

Reform of the social care system in Croatia: the path to greater centralisation

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In 2021 the Ministry of Labour, Pension System and Family Policy launched a social care reform. It submitted several strategic documents for public consultation – including an important Social Care Bill, the cornerstone of the reform. Although, in heated discussions, some key stakeholders strongly criticised certain of its aspects, the Bill was adopted almost unchanged by Parliament in January 2022. Discussions among academics, social care and civil society stakeholders now suggest that, given rising inflation and energy costs, social benefits will need further improvements to protect the standard of living of the poor.

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Description

In 2021 the Ministry of Labour, Pension System and Family Policy (MLPSFP) began to reflect on a reform of social care. It submitted several strategic documents for public consultation – including an important Social Care Bill, the cornerstone of the reform. The Bill includes the creation of new social services such as social mentoring for integration of vulnerable social groups and additional investment of HRK 361,964,634 (€48.2 million) in 2022 and HRK 669,891,080 in 2023 (€90 million) in the social care sector, to be funded partially from the European Social Fund Plus. Part of the investment will be used for increasing employment in the social care sector and part for increasing social benefits, firstly the guaranteed minimum benefit (ZMN). The level of ZMN was increased from January 2022 by 20%, from HRK 800 (€106), unchanged since 2014, to HRK 1,000 (€133) per month. The new Bill also includes a somewhat higher increase in ZMN for the most vulnerable groups (children and beneficiaries with disabilities) by changing the equivalence scale and increasing the importance of personal factors.

In addition, ZMN beneficiaries are now entitled to a housing allowance, from local government, of no less than 30% of the ZMN amount for a single-person household (formerly a maximum of 50% was set, but no minimum). All heating costs, except electricity, have become part of the overall housing costs, and are no longer compensated separately, thus reducing the administrative burden. Local government units are responsible for funding and managing housing costs.

Personal disability benefits have also been increased: from HRK 1,500 (€200) to HRK 1,750 (€233), and the income threshold for exercising the right to personal disability benefits has been abolished. The Bill also expands the range of situations in which caregiver status can be granted, which should encourage families to keep children with disabilities and persons with disabilities at home rather than having to place them in an institution. Also, a caring parent or caregiver is entitled to a higher amount of compensation if a child or a person with disabilities cannot be included in community programmes and services due to their health condition.

As part of the reform, the government has adopted various strategic documents which are important for EU funding in the EU financial period 2021-2027: the 2021-2024 Action Plan Against Poverty and Social Exclusion, 2021-2027 National Plan for equal opportunities for persons with disabilities, 2021-2027 National plan for the development of social services.

The Bill also foresees the reorganisation of the system of social care centres, abolishing their legal personality and establishing a central national Social Work Institute (SWI) with 21 county branches and 75 regional offices. The rationale put forward by the government to justify this element of the reform is that the current fragmented system (Šučur, 2019) does not function satisfactorily and needs to be centralised so that services will be standardised throughout Croatia (Government of Republic of Croatia, 2021).



Outlook and commentary

The reform includes various positive developments, including: a 20% increase in the level of ZMN, significant investment in the social care sector, the creation of new social services such as social mentoring for integration of vulnerable social groups, an increase in disability benefits and caregiver status improvement.

It also includes a proposal that has been much debated: the abolition of the legal personality of social care centres, which calls into question the role of these centres as key institutions in the provision of social care at the local level. According to the Constitution, social care is the responsibility of local authorities. In their critical public announcement, the Croatian Association of Social Workers, representatives of several Chambers of professionals from social care organisations, the Trade Union of Social Care Employees and representatives of the academic community argued that the proposal to abolish the legal personality of social welfare centres is a step in the wrong direction, which will centralise the social care system in Croatia and will most likely decrease its efficiency. They warned that this solution may make it more difficult for local and regional authorities to influence the social care system. Local/regional authorities will not be represented on the management board of the new SWI, contrary to the previous decentralised organisation based on local social care centres with legal personality, embedded in local communities. Moreover, they stressed that this proposal came directly from the Ministry and not from representatives of social care workers or from the working groups that worked on drafting a new Social Care Act; this is not in line with desired good governance standards. They also stressed that

the reform should have been more carefully prepared by the Ministry, based on previously identified scientific research and analytical insights and real needs of beneficiaries, and should have included all relevant stakeholders working in the field of social care and social policy.

The draft Bill received more than two thousand remarks in the process of e-consultations. Debates in the Parliament and proposals from opposition parties were ignored and in January 2022 the new Social Care Act was adopted.

The preparation of the reform was dominated by a top-down approach and missed the opportunity to improve the fragmented social care sector in response to growing and increasingly diverse social risks, such as poverty and social exclusion and long-term care (Bežovan, 2021).

Furthermore, data suggest that the increase of the ZMN, although very welcome, will not be sufficient to reduce poverty significantly.

ZMN beneficiaries will remain much below the at-risk-of-poverty (AROP) threshold, as computed on the basis of the data from the 2021 EU Statistics on Income and Living Conditions (EU-SILC). As an illustration, in 2015 the ZMN for a one-person household (€106) was 39% of the AROP threshold (€270). In 2021, this ratio had deteriorated further: the ZMN for a one-person household (€106, unchanged since 2014) dropped to 27% of the AROP threshold (€390). The EU-SILC data are not yet available to assess the impact of the 30% ZMN increase on poverty reduction. But, based on the above figures, the ratio ZMN/AROP threshold will most likely be below that recorded in 2015.

After adoption of the law, public questions were asked by stakeholder representatives, in

particular about the way the government will implement the elements of the reform that were most severely criticised. To date, these important questions have remained unanswered.

Further reading

Bežovan, G. (2021): [The recipe for the Republic of Croatia to be Europeanised](#) (in Croatian), Večernji list, 26. 12, 2021.

Ministry for Labour, Pension System, Family and Social Policy (2022): [The Government of the Republic of Croatia accepted the Final Proposal of the Law on Social Welfare Reform](#) (in Croatian)

Government of Republic of Croatia (2021): [Social welfare reform brings quality services to local communities](#)

Tportal (2022): [Social workers believe that social welfare reform is a failure](#) (in Croatian)

HINA (2022): [Opposition Strongly Criticises Social Welfare Reform Bills](#)

Šućur, Z. (2019): Socijalna pomoć i usluge socijalne srbi [Social assistance and services of social care] in: G. Bežovan, at al. Socijalna politika Hrvatske [Social policy of Croatia] Zagreb: Sveučilište u Zagrebu Pravni fakultet, pp. 287-335.

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