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MREŽA  
PROTIV  
SIROMAŠTVA**

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ANTIPOVERTY  
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## **Poverty Watch of EAPN Croatia**

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## 1.Introduction

The Croatian Anti Poverty Network/Hrvatska Mreza Protiv Siromastva, the national nongovernmental organization, was established in March 2014. In June 2014 CAPN/HMPS became member of European Anti Poverty Network. The role and the goal of CAPN/HMPS, since the very beginning, was raising the public awareness to social inclusion and reduction and ultimately eradication of poverty on national and European level, seeking and promoting social human rights of people with direct experience of poverty/PePs.

CAPN/HMPS is composed of civil society organizations mainly being the care providers, such as Red Cross, Caritas, Croatian network of Homeless persons, Pragma etc., the Independent Trade Unions and individuals who are the experts in social sector in Croatia. CAPN/HMPS is pointing out the importance of the social dialogue among the key stakeholders in order to ensure the active, participatory role of people experiencing poverty in all structures and aspects of social life, in order to live in the society that respects human rights and the life with dignity.

The people experiencing poverty are involved in all and every activity in CAPN/HMPS, they are members of structures and governing bodies of HMPS/CAPN. In combating poverty by representing the needs and social rights of people with experience of poverty PePs are active in public and political debates, in projects and activities that HMPS/CAPN is implementing. HMPS/CAPN is highlighting the problem of the system of disrupted social values, and is strongly supporting the initiatives and projects addressing the situation of vulnerable and socially excluded groups of citizens.

### ***The reflection of PEP-Vesna.V(f)***

**“ I believe that poverty is the cancer of every society. I also think that this is not just a problem of the poor person, but of the entire community.”**

In terms of social policy, the social welfare system in Croatia lacks structural reform and under the circumstances generates gaps and failures in redistribution of resources. The social welfare system had undergone multiple unsuccessful initiatives of the reforms. The initiatives that were implemented as pilot projects proved to be either ineffective or were ignored by Governmental structures after pilot phase was over (the formal process of reforming the welfare system started in 2003!). Government lately aimed to reform the social benefits system. But if we analyze the plans and procedures related to the reform of the social security system, it is evident that reform efforts are still focused exclusively on reducing of costs for social security and social protection, thus promoting the economic growth.

Social welfare system is burdened with lack of consistency and coordination among different public institutions and lack of indicators when detecting the vulnerable groups. As the consequence there is almost no progress in achieving better care and protection of vulnerable groups.

The final outcome of such a situation is continuous increase in number of people whose property is rendered liable to detrains people with blocked bank accounts, the increased number of elderly population who achieve pensions below the poverty line (the poverty rate of the elderly in Croatia is among the highest in the European context),there are no significant results in deinstitutionalization of services to persons in need etc.etc.

In such a context the efforts of HMPS/CAPN to combat poverty are performed through public awareness initiatives related to poverty reduction and poverty eradication implemented through projects such as EMIN 2, "Lighthousei"-reward for ethical journalism,EU election campaign focused on the poverty in the perspective of Human Rights, presenting EU Semester and EU Pillar of Human Rights. And overall CAPN/HMPS efforts are dedicated to strengthening of the dialogue with key stake holders-governmental structures most of all-but unfortunately without sufficient success.

## **2. What do we mean by poverty? - Poverty could be both an absolute and a relative concept.**

### **1. What do we mean by poverty?**

**Poverty is a state or condition in which a person or community lacks the financial resources and essentials for a minimum standard of living./Investopedia-08-11-19**

**Poverty can prevent full personal and family development and participation in social life and deprives society of people's full potential to contribute to it and undermines social cohesion and vibrant inclusive, sustainable development**

**Poverty is a denial of fundamental human rights – economic, social and cultural. There is a moral and political imperative to challenge and change it, with and for people at risk of poverty and social exclusion./EAPN poverty explainer**

**People experiencing poverty and social exclusion lack adequate income, resources and access to public and private services that are fundamental to a decent life.**

**Poverty should be measured for a number of different reasons. First, poverty measures provide estimates of the magnitude of the problem, and raise its visibility—they keep poor people on the policy agenda.**

**Second, poverty measures are needed to identify poor people and pockets of poverty, and then to target appropriate policy interventions./UN Guide...**

- **Absolute poverty:**For instance, they may be starving, lack clean water, proper housing, sufficient clothing or medicines and be struggling to stay alive. The United Nations tends to focus its efforts on eliminating absolute or extreme poverty. The first goal of the United Nations Millennium Development Goals was to eradicate extreme poverty and hunger.

- The European Union's Social Inclusion Process uses a **relative definition of poverty**. According to this definition, poverty is where some people's way of life and income is so much worse than the general standard of living in the country or region in which they live that they struggle to live a normal life and to participate in ordinary economic, social and cultural activities.

The **AROPE indicator** is defined as the share of population in at least one of the following three conditions:

- At risk of poverty (AROP), meaning below the relative monetary poverty threshold (60% of median equalized household income);
- In a situation of severe material deprivation (SMD);
- Living in a household with very low work intensity.

### 3. What is happening to poverty? Who are the groups most affected?

**Strategy EU 2020-reducing poverty by 20 million of people!** However, despite the improvement in various areas of social life in EU, **only 8.2 million people** have been lifted out of poverty since 2008.

**Population at risk of poverty and social exclusion in 2019- Croatia: 23,30% - EU 21%.**

The coverage of minimum income benefits is very low in Croatia -it is below the EU average (European Commission, 2019). The targeting accuracy of family benefits (representing 8.6% of social protection expenditure in 2017) is also relatively low, mainly due to the lack of means testing (e.g. for maternity benefits and lump sum birth grants). Overall, the purchasing power of Croatian households is among the lowest in the EU (63% in 2018), up by only 3 percentage points in the period since 2008 what is indicating high costs of living. The employment rates of both men and women in Croatia are among the lowest in **the EU (70.3% and 60.1%, respectively, vs EU average 79% and 67.4%)**. The factors keeping women out of the labour market include caring responsibilities and domestic work. This is reflected in the low participation rate of children in early childhood education and care and the low take-up of paternity and parental leave by fathers (Ombudsperson for gender equality, 2019). Due to the low participation in the labour market, women face a higher risk of poverty. Furthermore, due to the short working lives, the risk of poverty for women aged 65+ is much higher than the EU average, which negatively affects Croatia's achievement of the UN Sustainable Development Goal 5 (Gender Equality).

The most poverty affected social groups in Croatia are : elderly population,persons with special needs,population living in remote/ less developed regions of Croatia,particularly affected are children and elderly living in single households.Among the population facing poverty, there is a growing share of households with active workers (employed or unemployed)and the increasing trend of child poverty. The "new" groups of poor population in Croatia are: poor employed people, poor children, and vast group of elderly population/pensioners with low pensions.

Homeless people represent social group exposed to extreme poverty. The estimates vary from 400 to 10 000 homeless persons. The Croatian Network for Homeless persons is very active in fighting for and with homeless people for their human rights-social inclusion, putting big efforts in providing shelters, seeking the jobs and other facilities for homeless persons.

Underdeveloped regions in Croatia are at the same time facing the process of depopulation ,of economic inactivity , lack of social services for those left behind and in need of support and social protection.

## Indicators of poverty in Croatia

**2019**

***At-risk-of-poverty rate, 18,3 %***

***People at risk of poverty or social exclusion, 23,3%***

***People severely materially deprived (4 or more items), 7,2 %***

***People living in households with very low work intensity, 9,1 %***

**2018**

***People at risk of poverty or social exclusion by age and sex, EU SILC.***

***65 years or over***

***Total 28,1%***

***Men 23 ,5%***

***Women 31,3 %***

*Percentage of persons living in household that suffers from:*

*Inability to keep home adequately warm during the coldest months* 7,7

*Inability to afford a one-week annual holiday away from home* 51,3

*Inability to afford a meal with meat, chicken, fish or vegetarian equivalent every second day* 10,1

*Inability to face unexpected financial expenses* 52,9

*Being in arrears with utility bills* 17,5

*Ability to make ends meet*

<i>With great difficulty</i>	14,1
<i>With difficulty</i>	28,6
<i>With some difficulty</i>	40,4

#### 4. What are the key challenges and priorities?

***The reflection of PeP D.D.(m)***

***“Imagine how much strength you need for a life like this. A city full of ruins and almost every one hides human destiny .It is as if life hasn t condemned us enough already”(Zagreb 23/03/2020-after the earthquake)”.***

When it comes to material support to people living in poverty, there is relatively small share of the unemployed persons who are entitled to the unemployment benefits (less than ¼ of the unemployed).The remuneration is rather low, the average amount of remuneration is significantly below the poverty line (the average remuneration is 2.435 kn/aroud 300 euros-July 2020 ).Under the circumstances such policy does not provide the income for the individual or household that can ensure the life in human dignity. Eg. the minimum monthly allowance eligible for the self-employed person is 800 kunas = about 106 euros and the threshold for the risk of poverty for this type of household in 2015 was 2 080 kunas) (Central Bureau of Statistics, 2016). The number of beneficiaries of social assistance (now known as the guaranteed minimum remuneration) is closely related to the working status of the beneficiaries, namely because of the low income censuses in the social welfare system. This guaranteed minimum fee is under no circumstances available to people who are employed or with low income, most of all pensioners with very low pensions. The allowances to the groups at risk of poverty due to their social situation, special needs or other indicators concerning the special conditions that include the support for independent living ,do not relate to relevant fiscal figures (minimum income etc.)

Measures taken by the Government in order to combat pandemia of Covid 19 are first of all: confinement at home, social distancing and online education. Undertaken measures have major consequences on the social groups living in poverty/people experiencing poverty-disabled people, elderly people. Problems of coverage are additionally related to regional disparities-poor access to social services/ mainly in rural areas, further problems of coverage are related to the poor access to social services, problems of poor transport facilities and poor access or no access at all to digital tools.

#### 5. Are there good /promising practices in your country/area?

Almost paradoxical situation is related to the current labor market. On one hand lack of work force-on the, other hand incompatibility of existing work force with the needs of the labor market. The reform of the education system is just starting with one of the goals to balance the named disparities.

#### **6. Are EU and national governments helping?**

Definitely the documents of European Semester (NCR; NRP; CSR) are helpful instruments for the national development. On the other hand the documents for 2020 had given less space/less focus to poverty reduction in Croatia.

The national documents such as NRP e.g. for 2020 as well the same document for previous several years recognize the serious structural problems in social sector in Croatia! But the implementation /practical level does not follow the general remarks-either on legal or practical organizational level.

#### **7. What is EAPN doing? Are you having an impact?**

CAPN/HMPS's work is successfully communicating its messages through media. Its representatives are present in media whenever it is needed to discuss the topic of poverty, social exclusion and discrimination of vulnerable social groups. CAPN/HMPS members are participating in various TV and radio shows, they are present at numerous news portals.

CAPN/ HMPS is in partnership in the international project "Award for Journalistic Papers on Poverty in the Republic of Croatia" (with the leading role of EAPN Austria). The impact and the final outcome of the project activities are every year making significant steps forward in quality of the reports, in the media perception and sensitivity related to poverty problems. The CAPN "Lighthouse" award for journalistic achievements is pointing out the importance of living the life with human dignity, the importance of the respect for human rights of people experiencing poverty.

EAPN Croatia had participated in EMIN 2 project. The national cooperation with key stake holders-Government, Trade Union organizations and most of all with nongovernmental organizations in civil sector had put into the focus of public interest importance of minimum income. Raising of public awareness related to the importance of minimum income was satisfactory. The EAPN bus presence was also added value to all CAPN/HMPS activities in Croatia.

The impact to be achieved is –better and more effective communication/dialogue with the national governmental bodies.

## 8. Key Recommendations

1. Reduction of the population at risk of poverty and social exclusion.
2. Increase of the public investing for social protection-ensuring minimum income for all in need , in order to prevent and combat poverty.
3. Introduce structural social reform-ensure benefit distribution to be linked to the minimum standard of services, mostly to avoid regional disparities and quality and access to services.

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