and training institutions are being developed. Measures have recently been undertaken to foster permanent employment opportunities. Efforts are being made to improve and fully roll out the promising NEET tracking system. A number of initiatives are also in the pipeline that may improve outreach and expand training opportunities, notably by integrating a lifelong learning strategy in the Youth Guarantee.

Yet, ALMP measures need be fine-tuned to the specific needs of young people, outreach strategies need to be further developed and regional disparities in the availability and required design of measures need to be better addressed. The capacity of local PES systems is also an issue for providing all NEETs with effective personalised guidance and activation. The well-developed monitoring and evaluation system could be better exploited to define new measures and to make efficient use of available funds.

As for traineeships, EMCO welcomes the efforts made to promote the new 'traineeship incentive'. Further action should be undertaken to enhance the quality of the traineeships provided and to improve their employment outcomes in order to fully comply with the QFT, in particular as regards learning objectives, duration and validation of traineeship periods.

Youth Guarantee monitoring – Key data

1. Main trends in young people's labour market performance

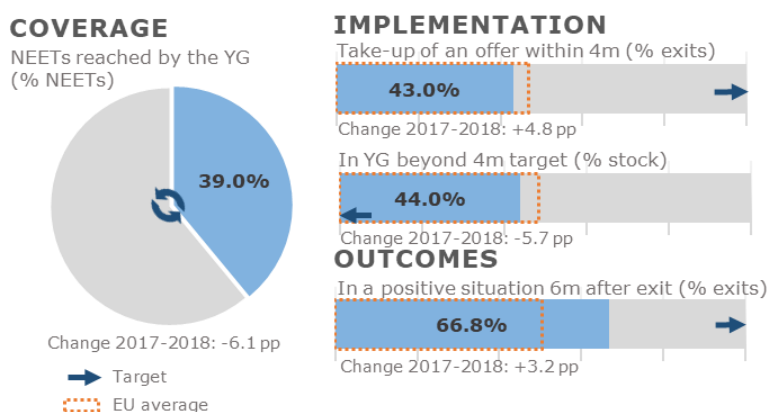


Source: Eurostat, LFS (une_rt_a, edat_lfse_20)

2. Youth Guarantee delivery

The Croatian Youth Guarantee (YG) implementation plan was presented in December 2013 and updated in 2017 and 2019. The YG scheme was formally introduced in January 2014 and covers all young people aged 15-29 who are registered as unemployed with the Public Employment Service (PES). In addition to the active labour market measures available to all registered unemployed, the YG in Croatia in 2017 provided access to targeted subsidised employment, traineeship and education measures.

YG monitoring data 2017-18



Source: DG EMPL, YG monitoring database, data extracted 09 December 2019. NEETs data were extracted from Eurostat, Labour Force Survey on 21 June 2019.

On average, more than four in ten (44.0%) of those registered in the Croatian YG scheme at any point during the year in 2018 had been waiting for an offer for more than 4 months, below the EU average of 48.6%, and a continued improvement compared to 2017 (48.5%) and 2016 (55.3%).

The slight improvement in waiting times is also reflected in the fact that approaching two fifths (43.0%) of those leaving the YG scheme in 2018 took up an offer within 4 months of registration, an increase of 4.8 pp from 2017. As in previous years, the indicator result is likely to be understated to some extent because the destination on exit was unknown for 28.4% of cases.

On average during 2018, the Croatian YG scheme covered just under two fifths (39.0%) of NEETs aged under 25. This coverage is close to the EU average of 38.9% but a continuation of a progressive decline in coverage from 65.1% in 2014. At least in part, the reduced coverage is likely to be linked to the declining importance of the unemployed part of the NEET population and, therefore, the increasing importance of the inactive part that is not reached by the YG.

Follow-up data show that two thirds (66.8%) of those leaving the YG in 2018 were known to be in employment, education or training 6 months later, a slight increase from 2017 (+2.4 pp). Longer-term follow-up of those leaving in earlier years shows similar, albeit slightly higher, levels of positive outcomes after 12 or 18 months, indicating that outcomes are sustainable.

Previous year

From the 2019 country report (HR - EN):

"The labour market has further improved with a rapid fall of the unemployment rate. On the back of solid GDP growth, the unemployment rate in Croatia fell further over the past year – to 7.8 % in Q4 2018 – almost reaching its pre-crisis level. In 2018, long-term unemployment dropped compared to the previous year, reaching 3.3 % in Q3 2018. The youth unemployment rate and the share of young people (aged 15-24 years) not in employment, education or training also decreased considerably, but remain high (at 22.7 % in Q4 2018 and 15.4 % in 2017, respectively). Overall, despite the recent positive developments, Croatia still displays high unemployment rates relative to the EU average, especially for young people."

"Concerns remain on the efficiency of active labour market policy measures in reaching vulnerable groups. In 2016, the coverage of active labour market policies remained low, at just 7 % of persons wanting to work. Similarly, the coverage of unemployed youth remains very low and worsened in 2017, when the share of people not in employment, education or training (aged under 25 years) supported by the Croatian Youth Guarantee scheme declined to 45 %, 9 percentage points less than the previous year. The 2018 package of active labour market policies introduced a number of improvements, including increased subsidies for employment and selfemployment and simplifications in procurement procedures for the provision of education and training. Access to "occupational training for work without commencing employment", originally designed for young people aged 18-29 years, has been extended to people aged 30+ without work experience targeting occupations in social care, education, health and culture. Overall, however, some of the most used measures (such as public works), as well as the underutilised reskilling/upskilling measures, have not yet proven to significantly increase the employability of their participants, which may indicate lack of efficient targeting."

"Croatia faces several challenges with regards to a number of indicators of the Social Scoreboard supporting the European Pillar of Social Rights. Despite improvements in the labour market as reflected by a decreasing (longterm) unemployment rate, challenges related to equal opportunities, access to the labour market and social protection and inclusion remain. The employment rate is still critically low, in particular for youth, older workers, low skilled and people with disabilities. This reflects the widespread use of early retirement and challenges regarding the efficiency of active labour market policies. Although the share of early school leavers in Croatia is well below the EU average, challenges remain with regard to the quality of education, both for young people and adults."

"Although improving, the rate of young people (15-24) not in employment, education or training (NEET) remains very high. The share of NEETs increased between 2014 and 2017, further distancing this population from the labour market. The majority of NEETs in Croatia have secondary education, in particular from vocational schools. There is no national tracking system for VET graduates which could help analyse the performance of new graduates in the labour market, identify skills needed and ultimately help improving the quality and labour market relevance of VET programmes. The introduction of such system, together with the already established Career Guidance Centres (CISOK centres) and the local level youth organizations would allow designing prevention activities and targeting specific interventions."

For further youth-related matters please refer to the country report.

Links to further information

Youth Guarantee Knowledge Centre – Including promising examples from Croatia

<http://ec.europa.eu/social/main.jsp?catId=1327&langId=en>

Youth Guarantee Implementation Plan

<http://ec.europa.eu/social/BlobServlet?docId=21215&langId=en>

Where to register for the Youth Guarantee?

<http://ec.europa.eu/social/main.jsp?catId=1218&langId=en>

Youth Wiki Croatia

<https://eacea.ec.europa.eu/national-policies/en/content/youthwiki/overview-croatia>