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Poverty Watch Report for Croatia 2021.

September 2021

1. Introduction

Croatian Anti-Poverty Network (CAPN) is a non-profit organisation founded in 2014, and in June 2014 it became a member of the European Anti-Poverty Network. CAPN consists of organisations active primarily in the social sector, such as Caritas Zagreb Archdiocese, City Society of the Red Cross Zagreb, Croatian Homeless Network, Pragma, ISKRA, Zamisli, Social Support Society, and Independent Trade Unions of Croatia, as well as experts in the social sector. The aim of the CAPN is to raise public awareness of the need to reduce and finally eradicate poverty in the Republic of Croatia and in Europe. CAPN is committed to strengthening social dialogue with stakeholders in the state and civil sector, and to strengthening the participatory role of people experiencing poverty in all areas of social life.

In the social welfare system, for many years, despite constant reform efforts, the necessary structural reforms have not been implemented, and the existing system continuously generates new areas of uncovered social services, with low benefits for beneficiaries in the social welfare system. System reforms ended at the level of the implementation of pilot projects that were not systematically incorporated into the public and state system through legislative and financial instruments. An analysis of attempts to reform the system points to the fact that efforts to date have been significantly focused on reducing overall social welfare costs, thus seeking to contribute to economic growth and increasing employment.

„The emergence of poverty in the society can be an obstacle to achieving the full personal and family development of individuals, an obstacle to participation in social life. Poverty can prevent the realization of opportunities for the development of full human resources that contribute to the development of society as a whole, thus underestimating / reducing social cohesion and inclusive, sustainable social development. Poverty is a challenge to basic economic, social and cultural human rights. The moral and political imperative is: advocating for changes in attitudes towards poverty, all in cooperation with and for the well-being of people with experience of poverty and social exclusion“ (EAPN, K. Duffy).

“Poverty needs to be measured for a number of different reasons. First, measuring poverty allows predictions about the size / significance of the problem, and raises the visibility of the phenomenon, putting poor people in political focus. Second, poverty measurement is needed to identify the poor population and its concentration in specific areas, after which it is possible to identify appropriate policies and interventions” (UN Handbook).

2. What is the situation with poverty in Croatia in 2021 - a review of the current situation determined by the Covid-19 pandemic? Who are the most vulnerable social groups in the Republic of Croatia / the most affected social groups?

1. Reducing the number of people at risk of poverty in 2019

According to the Central Bureau of Statistics (CBS), the at-risk-of-poverty rate in Croatia has been continuously declining, amounting to 18.3% in 2019 (20.6% in 2010), while there were 23.3% of persons (31.1% in 2010) at risk of poverty or social exclusion out of the total population. The exclusion of social transfers from income affects the increase in the percentage of people at risk of poverty from the basic 18.3% to a rate of 24.3%, but if social transfers and pensions are excluded from income, then the at-risk-of-poverty rate is 41%. The at-risk-of-poverty rate by age and gender in 2019 was highest in persons aged 65 or over and amounted to 30.1%, while the at-risk-of-poverty rate by the most common activity status was the highest for the unemployed and amounted to 45.3% (CBS, 2020, 2021). Eurostat data on per capita consumption in 2020 show that Croatia is the second poorest country in Europe (EUR 13,100 in 2020, Eurostat), right after Bulgaria (EUR 11,900 in 2020, Eurostat). In 2019, 62,301 people received social benefits (guaranteed minimum benefits), of which 28,646 were women and 23,302 were single. Among the recipients of benefits are 14,925 children.

2. Earthquakes and pandemics increased the risk of poverty for certain vulnerable groups

The coronavirus pandemic, which was declared in Croatia on March 11, 2020, has greatly affected the slowdown in the growth of the Croatian economy. As of September 10, 2021, 8,405 people (out of 380,904 patients) died as a result of the coronavirus in Croatia. According to the Central Bureau of Statistics, the real GDP growth rate was -14.4% in the second quarter, and the decline slowed in the third (-10.01%) and fourth quarters (-7.2%). In addition to the coronavirus pandemic, Croatia, Zagreb and the wider area, Sisak-Moslavina and Karlovac County, were hit by strong earthquakes with significant material consequences, which, according to the Croatian Government, amount to about 86 billion kuna (11.47 billion euros).

The Ombudsman of the Republic of Croatia emphasized in the report that people living in poverty in Croatia or at increased risk of poverty are more likely to have health complications, live in inadequate conditions and often lack resources to stay at home or follow hygiene recommendations during the pandemic. On the occasion of the International Day for the Eradication of Poverty and Social Exclusion, the Ombudsman gathered representatives of the most vulnerable groups and organized an online event "The Impact of Coronavirus on the Most Vulnerable: How to Protect Social Rights?". It was especially emphasized in the discussion that the impact of the pandemic hit the users of the social welfare system the hardest, that the risks of poverty are increasing, as well as the needs of citizens who have not been users of the system because they are facing job loss and unemployment, lack of health, lack of resources to overcome new challenges and disadvantages. Participants of the discussion mentioned the problems of the most vulnerable groups, and some of them are: people with disabilities, the homeless, members of the Roma community, poor families with children, single-parent families and the elderly. Although the workers themselves are not a

vulnerable group, it was pointed out at the discussion that the pandemic affected both employees in informal or precarious jobs, as well as part-time workers. It also paid special attention to the poverty of employees, ie low-income employees who cannot meet basic living needs.

3. The pandemic also affected the work of civil society organisations (CSOs) that developed additional social services during the pandemic and earthquake in Croatia.

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CSOs played an important role in providing social services in Croatia during the pandemic, and provided services during the pandemic and earthquakes, although they themselves faced multiple problems such as funding cuts due to delays and cancellations of funding by contracting authorities (public and private sector), redundancies, changes in the way services are provided and the way they work. The sustainability of civil society in 2020 and 2021 has been disrupted in almost all areas, taking into account the available resources for work and involvement in social change.

In Croatia, the definition according to the Social Welfare Act, Article 4. (OG 157/13, 152/14, 99/15, 52/16, 16/17, 130/17, 98/19, 64/20, 138/20): "A homeless person is a person who has no place of residence, nor the means by which it could meet the need for housing, and is temporarily housed in a shelter or resides in public or other places not intended for housing". Homelessness in Croatia is still limited to the most visible and most needy category of homeless people and such an approach does not take into account people living in homeless shelters or living in very precarious housing conditions, inadequate housing and people at risk of homelessness due to very uncertain tenancy rights. There are officially 56 homeless people in full-time or half-day stays, and 161 homeless people in temporary accommodation in crisis situations (Ministry of Labor, Pension System, Family and Social Policy, 2020). Civil society organisations estimate that there are 2,000 homeless people in Croatia, 25% of whom are women (Croatian Homeless Network, 2021), and includes people living in inadequate housing conditions such as boats, caravans, shelters without electricity and water, basement apartments, barracks, garages and similar abandoned buildings. According to the Social Welfare Act, "Large cities and cities of county headquarters are obliged to provide funds in their budgets for the service of food in soup kitchens, as well as for the provision of accommodation in shelters or accommodation for the homeless." Despite the legal provision, a large number of cities in Croatia still do not have established homeless care programs. Cities, as units of local self-government, very often ignore their legal obligation to financially support shelters and accommodation. The need to harmonize standards by cities was emphasized, given that cities in Croatia currently help and finance the work of shelters to a different extent, as well as to harmonize the number of professionals working with the homeless.

In 2020, the initiative "The right of every child to a school meal" was launched. It is an initiative from the academic community. According to the research, in Croatia there are significant regional differences in the method of financing and availability of school meals,

which affects the occurrence of child poverty, since in Croatia almost 15,000 children are among the recipients of social benefits (guaranteed minimum benefit).

Representatives of NGOs in the discussion "The Impact of Coronavirus on the Most Vulnerable: How to Protect Social Rights?" organized by the Ombudsman (held October 20, 2020), point out that since the beginning of the crisis caused by COVID-19 the NGOs that work with the homeless ensured supplies, purchased protective masks and provided work 24 hours a day to protect beneficiaries. Also, in early April 2020, the Croatian Homeless Network appealed to the public about the need to protect a large number of people on the street, especially in Zagreb, living in inadequate areas without electricity and water and their absolute inability to maintain personal hygiene, which is necessary in the circumstances of pandemics. There is a need for *ad hoc* solutions and setting up, for example, tents for the homeless, which are estimated to be more than 500 on the street in Zagreb. It was pointed out in the discussion that urgent requests for accommodation after leaving health institutions, communes or prisons have become more frequent, which is further aggravated in the circumstances of COVID-19 when there are no additional accommodation capacities, testing and self-isolation possibilities.

3. What are the key challenges and priorities? What do people experiencing poverty think about this?

PERSPECTIVE OF PERSONS EXPERIENCING POVERTY / focus group discussion

In the process of forming focus groups, we encountered a strong refusal to participate in the discussion by potential participants. The reason for refusing to participate was a sense of shame and avoidance of any association with poverty and identification as poor people. Also, some of the participants who had previously agreed to participate did not appear at the agreed time for holding the focus group. People experiencing poverty who agreed to participate refused to be filmed during the interview and sought to ensure complete anonymity and maintain discretion. With this in mind, notes were kept during the interview and supplemented at the end of the interview. The fear that someone will recognize that they have participated and that they are associated with poverty only further points to all the vulnerability experienced by participants in being in a group of people experiencing poverty. A total of 5 participants participated (4 participants participated in one focus group while one person subsequently expressed their thoughts on the topic of poverty over the phone). The interview lasted about 90 minutes.

The focus group is guided by predetermined thematic units:

<p>Perception of poverty in Croatia</p>	<p>What does poverty look like in Croatia? How is poverty defined? What is meant by the terms absolute and relative poverty? What is your perception of poverty in Croatia?</p>
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<p style="text-align: center;">The effects of poverty</p>	<p>As a person experiencing poverty, what do you think about the effects of poverty on you and your family's life? How did living in "poverty" affect the quality of life?</p>
<p style="text-align: center;">Self-perception of personal poverty</p>	<p>What are your experiences and views of poverty? What difficulties do you face due to poorer material status? What do you need to give up to due to a poorer material status? How do you meet basic life needs, education, work, community involvement, health, etc.?</p>
<p style="text-align: center;">Social inclusion - a sense of belonging / isolation</p>	<p>To what extent are people experiencing poverty involved in the social life of the community? Do you feel a sense of belonging or isolation from the community in which you live? Involvement in the daily life of the community?</p>
<p style="text-align: center;">Social support</p>	<p>How do you experience social support? Assessment of satisfaction with sources of formal and informal support? Who helps you in life? Who can you rely on? How do you experience social support?</p>
<p style="text-align: center;">Key challenges and priorities</p>	<p>What, according to your recommendation, would help alleviate poverty? How do you see the way out of poverty? Do you have any suggestions?</p>

Perception of poverty in Croatia

- "I personally do not see myself as a person who is described as such. I mean I never thought about the definition, nor is it important to me, more important to me is the solution of how to get out of this situation. How to give my children what they need. How not to have to count how many meals I can make out of a pound of rice or pasta and how I make a meal for my kids when I have 20 kunas [less than 3 Euros] a day earmarked for food. Tell me if the definition or the solution is important."

- "I agree with the definition, poverty is not just money and food. I have food, and my kids aren't hungry, but the problem is I can't afford other things that are taken today as if everyone has to have them, like expensive cell phones, laptops, tablets, and now these watches, trips. It all costs money and I can't afford all that for my kids. I see in them that when I say "but we don't have the money for that", sadness in their eyes. I wait for someone from the family to want a new model of tablet and then give their old one to my children. You always have to set aside for something you know you don't have, but you don't want your children to suffer while everyone else has everything."

- "I agree that it's good that it's not just written about money, and that other things make you poor."

- "Maybe to expand to those digital devices, today it is necessary that you need to have a computer, but then also the Internet - and you don't have the money to pay for all that ..."

- "We did not have a computer and there was no understanding. At the end of the semester, she remained unscored because she could not be in class. Some helped her and sent her SMS assignments or results. So a friend told her what they did."

- "I would like to mention housing, we live in a small tenant apartment, cramped, without adequate furniture, stuffy and damp. It's not for people."

- "I don't have any of that, I live in an abandoned house in difficult conditions, I don't even have water to take a bath or a toilet or electricity. What will happen to me and how much more I will be able to live like this, no one knows. Better not to live than to live in such misery. You're young, you can't understand how hard it is. One cannot move anywhere."

- "I assume that by this absolute poverty you mean us homeless people. Yes, then I could say I am absolutely poor. Everything I have fits in one bag that I have ready if someone comes to that house and I have to run away. "

- "It's good that it evolves over times, because I grew up without a TV, a cell phone and all that stuff. Today, you have it as normal, and you still live in poverty."

The effects of poverty

- "Some have nothing to eat, I know personally a neighbour who sometimes has no bread. Thank God I'm not in such a difficult situation. I hope I won't be. There are a lot of those who have nothing, such as food, a roof over their head. Some are abandoned, they can't do their own laundry, if I didn't help that neighbor as much (as I'm poor too and I give as much as I can), then she would have nothing. I feel sorry for her. "

- "It affects your health, in that misery a man goes crazy. You go crazy over it. Imagine going to 4 squares and looking at a black mold wall. How not to be crazy. "

- "I agree with that, health, your health has been damaged ..."

- "You get depressed, you feel miserable"

- "Shame you live with day by day ..."

- "That feeling when you can't do anything ..."

- "It affects everything, everything, and not only you, the whole family as well. To the children..."

Self-perception of personal poverty

- "We make ends meet. At the end of the month it is always the hardest. Sometimes we really have nothing in the end. Then you make sure you have to buy yogurt or buy more rice, flour and then at the end of the month I figure out what to cook to survive. I always make sure that in the end I have at least for electricity and food. That's the most important thing. "

- *"This corona came in handy for me this year since I didn't have to be afraid to tell my child that he can't go to the graduation trip. I couldn't pay for it anyway, so at least something..."*

- *"When you don't have wood, we would all be in one room during the winter and wouldn't heat the other rooms."*

- *"I agree that winter is the worst. It is especially difficult then. I usually warm up on the tram or go to the coffee or library and spend hours there. This year, everything was closed, so it was nasty."*

- *"I give up on everything, and so do my children. We are forced to live modestly. Not that they want it, but I see that they also help a lot and are aware of everything. When my daughter went to apprenticeship, she gave me what she would get for the apprenticeship to have for the bills, I try not to take what she earns, but sometimes I really don't have an option."*

- *"Clothes and shoes. I wear it until it falls apart on me. I don't buy anything that isn't the most necessary, I don't buy for the house, I have old worn out furniture. I give up on everything that people can otherwise easily afford. Now everyone is talking about vacations. Of course I'm not going anywhere. I don't have any money to go. "*

- *"For me, it means what we can't do without, it's water and food and electricity. I always try to settle it first, and then other things come."*

- *"I give up my therapy. Sometimes I just can't afford it. It's too expensive. I know that my health is endangered by that, but I don't. "*

Social inclusion - a sense of belonging / isolation

- *"What sense of belongin, you don't belong anywhere, you are a burden to everyone. You know how they say: "The poor: you're a burden to everyone", and it really is. "*

- *"How do you belong when you have to pay the entrance fee for everything that is organized in the neighborhood, and you don't even have food. And as if you should dress in the latest fashion, and you are mending your sock for the fifth time. How can you, like your neighbors, go somewhere when everyone sees that you have no money, even if you do, then they say: "Look at him, he has so much.". You get the impression that you are constantly under a magnifying glass. "*

- *"Yes or when they invite you to come to someone's wedding, christening, birthday. How, if you don't have a gift. You don't go out of shame anymore, and then they think you don't want to go because you don't like them."*

- *"Poverty is much more than what you have just read. You are poor not only materially, but also socially, and in all other ways. When you have no money there are no friends or they are rare. Before, when I was employed and working, earning my living, I had friends. I took out a loan and then got fired because I was redundant and now that I have failed my friends are gone. I sit at home alone and that is the hardest thing for me. I have no one to talk to, no one to hang out with, no one wants to be with you, as if poverty is contagious."*

- *"Neighbours usually turn their heads the other way. They would be embarrassed if someone saw them with me."*

- *"The worst is when children are afraid of me and I love children. You feel bad when they look at you like a miracle. The man gets lost in that."*

- *"That the neighbors just avoid drinking coffee with you. I guess they think I'll ask them for money. I manage. It's not about the money. But again they think so. I care about people. "*

- *"You're lonely ..."*

- *"You feel bad among people when you don't have ... "*

Social support

- *"Don't count on others, you have to take care of your own hunger. That's what I would tell you. "*

- *"At least the family is with you, luckily we are very close, if it weren't for them I wouldn't be able to endure this kind of life."*

- *"Friends who are no longer with you. It so happened that a friend of mine jumped in twice and paid the electricity bill so they wouldn't turn me off. Then the problems start, because I wouldn't have a connection. "*

- *"I have a big family, we have support, but they also have their problems and worries, it's not that you can always go to them. Especially in this corona, no one has more money, everyone is making ends meet."*

- *"Friends, family, everyone leaves you when you need them ..."*

- *"They turn their back on you ..."*

- *"Sometimes my friends would buy me a drink because they know I don't have the money, they don't ask you the money, they just pay and say: "You'll get it some other time"..."*

- *"Who would you need in life, you see I'm still alive, I don't need anyone. They just disappoint you. It is better to be alone ..."*

Key challenges and priorities

- *"I honestly don't see a way out of this unless I win the lottery."*

- *"While our state is like this, there is no salvation."*

- *"How do they know what I need if they have never been in my skin, nor has anyone asked me what I need. I don't need social assistance, give me a job, but only young people with school are employed, no one wants to hire me. "*

- *"More understanding for people with disabilities might help me find a job, so I would have a better way out of this situation."*

- *"The challenge is to knock on the door and keep telling people you need something, you get tired of it."*

- *"The priority for me is health, dentist above all. No dentist today will take you if you don't have insurance, and how do I pay for it when I don't have it. The worst thing is to have such*

terrible pains in the cold of winter. In the winter when everything was closed, you can't even go to the emergency room because of the corona, and then you suffer and suffer. "

- "If they had feelings, the the politicians could solve a lot of things, but then they would have less in their pocket ..."

"The state should take care of their own, we are people too."

- "There is no more hope for me, it's hard for me to say. I can't look that far ahead. I live to survive the day, and what will be it. How do I know... "

- "It's clear to me that it's not that simple, but I'm sure there needs to be a will to solve something, and I don't see it."

Concluding remarks

Through the conversation, the participants of the focus group gave their view of the world and everyday life from the point of view of people experiencing poverty. Respondents answered six groups of questions: first, how they understand and define poverty; second, what are the effects of poverty; third, what their experiences and views of poverty are; fourth, what is the relationship between poverty and social exclusion; fifth, what is the role of formal and informal support systems in their lives; sixth, what are the key challenges and priorities associated with getting out of the poverty circle. The given descriptions provide an overview of the reality and experience of materially deprived persons and their assessment of the key challenges and priorities in overcoming difficulties. The interview and the answers given to us by the participants showed:

- 1) Participants define poverty as the inability to meet material needs, especially food, clothing and footwear, but also the provision of accommodation, means of work and similar.
- 2) When assessing the definitions, many participants highlighted the psychological aspects of poverty because they are aware of their vulnerability.
- 3) It was pointed out that greater focus should be on solutions, while less should be bothered by defining and describing individual situations.
- 4) They emphasize how poverty affects all aspects of their lives, especially health, unhealthy and poor diet, and loneliness. Material deprivation leads to psychological insecurity, which in turn creates a feeling of helplessness and hopelessness.
- 5) Poverty creates vulnerability, it causes a feeling of abandonment, and due to limited opportunities to maintain social ties with friends and relatives (inability to go to celebrations and social events), it creates a feeling of isolation in a person experiencing poverty.
- 6) For some people experiencing poverty, even a minor illness can be fatal because some of them do not have health insurance (eg unregistered homeless people), and for some the lack of financial resources for treatment and purchase of necessary medicines and visits to dental practice causes further exacerbation.
- 7) For people experiencing poverty, a network of friends and relatives is important to whom they can turn for help, but, of course, their possibilities are very limited. They see support

primarily in informal sources, while some point out that social support is completely absent and that in that case they can rely only on themselves and their abilities.

- 8) The impossibility of influencing the decision-making of one's own destiny, further undermines the position of people experiencing poverty and emphasizes the need to include them when thinking about solutions to get out of the vicious circle of poverty.
- 9) They see the state and formal institutions as actors that could enable the exit or alleviation of the consequences of poverty but they consider them ineffective in this role. They believe that more active forms of assistance should be provided by offering passive forms of help and support (social assistance, benefits). In terms of job creation, especially the employment of people with some form of disability.
- 10) They are aware that poverty alleviation is a complex process for which there are no simple solutions, but they do not see the will of those who could start the process.

4. Does the EU and the national state administration help solve social problems?

The European Semester (National Progress Report, National Reform Plan and Country Specific Recommendations, as an EC guideline and corrective to previous documents, alongside the European Pillar of Social Rights (2017)), as an instrument for monitoring and encouraging national development, greatly contributes to national progress. In addition to the general positive role of the European Semester on development processes in the Republic of Croatia, the field of social protection was not included in positive development processes as was persistently warned through Country Specific Recommendations. The European Commission's comments persistently pointed out to the state administration the need to reform the system: "The demographic situation in the Member States and in their labour markets should also be considered, especially in view of the aging population. Permanent restrictions on mobility will affect working conditions, learning and training, and access to services. Given the increase in existing inequalities brought to light by the crisis, it is important not to neglect vulnerable groups. The approach to recovery must also be gender sensitive in order to reduce the disproportionate impact that the crisis has on women due to the increase in existing inequalities. The three dimensions of the European Pillar of Social Rights, i.e. equal opportunities, fair working conditions and access to social protection, remain the cornerstone of policy measures at EU and Member State level" (COMMUNICATION FROM THE COMMISSION, European Semester 2020: Country Specific Recommendations). The Commission's recommendations largely coincided with those of the Croatian Anti-Poverty Network. Current Recovery and Resilience Program for 2021 did not involve civil society organisations in the process of planning and final definition of the Program.

5. What does the EAPN/CAPN do? What are the results?

CAPN is successful in efficient and frequent communication with the media - print and electronic, related to issues of poverty and social inclusion in the Republic of Croatia and Europe.

The Lighthouse Award, a project activity supported by the Erste Foundation in partnership with the Austrian, Serbian, Hungarian, Romanian and North Macedonian Anti-Poverty Networks, also contributes greatly to the visibility of CAPN, and its added value is

authenticity in judging the selection of articles and the selection of journalists given that the jury consists of people with direct experience of poverty. The multi-year implementation of the project indicates an increased interest of journalists for the recognition of CAPN, and the articles become of better quality, both thematically and in the approach to the phenomenon of poverty in society.

After numerous attempts to communicate with the Ministry, the Croatian Anti-Poverty Network sent an Open Letter to Minister Aladrović in which, among other things, it is pointed out:

Civil society is considered a "social glue" in developed democracies, offering the opportunity to "hear the voice" of those who represent the interests of vulnerable, marginalized social groups. It is also an opportunity to demonstrate the democratic governance of those in power, and to the citizens it is a message that civil society is part of a modern, civic society based on co-governance. The measures announced for years for the development of social services (from defining the price list of social services, creating a catalog of services, social contracting, greater investment in social entrepreneurship, development of new services for the elderly and people with disabilities) are mostly part of regular announcements at various professional gatherings – and has been for decades. Grant opportunities in the field of poverty alleviation from national and European sources aimed at civil society organisations are neglected and not recognized as a priority, and some national policies are designed and implemented by foreign consultants (and international agencies), while domestic independent experts are set aside. We see no links (strategic projects) in the area of social policy and the education system, as well as the reform of the unemployment support system. The announced "voucherization" of lifelong learning is an example of "ad hoc" action in which it is indicated that the "minister's decision" will determine the criteria for awarding vouchers to the unemployed, which leads to further centralization of the system. Support for the unemployed during the pandemic is unclear and the role of the body within the employment service system - CISOK (in which Croatia has invested significant funds in establishing such centers primarily for young people to overcome the unemployment crisis) during and after the pandemic is unclear. The crisis that the pandemic will show only in the coming decades in the field of education of children and youth, as well as their skills for life and the labour market, indicates the need for continuous prevention and support measures, linking employment, education and social welfare systems. In the field of social welfare, "cooperation" between the Ministry and the public is mainly through the media - so the Ministry through the media announced an increase in the base for the guaranteed minimum benefit from 800.00 to 1000.00 kuna, which will be proposed in the new Social Welfare Act, and should be in effect from January 1, 2022. Here we consider it important to point out that many European Union countries have improved compensation systems aimed at protecting the poorest during the pandemic, while in Croatia such measures have been omitted. In addition to the announced payment of the so-called Covid allowance for pensioners with pensions below 4,000 kuna - a measure we welcome - it is necessary to provide emergency assistance to the poorest, people with disabilities living on personal disability benefits or recipients of the guaranteed minimum benefit, reminding that they also had increased expenses during the pandemic and the payment of the COVID allowance should have been ensured. According to the analysis of the Croatian Anti-Poverty Network, the announced increase of the guaranteed minimum benefit by 200 kunas does not seem to be sufficient to cover basic living expenses, especially if it is known that the poverty line for a single person in Croatia is 2,700 kunas per month. It is

obvious that even after the increase, recipients of guaranteed benefits will remain at high risk of poverty. A good part of European countries provide social assistance to their citizens in the amount of 50 to 80% of the poverty line, and the recommendation of the European Parliament from 2010 is that the basic benefit for the poor be equal to the poverty line. After the increase of the guaranteed minimum benefit in Croatia to 1,000 kunas, the national benefit for the poorest will reach only 37% of the poverty line. It is certain that the amount will not be sufficient to cover the minimum food costs of poor citizens, and we at CAPN advocate the establishment of decent social benefits and a minimum income system in Croatia. In addition to all the above, the fact is that the number of recipients of guaranteed benefits has decreased significantly in recent years, and the annual state budget expenditure for this item fell from about 700 million kuna per year in 2014 to 440 million as planned for 2021. We believe that it would be more socially just if the total allocations from the budget for the poor remained at the same level of allocations and that this total amount is now used to significantly improve the guaranteed minimum benefit system aimed at protecting the standards of the poorest members of Croatian society. We invite you to cooperate with CAPN in drafting and implementing national strategic documents, as well as improving the entire social system, using the network of organisations and independent experts of the Network and gaining insight into the "voice" of vulnerable and marginalized groups who do not have the opportunity to expose "their case".

6. Priority messages and recommendations for 2021

1. Reducing the population of at risk of poverty and social exclusion by continuing social investment in cash benefits for vulnerable groups and non-monetary services in the field of employment and integration. Continue to promote the concept of integration of social services for vulnerable groups, which is underdeveloped in Croatia and exists in the "islands" of the public and state sectors.
2. Involvement of civil society organisations in the development and implementation of social inclusion measures at the local and national level, by promoting the concept of co-governance and development of civil society as an organized force that promotes democratic, European values.
3. Increasing public investment in the field of social protection - ensuring an adequate minimum income for people in social need in order to prevent poverty and maintain an adequate standard of living. Design measures appropriate to the times of crisis that were lacking during the COVID-19 pandemic for particularly vulnerable groups (eg children in the families of recipients of guaranteed minimum benefits).
4. Implement structural reforms of the social protection system, in particular with regard to the distribution of benefits that should be in appropriate proportion to the minimum standards of services that should ensure regional uniformity, both in the quality and availability of services.

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