



EUROPEAN ANTI POVERTY NETWORK

CROATIA

TOWARDS A SYSTEMIC APPROACH TO SOCIAL PROTECTION

POVERTY WATCH 2024





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Introduction

The Croatian Anti-Poverty Network (CAPN), as a civil society organization, was founded in March 2014 and became a member of the European Anti-Poverty Network (EAPN) in June 2014. The founders of CAPN included organizations such as the Center for Social Policy Initiatives, City Red Cross Society Zagreb, Croatian Network for the Homeless and NGO Pragma. Later, other organizations and individuals, including Caritas of the Archdiocese of Zagreb, Caritas of the Diocese of Dubrovnik, The Independent Trade Unions of Croatia and others joined the Network.

CAPN's goal is to raise public awareness about the need to reduce and ultimately eliminate poverty in Croatia and Europe, empower civil society organizations in implementing social rights and participation in the creation of public policies at the local, national and EU levels. CAPN advocates for strengthening social dialogue with stakeholders in the state and civil sector, with a particular focus on enhancing the participatory role of individuals experiencing poverty in all areas of social life.

Objective and summary of the Poverty Watch

The Poverty Watch for the year 2023, prepared by CAPN, aims to raise public awareness of the priorities that characterize poverty in Croatia, primarily through the perspective of persons experiencing poverty in Croatia as well as to provide insight into some of the problems they face in Croatia.

Basic data – Poverty indicators in Croatia and the perspective of people experiencing poverty

At the level of the Republic of Croatia, 18 active social protection programs have been identified that fall under the scope of the ESSPROS research. Active programs:

1. Mediation in employment and rights during unemployment
2. Pension insurance – I. pillar
3. Health insurance – basic
4. Health insurance - supplementary (for now only the Croatian Health Insurance Institute)
5. Family benefits
6. Social care
7. Assistance for housing costs
8. Assistance for meeting the costs of firewood

9. Social protection in the city of Zagreb
10. Social protection of employers
11. Pension insurance – II. Column
12. Rights of Croatian veterans from the Homeland War and their family members
13. Health protection at work
14. Rights of civilian war invalids and their family members (civilian with war disability)
15. Rights of wartime and peacetime military members with disability)
16. Other social protection at the local level
17. Social protection of non-profit institutions
18. Social protection in case of natural disasters.

According to data from the National Bureau of Statistics (using the ESSPROS methodology), the share of social protection in the gross domestic product of the Republic of Croatia in 2022. was 20.8 %, which is a decrease of 1.6 percentage points compared to 2021. Gross domestic product in the current prices increased by around 9.9 billion euros, while total social protection expenditures increased by around 1.05 billion euros. The central system collects data on social protection in gross amounts on an annual basis (that is, before the recipient of social protection benefits pays any form of taxes, contributions or any other mandatory payments on them). This slower growth of social protection expenditures was also felt by people with the experience of poverty:

"I have the feeling that everyone got something during the pandemic, entrepreneurs, everyone worked normally, and my pension was getting smaller and smaller. I have the feeling that those extra few euros that I received through state aid suddenly disappeared in the first store".

"I come to the hospital, and they say that the lists are even longer than in previous years. How is it possible that we give so much money for health insurance, from my small salary I give about 200 euros to the health fund every month, and I have to go for everything privately, I don't do anything in the hospital. They didn't even have the medicines I needed in the hospital pharmacy, but they told me to contact my doctor because they say the pharmacists didn't give them the medicines because of non-payment".

Social security contributions are a type of direct, mandatory levies that finance the social security system of citizens, such as pension or health insurance. Contributions are collected from the salary (i.e. at the expense of the employee) and at the salary in (i.e. at the expense of the employer) and are collected in extra-budgetary funds whose function is to pay social

security benefits to citizens. Social contributions predominate in receipts (59.5% of all social protection receipts in 2022). This is followed by financing from the general government (36.7%).

"I am glad that, for example, the state has decided to finance the construction of kindergartens in those poor municipalities. This is where you need to spend and show that children are important to everyone, and not that you depend on the municipality. I don't know what those municipalities are doing. It would be good if he did the same in Zagreb, we always have a lot of children there who are not enrolled."

Social protection benefits accounted for 98.3% of total social protection expenditures in 2022. According to the type of social benefits, monetary benefits prevail (61.5%). According to the characteristics, social protection benefits (monetary and non-monetary) that are not based on a means test are especially prevalent (95.2%).

The basis on which the amount of the minimum income is calculated is EUR 150 and is determined once a year. The conditions for recognizing the right to the minimum income are determined based on the income of the applicant and all members of the joint household and based on the property owned. This amount is not enough to satisfy all basic life needs. Current figures do not keep pace with the cost of living, especially in urban areas where housing and basic food costs are high. Many beneficiaries are struggling to survive on current amounts, often relying on additional assistance from humanitarian organizations and the community.

"Come on, sometimes I feel like they're mocking us with that amount. Not enough and I have nothing else to say on the subject. There are no tips, recommendations, except - increase it."

"The person on the guaranteed minimum income is also poor, but also the person who receives the minimum wage, and the one who has the average salary in Croatia. There are no rules and there are no molds. "

The minimum wage in Croatia is increasing, so one can get the impression that living conditions are improving, but it does not sufficiently follow the rate of inflation.

"We were never well, and now we are not better."

"I had the feeling that my money was worth more because I got a salary increase, but then there was a shock because every month the prices went up by 20, 30%. Well, I will give just one banal example for my two children - children's one-day trips have jumped from EUR 25.00 to EUR 60.00, and for two children it is EUR 70.00 more than a year ago. "

"First there was the war; then one thing, then another, then the recession, then there was this, then there was that, then there was a pandemic, then Ukraine, then the euro, then Gaza... And they always say that we are in a crisis, that it will get better. So far, it hasn't happened, so I don't believe it will happen soon. I stopped convincing myself. There will always be a crisis, but when improving the living conditions of citizens is not their priority - then they have to blame something else, not themselves."

When compared to other EU countries, the minimum wage in Croatia falls into the lower categories, but it is still in line with the country's level of development or even above it if GDP per capita is analyzed. Approximately 1.5 - 2% of workers in Croatia receive the minimum wage (and slightly above the minimum another 6% of workers), and among them are mainly women, young people, people with a lower level of education, those with fixed-term contracts, and workers into smaller companies and the private sector. Unemployed persons who receive the minimum income (the amount of the guaranteed minimum benefit is determined as a prescribed percentage of the basis determined by the decision of the Government of the Republic of Croatia. The basis on which the amount of the minimum income is calculated is EUR 150 for an unemployed single person of working age, and for an elderly person and a person completely unable to work benefits amount to EUR 195 per month) represent a particularly vulnerable group. People who have experienced poverty believe that an increase in minimum incomes, including minimum wages, is urgently needed to bring them into line with the needs of everyday life.

"When I was on the minimum income, it was difficult. The money was not enough for me for all the basic things, such as an apartment, food and bills. I constantly had to manage to cover all these expenses. It was stressful to constantly worry about how I was going to pay for everything and stay out of debt. Now that I'm working and getting the minimum wage, it's a little easier because I have a somewhat more secure income, but it's still hard to balance with that money."

The current minimum wage in Croatia is 840 euros gross (677 euros net). If we consider the growth of food and housing prices over the past few years, it becomes clear that the amount of 677 euros per month is not enough for a dignified life. If we consider the food and housing price increases that followed several years ago, 677 euros per month is not enough for a dignified life. The average price of renting a one-room apartment (approx. 50 square meters) ranges between 500 and 700 euros. The price of utilities - water and electricity, is in the minimum range of 80 to 150 euros. From the above we can see that the minimum income, if viewed

through the minimum wage, is not adequate to the needs of citizens. Unemployed persons who receive a minimum income are a special group.

In accordance with the Law on the Minimum Wage, the Government of the Republic of Croatia, upon the proposal of the minister responsible for labor, adopts the Decree on the amount of the minimum wage for each calendar year. The amount of the minimum wage for the period from January 1 to December 31, 2024, is determined in the gross amount of EUR 840.00 gross (EUR 677 net).

"It's not much, but I manage somehow. The salary is minimal, but at least I can cover the basics, like rent and bills. I think it's good that there is a minimum wage, because it would be difficult to work without any certainty of how much you will get for what you do. But the truth is that with this salary it is difficult to save or plan for bigger things in life. However, it is important that I have something, even if it is a minimum wage."

Food is one of the basic costs, and its prices have been continuously rising, especially due to factors such as climate change, increased demand and inflation. "Filling the fridge" with basic foods is a minimum of 50 euros per week, which leads to a minimum monthly amount of 200 euros for food alone. If we are talking about a family with at least one child, the costs are even higher, both for food and for other costs of upbringing and education, clothes, accessories and the like.

"When it comes to food, I try to be as smart as possible with money. I mostly buy basic food such as rice, pasta, vegetables and cheaper meat. Sometimes I also buy canned food because it is cheaper and can last longer. I spend around 100-150 euros a month on food, but sometimes I must limit myself and spend less if money is tight. Sometimes I also use promotions or coupons to save a few euros."

In Croatia, as in other countries, energy prices are subject to fluctuations on the market, and for many people, especially those experiencing poverty, the increase in overhead costs can represent additional financial pressure, especially if these costs increase suddenly or if income does not adjust to this are growing.

"Utility bills have always been a big expense for me. I try to be frugal with the consumption of electricity, water and heating, I turn off lights and appliances when I'm not using them, and I try to use energy-efficient appliances. However, I still spend approximately 100-150 euros per month on utilities."

"I somehow feel like my work is not really appreciated. As if everything I do is not important or valuable. And that can be really demotivating, you know. When you do your best and then you get minimum wage, it's like someone says, "Eh, that's all you're worth." It really reduces your will and self-belief. You feel like you are just a number or a working robot, and not a person who deserves respect and recognition for your work. That can be quite difficult to deal with."

Comparing the data according to social protection functions, the largest share of social protection benefits was spent on the Illness/health care function (36.9% of all social protection benefits; the public mandatory insurance system that is financed at a rate of 16.5% on the gross salary of workers and " private system" of supplementary and additional health insurance where, depending on the amount of payments, you get a "better" health service), followed by the Age function (33.9%).

"I pay mandatory insurance of about 250 euros per month, and then also supplementary insurance, and I also have additional insurance of about 65 euros per month. Altogether, about 315 euros per month so that I don't have to wait 2 years for the regular magnetic resonance imaging that I need. It doesn't matter, I know that it's part of the system where only the poorest must wait a long time, and the rest they manage and pay for themselves".

"I am most satisfied with maternity benefits. It used to be a living shame. Now these are fair amounts, the standard of living can be maintained, and I don't feel like someone is punishing me because I decided to give birth to my third child. We are constantly whining about how we are dying as a nation, so it was time to show how we protect mothers and entire families."

"We disabled people got an increase. That's good because we also have big expenses. None of them who are not in the stroller know what we must buy additionally in pharmacies and what other supplements we buy ourselves. That's why I'm glad that we got an increase in disability benefits, you can live more normally, not as a person who receives alms to survive".

On the other hand, problems in public health are seen and felt by man. The hospital systems themselves are not networked, which makes it even more difficult for the patient to perform examinations, and a large part is still present in paper form. They see the problem of paperwork in other systems as well, and they see the explanation for it in an inadequate system and the employment of many people and the invention of work to justify the existence of a salary. They don't even see a solution in this, because firing so many workers who would be left without a salary is also not a solution, and they believe that it can only deepen the problem of poverty that they are currently witnessing.

The Old age function (pension system) is based on 2 mandatory pillars (the system of generational solidarity and the system of capitalized savings that depends on the amount of payments to an individual account during working life) and on 1 voluntary system of savings for retirement.

In Croatia, the problem of the living standard of pensioners is particularly prominent - whether it is low pensions or the procedure for exercising pension rights. The elderly in Croatia are among the most socially vulnerable in Croatia, so as many as 34.8% of them live at risk of poverty, that is, as many as 59.9% of the elderly who live alone. As of January 1, 2023, family pensions have increased by 10%, and the lowest pensions by 3%, and part of the pensioners are enabled to receive a part of the family pension for their deceased spouse in addition to their own income, which we write more about in the section on pension insurance. In 2024, the price of basic foodstuffs continued to rise, which is a special challenge for the poorest pensioners, due to the inadequacy of pensions that only cover a part of living expenses.

According to the Ombudsman of the Republic of Croatia, the rights of pensioners who have been waiting for their earned pensions for months have been violated, and many of them, who while waiting for their first pension, must manage to meet their basic needs - buy food or pay utilities, and during this period, a dignified life. The ombudsman points out that the legal deadline for resolving pension requests is up to 60 days, and it is inadmissible for pensioners to wait longer than that, even with the advance that some of them (but not all) are paid in the meantime. The amount of this advance is much lower than the pension they are entitled to and far lower than the basic expenses. Thus, the state protects itself from "overpayment", leaving the new pensioners to manage during this period to make up the difference. Everyone has the right to a dignified life, and this is not possible with a long wait for a pension or living on a temporary (insufficient) amount. The Ombudsman has repeatedly warned the Croatian Institute for Pension Insurance about this, and she also acted on the complaints of pensioners who approached her with this problem this year. Earlier, she warned about this problem in the Report of the Ombudsman for 2023. In it, she gave a recommendation to the Croatian Pension Insurance Institute to undertake additional efforts to reduce the length of procedures.

In their complaints, elderly people who turn to the ombudsman point out:

"I worked for 44 years and it's a shame that I have to fight for my legal right this way!"

"To this day, that means almost seven months, and despite numerous emergency calls, there is no solution for the pension. It is my right, not someone else's charity, and by delaying you are

doing me direct material damage. We will leave the humiliation and mental pain aside now, although they are not negligible, and the worst feeling in this whole thing is the feeling of helplessness."

"More than seven months have passed since the submission of the application, during which period I am forced to live on the edge of existence from the pension advance amounting to EUR 310, which has put me in a humiliating position, and as an elderly person who meets the conditions for an old-age pension, which is undeniably established, violated dignity by the bureaucratic, inefficient and formalistic behaviour of HZMO as an administrative body that should serve and help citizens in exercising their fundamental rights."

Also, the Croatian Anti-Poverty Network was also contacted by the elderly regarding the violation of their rights, one interviewee in the focus group points out:

"Even though I worked for 43 years, non-stop, with a couple of sick days throughout my life, I now depend on the kindness of my children to lend me money until my pension comes - does that make any sense? My wife has been working for two more years, so fortunately we live on her salary, and I didn't have any debts before. I handed in all the papers on time, more than a year ago, and every time they miss something, some paper that I must manually chase around the city, even though they say they are networked and that they are great with these new IT technologies. I also borrowed a little from friends so that after I get my pension, I will pay back my debts in the next couple of months, but it's good to have friends you can rely on in a crisis, along with family of course. And this is all happening because of the slowness of the state administration, and I don't know how to hurry them up. I wrote to everyone, sent urgent letters, and everywhere I got the same answer - wait a minute, you're not the only one with similar answers".

"You carry one paper, another paper, a third paper, you come for an examination - and then, they ask you where the fourth one is, as if I didn't do all the other examinations based on the same insurance - and it is theirs."

"And you can't fire them now either - half of our country is like that, from counties, municipalities, institutes... Where would they go if they all became redundant, you can't fire them. That is not the solution."

"I have an application for e-health, and I could make an appointment with a doctor there, but the application does not work, instead I have to call my nurse all day and wait for her to pick

up the phone. So is it so difficult to start using the already existing applications that we use so that they make life easier."

Improving the efficiency and accessibility of health care, especially for those who do not have access to digital tools or are not digitally literate, is necessary in solving obstacles in accessing health care from ordering, reviewing and retrieving their medical findings. As the labour market becomes increasingly digitized, people without digital skills and access to technology may be excluded from many employment opportunities. This can increase the risk of long-term unemployment and poverty, which then only deepens.

One positive example created in the context of healthcare is the "Health Portal". It currently serves so that a person can check their findings, see when tests have been ordered, and who their primary doctors are. In fact, a very basic portal that does not allow much (such as ordering tests, viewing waiting lists, choosing a doctor, etc.). Another big problem with the Health Portal is that it is extremely complicated to use by people with lower information and communication skills. An additional part of the problem is that people don't even know about it, as evidenced by the participants of our group themselves, and in the context of poverty itself, even if certain individuals knew, they wouldn't even be able to access the portal if they didn't have a mobile phone, a laptop, and finally the necessary credentials to access the portal. Additionally, for several years now, the "e-citizens" portal has been active as a central place for all information and services of the public sector in Croatia, which also offers a lot of useful information and services to EU citizens residing in Croatia. On it, you can access various services of the social welfare system, institutions in the field of internal affairs, justice, finance, education, finance and taxation, health, and the like. It is not a substitute for the ability to access them live. However, in the context of poverty - many do not approach it for the previously mentioned reasons, but also partly because of the need for human contact and socialization, at least in that form.

"I don't follow it. When I need it, I go to them and wait."

"I know about e-citizens, but I don't have the habit of going there."

The least funds were spent in the Housing function (0.0%) and this is precisely the category with which people with experience, but at risk of poverty, are most dissatisfied.

"I won't even talk about housing. Here I am receiving social assistance because I cannot work, I have an injured spine, but I have worked for a long time. So, I paid 250 monthly euros for the

apartment in 2022, and now the owner wants 500.00 euros for the same apartment. Everything else is the same – old furniture, old building, and twice the price. How can I pay so much for a small apartment, and the social security gives me about 250 euros for everything - and help for food, housing, utilities. Without Caritas, I don't know how I would have survived".

Rental prices or loan repayments for apartments have also risen drastically throughout Croatia. Given the rise in rental and purchase prices across the country, the demand for social housing is significantly higher than the supply. This leads to long waiting lists and difficulties in obtaining social housing.

"Before, I was in a rather difficult situation when it comes to housing. I couldn't afford my own apartment, so I lived with relatives for a while. Then I tried to get social housing, but the waiting list was too long, and I never got my turn. In the end, I managed to find an apartment to rent with two other people. We each pay about 200 euros a month for rent, and it was the best option we could find in our situation. Although I share a room with a roommate, I am satisfied with the apartment I live in, but I would like to live independently."

New categories of the poor, such as the over-indebted, that is, people in debt. In the EU, there is no official common definition of private over-indebtedness, but a conditionally over-indebted household can be considered one whose existing and predictable means are insufficient to meet financial obligations without lowering the standard of living, which has both social and political implications if this means reducing them below what is considered the minimum acceptable in the respective country (Bejaković et al., 2024). Debt problems can be a contributing factor to household tensions and their possible breakup or family abandonment. The consequences can be complex and dangerous, such as divorce, homelessness, family abandonment, mental health problems, and almost always lead to social isolation of the affected person and household members. Some authors point out that the causes are insufficient financial literacy of the population (mainly people over 50, with lower education), but also the increased demand for new products and services that often exceed the personal financial capabilities of most people. Some of the indicators of over-indebtedness are a high debt-to-income ratio, late payment of bills, constant overdraft in the bank account, lack of savings, increase in the number of credit cards, inability to repay, use of short-term loans or loans, lack of controlled personal budget and increased stress and anxiety due to financial problems.

"We took out loans all the time, intended for an apartment, and then a lot of small ones, not intended for furnishing, cars, clothes, travel - we couldn't actually afford many of these things,

but we worked in such an environment where you can see how you dress at work , what kind of car do you come with... and so the expenses increased until the debts were greater than the salaries and all the additional fees that my husband and I were earning. Then we started borrowing from friends and family members who now avoid all contact with us. Now the bank is threatening us with confiscation of the apartment because we haven't paid several installments, and I'm afraid that we haven't properly calculated what our income is and what our liabilities are, and we're afraid that we might end up on the road. We received instructions from the bank that it would be good to take a financial management course, but we don't know how and who to turn to, I haven't found any information about which associations do this, and it's certain that the banks won't provide it, at least not for us who are over-indebted... "

For the past few years, we have witnessed increasing migrations and immigration to Croatia, so, unfortunately, the problem of homelessness is becoming more pronounced and more visible on the roads of cities due to the arrival of foreign workers from poorer countries, in search of a better future, without that they necessarily secured accommodation and a job before coming to Croatia. We do not know the exact numbers - according to the Ministry of the Internal Affairs and the Croatian Institute for Social Work, it is estimated that there are around 800 homeless people in Zagreb alone.

"Come on, look at 'Square of King Tomislav' for us. Nepalese, Indians, Filipinos, I don't even know anymore, one would say they came here to be homeless; I don't think they even knew where they were coming to."

Our group sees the cause of homelessness in various life circumstances that can happen to a person - from the appearance of drug or alcohol addiction in the family, gambling, chronic diseases and high medical costs, to the protection of one's own companies, trades and jobs and the resulting indebtedness, which then later they were unable to repay due to various price increases, loans, mortgages and the like. Viewed in this way, homelessness is a problem and a reflection of the entire society, and it can happen to everyone, without exception.

"Anything happens, it can happen to anyone. No rules. Someone from alcohol, someone from gambling, someone from drugs, and someone with a clear conscience - a series of unfortunate circumstances - and then no one asks you if you've worked hard all your life and done everything according to the law... It just sucks you in. Many see the homeless only as alcoholics, but the real problem is much bigger. If that is the case - there are addicts, severe addicts, when you fall so low and try to get up, but it doesn't work - then that's the only consolation."

"I got into debt to save his small family farm, received social assistance, now I earn money by collecting bottles."

"It doesn't always happen to someone over there, who you turn your head to when you pass by, so that you don't even think about it. This can also happen to the neighbor you see every day, who - after his family died, was cheated by everyone who could, until he ended up on the street."

Homeless people also face difficulties in realizing their health care rights, as well as other rights due to not having personal documents, and the uneven practice of registering their residence at the address of the centres makes it even more difficult for them. At the same time, the research carried out by CSOs showed that many homeless people do not have a dentist. The office points out, quoting researchers, that it is important to enable the issuance of an identity card to the homeless "at any cost" because without it a person practically does not exist, cannot get a job, has problems with the police, and states that the identity card should be linked to the person and not by place of residence (address). People with experience of poverty in Croatia emphasize the importance of awareness that this problem affects everyone, not only those who currently have such an experience. The stigma and shame associated with homelessness in society makes people on the verge of poverty reluctant to seek help that could potentially prevent them from living on the streets.

"If you listen all your life - they are "terrible, inefficient, scum of society..." and you go through life with that thinking, that means - you don't think much about it... Do you think that, if this happens to you, that you will be able and want to turn to someone who can help you, or would you be ashamed?"

People experiencing poverty emphasize the importance of removing people from the street and providing adequate help in the context of mental health. They believe that every day on the street is harmful enough for a person for his whole life - one day is enough for a person to change, for him to lose what made him - him - to lose his spirit and hope and reduce the criteria below the minimum.

"You try to be as normal a person as possible and function as normally as possible. But, year after year, it gets harder and suddenly you know that your future is – closed door, you don't even need heating, you unlearn everything."

"You look at these people, they are not the same people anymore, it is not that spirit".

"It is difficult to return to normal life, let's fool ourselves. It is difficult to return to normal functioning. Now if you must go to work, so you are no longer physically able to work for 8 hours. If you go to work, you can't take a bath because they have working hours, they don't have a place to leave their things - a vicious circle".

The participants of our group see the biggest problem of homelessness in getting used to such inhuman living conditions.

"The worst thing is when a person gets used to it. And when it becomes the most normal thing. And when it becomes a way of life, albeit a different one. When the abnormal becomes normal, the threshold of tolerance is completely different when you are homeless."

"A bench is not a bed, and an inn is not a home."

"In their shelter, they had a semblance of home."

Comparing the data on the share of social protection costs in the national gross domestic product with the member states of the European Union, in 2021 the Republic of Croatia lagged the EU-27 average by 7.5 percentage points.

"I have friends in Austria. I know it's hard to compare because they have a stronger economy than us, but he keeps saying how their pensions have grown, how the waiting times in hospitals are short, how they can expect real help if they lose their jobs. Every year he says that he gets to the annual vacations, the children are functioning normally at school, there is no saving for basic things like an apartment or utilities. That seems normal to me, when you feel that the state helps you when it's difficult and invests in the right things, like children".

Looking at the shares of social protection functions in gross domestic product in 2021, the Age function lags behind the EU-27 average by 3.9 percentage points, the Unemployment function by 1.1 percentage points, the Illness/health care function by 0.6 percentage points, the Housing and Family/children function by 0.4 percentage points each and the Social Exclusion function by 0.3 percentage points, while the Surviving dependents function is above the EU-27 average by 0.1 percentage point, and the Disability function is at the same level. The biggest differences in the member countries are those between France, which allocates almost 36% of GDP for social protection, Austria with 33%, and Germany and Italy each with 32%, compared to Croatia, which allocates 22.4% (2021). From 2020 to 2022, in total social protection expenditures, the biggest drop was in the unemployment function (a decrease of almost 50%, and the total amount for the Unemployment function was mostly reduced due to the decrease

in unemployment in Croatia, which also reduced the number of people - beneficiaries, but the compensation itself is too low, especially in the second part after the first three months of receiving compensation, as evidenced by numerous people in poverty and at risk of social exclusion.

As for the amount of compensation for the unemployed, currently the highest amount of monetary compensation is 803.60 euros per month for the first 90 days of use, or 401.80 euros per month for the remaining time of use. The lowest amount of monetary compensation depends on the minimal wage in the Republic of Croatia minus contributions for mandatory insurance, which is 706.50 euros, and if the person worked full-time, the monetary compensation cannot be lower than 50% of that salary, i.e. lower than 353.25 euros. The right to monetary compensation can be exercised for a period of 90 to 450 days, which depends on the total time spent at work.

"When you're unemployed, you'd better have some savings, because you can hardly survive on this help for a few months. I was unemployed for 4 months, it wasn't terrible, I was a little late with utilities, and I managed to freeze the credit, so we survived. My wife was working and we were doing well. I don't know how it would have been if it had taken longer, but I immediately completed a couple of courses, I was lucky that my profession was in high demand at that time".

"I was on the stock market for half a year. I could not survive with that amount, and there was no work in my profession. I worked a little on the black market, just so we could survive until something better was found".

Comparing data on social protection expenditures per inhabitant with EU member states in 2021, expressed in purchasing power standards (PPS), the Republic of Croatia lagged behind the EU-27 average by 50%. According to this indicator, all social protection functions in the Republic of Croatia were below the European Union average, and looking at absolute amounts, the old age function lagged behind the most.

"I feel every time that we live worse than those in the rest of the European Union. Not exactly in all countries, but already in Slovenia it seems to me that people have arranged things properly. Everyone has to start a little - both entrepreneurs and the state and the people themselves. You can't just wait for others to give money, and we stay the same. It doesn't work anymore, and we will compare ourselves with others even more, especially when old age comes, and you add up everything you have done".

The Government of the Republic of Croatia has also announced numerous tax reforms from January 1, 2025. year, and one of them is the introduction of real estate tax. Numerous families in Croatia cannot solve the housing issue, and at the same time more than 600,000 residential properties are not being used. Municipalities and cities can exempt socially disadvantaged citizens from the obligation to pay real estate tax under conditions determined by the decision of the representative body of the municipality and city, and fiscal inequalities between municipalities and cities will be corrected from the part of the income paid into the state budget.

"I'm always afraid whether these taxes will spill over onto the backs of us ordinary citizens who don't have 2 or 3 more apartments in the centre of Zagreb, which we don't rent, i.e. I'm most interested in whether I'll be paying even more for expenses that I have no use for. My municipality has never invested a single kuna or now euros in housing, and it constantly has some new taxes on cottages. It turns out that we got those 20-square-meter cottages as a gift and that we have to pay fictitious taxes for the rest of our lives to finance that large municipality."

The government announced, within the package of measures from October 1, 2024. and that the support for student centres will remain, where the price of €0.86 will remain the price of a meal for more than 111,000 students in Croatia. Media announcements about rising food prices for students have brought unrest among young people whose families are also affected by inflation.

"The price of a meal in the canteen is low, we students know that because one meal is cheaper than a coffee. It's just that we students have a lot of different expenses, and food is very important to us. Personally, I spend the most money on travel - tram and bus costs, then on study clothes and personal hygiene. Since I live in a home, that cost is low, but my friends in apartments are crazy about the rents, the costs of which are up to 300 euros per person. It seems to me that these costs are at least twice as high as 2 years ago when I came to study in Zagreb, so the costs of food in the canteen are acceptable", says student Iva, who studies in Zagreb.

Proposal of People experiencing Poverty aimed at reducing poverty

People with experience of poverty list some measures that, in their opinion, could contribute to improving the current situation:

- Fundamental system changes: They recommend changes in the existing systems, starting with the education of personnel in the social welfare system and redirecting the system to poverty prevention.

"To fundamentally change the system. And not just one. We talk about social welfare, but we start with education. Well, I guess the people who work at the Institute should have at least a minimum of humanity and a desire to work with people."

- Better disposal of property, greater availability of housing.

"So many vacant properties languish empty. If they would let us use it so that we could plant something there ourselves and put bread in our mouths."

- We need to put a ban on raising the rental price or at least introduce some criteria for the maximum price of a square meter in rent depending on some criteria.

"Old construction/new construction, renovated or not, if yes - bathtub, square footage, modern furniture or antique decoration, parking, balcony, terrace... You cannot rent a 25-square-meter studio apartment in which nothing has been invested for decades for 600 euros."

- Investing in digital infrastructure - increasing the availability of high-speed internet in rural and less developed areas through public-private partnerships. Introducing subsidies for internet access for socially disadvantaged families so that everyone has an equal opportunity to access information and services. Digital services must be an option, but not the law. Live services and online services must be equally good, quality, organized and both - optional.

"Through such initiatives, this digitalization can reduce, not increase, inequality".

"Digitalization is actually a luxury today. It is a luxury to have a mobile phone that can access these services, it is a luxury to have a laptop, to have a current account card. Maybe it's not like this on a wider level - we can all get used to it very quickly and everything is good while it's good, we're not aware of the privilege we have. But, when you have to choose between food for your children and a new laptop - look, I'm sorry, but the choice is simple - I'm left with a laptop that I have to hit three times and turn it off - turn it on for it to work, because after all - it works. In this context, digitization does not help the poor."

"The question is whether the world should digitize even more or take a step back and take a break from it. Well, the screen is not exactly a panacea for everything, maybe we need to go

back to the factory settings, where there was eye-to-eye contact and where we could ask live, check all the information. This is how you depend on some computer, on some code."

- The necessary reduction of paperwork, independent of other digital services, but also the reform of most systems - it is necessary to work on improving the quality and educating experts who work with people with experience of poverty, they must devote the time they have to them in the right way.

"Let's go around in circles. And to reduce the paperwork for, for example, social workers or doctors, do you think that they would do something different with that "extra time" or would they just accept 20 more people a day. Again, that's not it. We don't have people who can adopt adequate measures, implement laws and control them".

- Although it may not be the most effective tool, the minimum wage plays a key role in protecting workers in the labor market and ensures fair compensation for the most vulnerable groups of workers. Although the minimum wage has its negative aspects, its existence has an important purpose in ensuring fairness in the payment of workers and protecting their interests.

"The government could do more to help people who receive the minimum wage. They could, for example, raise the minimum wage to better cover the cost of living. And they could come up with some programs that help people with lower incomes, like rent subsidies or some additional financial support."

"As far as employers are concerned, it would be great if they paid more attention to their employees who receive the minimum wage. They should be given opportunities for advancement, additional training, and so on. This would give them a chance for better jobs and more self-confidence."

"And yes, it is important to work on reducing the differences between the rich and the poor. We need to make sure that everyone has access to fair living and working conditions."

- It is necessary to invest in housing, that is, to facilitate the process of reaching social housing and to prohibit raising the price per square meter - for rent and for purchase.
- Facilitate own production, which refers to the division of empty, unused state lands that people can use for planting and producing their own fruits and vegetables.
- Harmonize the minimum wages and the guaranteed minimum compensation with the standard of living and the cost of living and harmonize the inequalities in the amount of

wages - especially the taxation of the richest in society, and especially those who have more than two properties.

- One alternative strategy to the minimum wage is tax relief measures, which may include lower tax rates for lower incomes or exempting certain groups of citizens from paying taxes to increase their disposable income.
- Programs to help employers or workers can be useful, such as subsidies for the creation of new jobs, incentives for the training and development of workers or incentives for entrepreneurship that would encourage the creation of new employment opportunities and increased income.
 - Introduce a mechanism for regular adjustment of ZMN to the cost of living and inflation so that the compensation always reflects the real needs of the beneficiaries.
 - Linking with employment and education programs for beneficiaries can increase their chances of integration into the labor market and reduce their dependence on social assistance.
 - Better information of citizens about their rights and how to achieve ZMN is also crucial for reducing bureaucracy and enabling easier access to assistance.
 - An individualized approach that tailors compensation to the specific needs of the beneficiary can ensure that everyone gets the help they really need.
- Individual approach to solving the problem of poverty and homelessness.
 - Investing in professional staff, especially psychologists and social workers who will have enough knowledge, skills to work with people, but also time to be able to help and encourage every person who finds themselves in this situation, considering that they "deal with a series of unfortunate circumstances", and sometimes with your bad decisions - whether it's about financial decisions, addiction, alcohol or gambling, for example. It is difficult to accept this outcome of the situation, but it is necessary so that the person who finds himself in this situation does not sink deeper into the problem, and at the same time, professional help and support is necessary.
 - Since the loss of a job often leads to life on the street, it is necessary to help the person to find another job as soon as possible and to return to the labor market as soon as possible, based on their competences and experience.
 - Depending on the current level of education, provide them with additional education, retraining or courses for deficit (vocational)

professions. In the process, provide financial benefits to cover housing costs.

- Provide incentives for employers to hire homeless people.
- Provide affordable (social) apartment rent for people in precarious employment and vulnerable groups

"There is no resocialization program, no second chance program. Three half-day stays and three shelters, that's it..."

- Open more homes/shelters for the homeless that offer adequate and suitable conditions for living and hygiene, not just for survival.

"The city of Zagreb must have a place to stay all 365 days a year - so that people can come for free, take a shower and leave."

- The shelter is not a home, and it shouldn't be! It is a temporary measure that can help a person in the current situation, but it is certainly not a long-term solution.

"Being in the system is not a permanent solution!"

"One half-day residence where about 30 users stayed daily and where they could be warm, drink tea, coffee, eat breakfast, do laundry and take a shower, ran out of space. It's hard to get space, nobody wants homeless people in their house or building."

- It is necessary to prohibit evictions without the option of alternative accommodation.
- Ensure access to nutritious food and drinking water, without depending on soup kitchens and the goodwill of people.
- To include people who have experienced homelessness and who have successfully reintegrated back into society in counseling about combating homelessness.

"You know the one - "a problem cannot be solved at the same level of consciousness at which the problem was created" by Einstein."

"I know that I know nothing, but I know that I know more than those who do not know that they know nothing."

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