

Inclusive Entrepreneurship Policies,
Country Assessment Notes

Croatia

2020



This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

Legal notice

This note was prepared with the financial support of the European Commission, Directorate-General for Employment, Social Affairs and Inclusion.

The opinions expressed and arguments employed herein do not necessarily reflect the official views of the OECD member countries or the position of the European Commission.

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.

1. Note by Turkey:

The information in this document with reference to 'Cyprus' relates to the southern part of the island. There is no single authority representing both Turkish and Greek Cypriot people on the island. Turkey recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Turkey shall preserve its position concerning the 'Cyprus issue'.

2. Note by all the European Union Member States of the OECD and the European Commission:

The Republic of Cyprus is recognised by all members of the United Nations with the exception of Turkey. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

The links in this publication were correct at the time the manuscript was completed.

More information on the OECD is available on the internet (<http://www.oecd.org>).

© OECD, 2020

Reproduction is authorised provided the source is acknowledged.

Foreword

Inclusive entrepreneurship policies seek to ensure that everyone has an opportunity to create a sustainable business for those with realistic potential, regardless of their background. Business creation by people from under-represented and disadvantaged groups (e.g. women, youth, seniors, immigrants, the unemployed, people who experience disability) helps generate jobs, thereby fighting social and financial exclusion while stimulating economic growth.

These policies have become much more relevant with the COVID-19 pandemic, which has led to rapidly increasing unemployment and inactivity. Addressing this jobs crisis is one of the top policy priorities in European Union and OECD countries and inclusive entrepreneurship schemes have strong potential for moving some unemployed people back into work. Moreover, these policies can be leveraged to help re-boot economies as there is untapped growth potential among some of the target groups.

This note is the fourth country assessment note prepared by the Organisation for Economic Co-operation and Development (OECD) in collaboration with the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission on the state of inclusive entrepreneurship policies and programmes in each EU Member State. Each note provides an overview of the entrepreneurship activities by women, youth, seniors, immigrants and the unemployed. It also provides an assessment of policies and programmes that support people from under-represented and disadvantaged groups in business creation and self-employment, and suggests policy actions to address gaps in the support system and to improve the quality of available support offers. The notes cover national-level policies and programmes and, where relevant, sub-national initiatives and actions by the non-governmental sector.

The 2020 notes include a special section on entrepreneurship support for people who experience disability. This section provides an overview of the entrepreneurship activity levels, obstacles faced and policy responses. It also contains a new section on entrepreneurship framework conditions to provide additional context for interpreting the tailored policies and programmes.

These country-specific notes are part of a wider programme of work by the OECD and the European Commission that includes “The Missing Entrepreneurs” publications, the Better Entrepreneurship Policy Tool (www.betterentrepreneurship.eu), a series of Policy Briefs on specific target groups, policies and issues, and national policy reviews of youth entrepreneurship and women entrepreneurship. This work stream examines how public policies and programmes can support inclusive entrepreneurship. This includes refining regulatory and welfare institutions, facilitating access to finance, building entrepreneurship skills through training, coaching and mentoring, strengthening entrepreneurial culture and networks for target groups, and putting strategies and actions together for inclusive entrepreneurship in a co-ordinated and targeted way. Governments are increasingly recognising the challenge of inclusive entrepreneurship, but there is still much to do to spread good practice. For more information please refer to: www.oecd.org/employment/leed/inclusive-entrepreneurship.htm.

Acknowledgements

This note is part of a series of notes on country-level inclusive entrepreneurship policies and programmes prepared by the Organisation for Economic Co-operation and Development (OECD) for the European Commission. These notes were prepared by the OECD Centre for Entrepreneurship, SMEs, Regions and Cities (CFE) led by Lamia Kamal-Chaoui, Director, as part of the programme of work of the OECD Local Economic and Employment Development (LEED) Programme, led by Karen Maguire, Head of Division. They provide an overview of current and planned policy actions and identify some actions that could be implemented to address gaps in the current support offering, or improve current offerings.

This note was prepared by Professor Slavica Singer of J.J. Strossmayer University in Osijek. David Halabisky of the OECD CFE edited the note under the direction of Dr. Jonathan Potter, also of the OECD CFE.

A steering group was consulted during the preparation of this note. An online seminar was organised to review the draft note on 28 July 2020. Feedback was received from representatives of the Ministry of Labour and Pension System and from the Croatian Employment Service.

Much of the data contained in this note were prepared under the direction of Dr. Jonathan Levie of the Global Entrepreneurship Monitor.

Finally, this note benefited from feedback and suggestions provided by Julien De Beys and Guy Lejeune of the Directorate-General for Employment, Social Affairs and Inclusion of the European Commission.

Table of contents

Foreword	2
Acknowledgements	3
Key messages	5
1 Inclusive entrepreneurship trends	6
2 Inclusive entrepreneurship policy framework	20
3 Assessment of current and planned inclusive entrepreneurship policies and programmes	24
4 Supporting people who experience disability in entrepreneurship	36
5 Policy recommendations	39
Annex A. Methodology	43

Key messages

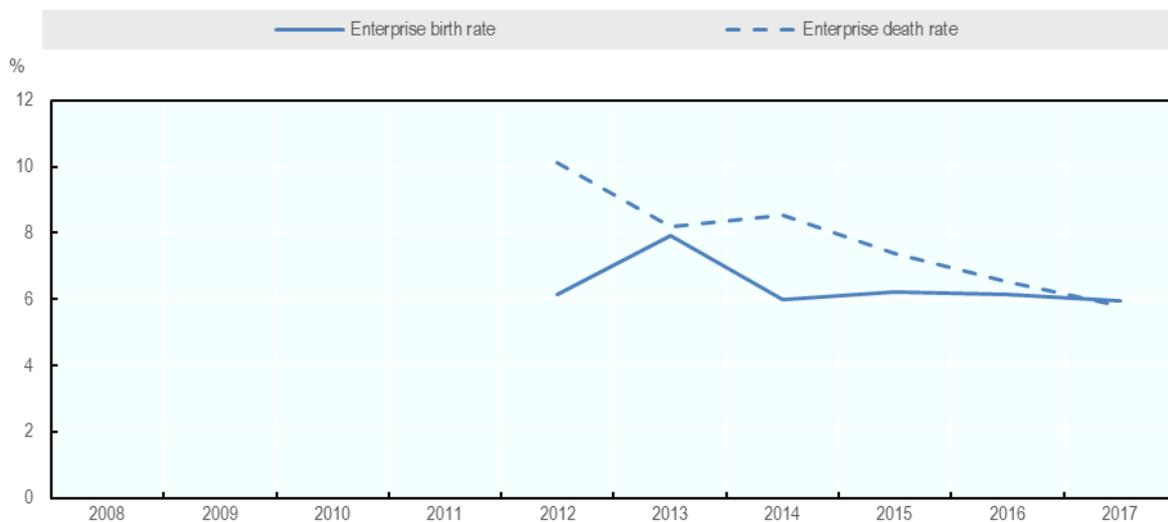
- The general framework conditions for entrepreneurship have improved over the past decade. However, international benchmarks often rank Croatia below average in terms of the regulatory environment, skills levels and access to finance. Further actions are needed to strengthen the framework conditions for entrepreneurship.
- There are approximately 251 000 early-stage entrepreneurs in Croatia, i.e. those who are actively working to start a business or manage a business that is less than 42 months old. Overall, the share of people involved in early-stage entrepreneurship is above the European Union (EU) average (9.5% vs. 6.7%) but a very high share of these activities are undertaken by people who cannot find employment (33.6%).
- The proportion of early-stage entrepreneurs has increased over the past decade. Youth are very active in early-stage entrepreneurs – the proportion was about 1.5 times the EU average for the period 2015-19. Moreover, the gender gap in early-stage entrepreneurship closed between the period 2010-14 and 2015-19.
- Eliminating all of the gaps in entrepreneurship activity rates across population groups (i.e. applying the early-stage entrepreneurship rate of men who are 30-49 years old to the whole population) would result in an additional 155 000 entrepreneurs. About 70% of these “missing” entrepreneurs are female, nearly 65% are over 50 years old and 20% are immigrants.
- Entrepreneurship support remains relatively high on the political agenda. There are several strategies that call for tailored support for women, youth, seniors, immigrants and the unemployed in the labour market, including through entrepreneurship. However, not all of the actions outlined in these strategies have been implemented. Nonetheless, tailored entrepreneurship support for women, youth and the unemployed is in place, particularly for developing entrepreneurship skills and accessing small grants and loans. Entrepreneurship support for the unemployed is well-developed and has been increased substantially in recent years. For example, the size of the individual grants has increased several times since 2018.
- However, tailored entrepreneurship schemes often lack cohesion. Support is typically provided through small stand-alone schemes rather than through integrated suites of support. Moreover, there is a consistent lack of monitoring and evaluation so it is difficult to assess the effectiveness and impact of existing support. Moreover, this leads to a limited capability to strengthen existing schemes.
- Therefore it is recommended that in the process of designing inclusive entrepreneurship policies for 2021-27 the government:
 - Update policies and strategies through a participative approach;
 - Develop evidence-based action plans for each strategy; and
 - Strengthen monitoring and evaluation practices for inclusive entrepreneurship schemes.

1 Inclusive entrepreneurship trends

Conditions for entrepreneurship

Business entry and exit data are limited in Croatia, but available data suggest that entry and exit rates are approximately equal to the median for the European Union. Where data are available, they show that the business population has declined slightly between 2012 and 2016 since the enterprise exit rates were greater than the entry rates (Figure 1.1). However, entry and exit rates converged in 2017.

Figure 1.1. Business entry and exit rates



Note: Enterprise birth rate is the share enterprise births in the reference period (t) divided by the number of enterprises active in t. Enterprise death rate is the share enterprise deaths in the reference period (t) divided by the number of enterprises active in t. The construction sector is excluded from these rates.

Source: Eurostat (2020), Business demography statistics, <https://ec.europa.eu/eurostat/web/structural-business-statistics/data/main-tables>.

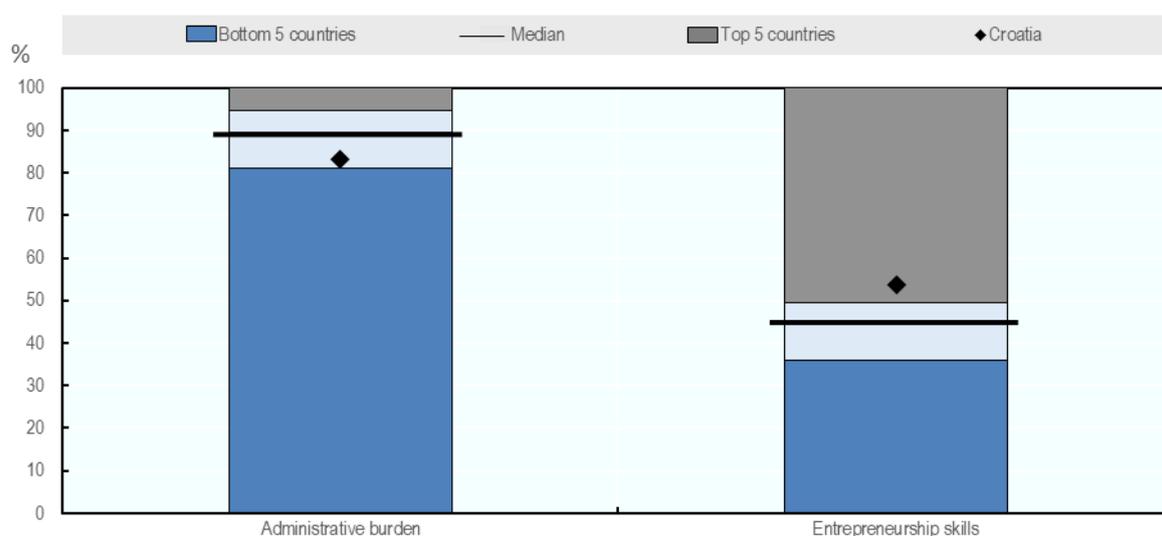
The regulatory framework is a permanent topic in political and experts' debates, since many surveys agree that it presents the weakest component of entrepreneurship ecosystem. The Global Entrepreneurship Monitor survey continuously indicates that the regulatory framework is one of strongest obstacles in developing an effective entrepreneurship ecosystem. In 2016-18, Croatia had the lowest score for this component in EU (Singer et al., 2019). It is confirmed by the World Bank's Doing Business surveys, as well as by the surveys on Global Competitiveness (World Economic Forum) (Figure 1.2).

However, the proportion of people who have entrepreneurship skills is relatively high (Figure 1.2). Between 2015 and 2019, about 57% of people self-reported that they had the skills and knowledge to start a business. This was above the EU average for the period (42.5%) and one of the highest proportions among

EU Member States. The high share of people with entrepreneurship skills is favourable for having high levels of entrepreneurship activity and increases the chances that new start-ups become sustainable activities.

Figure 1.2. Conditions for business creation, 2019

Ranking relative to other European Union Member States



Note: The median score reported represents the median among EU Member States. Administrative burden is a score of 1 to 6 given to a country to reflect the relative scale of the administrative burden that new start-ups face. Entrepreneurship skills is the share of the population who report that they have the skills and knowledge to start a business. This indicator is an average of the period 2015-19.

Source: World Bank (2019), Ease of Doing Business Survey; GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Recent labour market trends

Two distinctive patterns in labour market trends can be observed when comparing EU and Croatia (in unemployment rate as well as in inactivity rate) (Figure 1.3) First, the increase of the unemployment rate was more abrupt and decrease much slower in Croatia, what emerged from the slowest exiting path of Croatian economy from the 2008 financial crisis. Unemployment rates for men and women were approximately equal to the Croatian average level, with women unemployment rates being slightly higher than those of men (in a range of one to two percentage points). Trends in the unemployment rates of seniors and immigrants followed the overall trend, reaching peaks in 2013 or 2014, and then declining to rates that were about one-third of the peak in 2019.

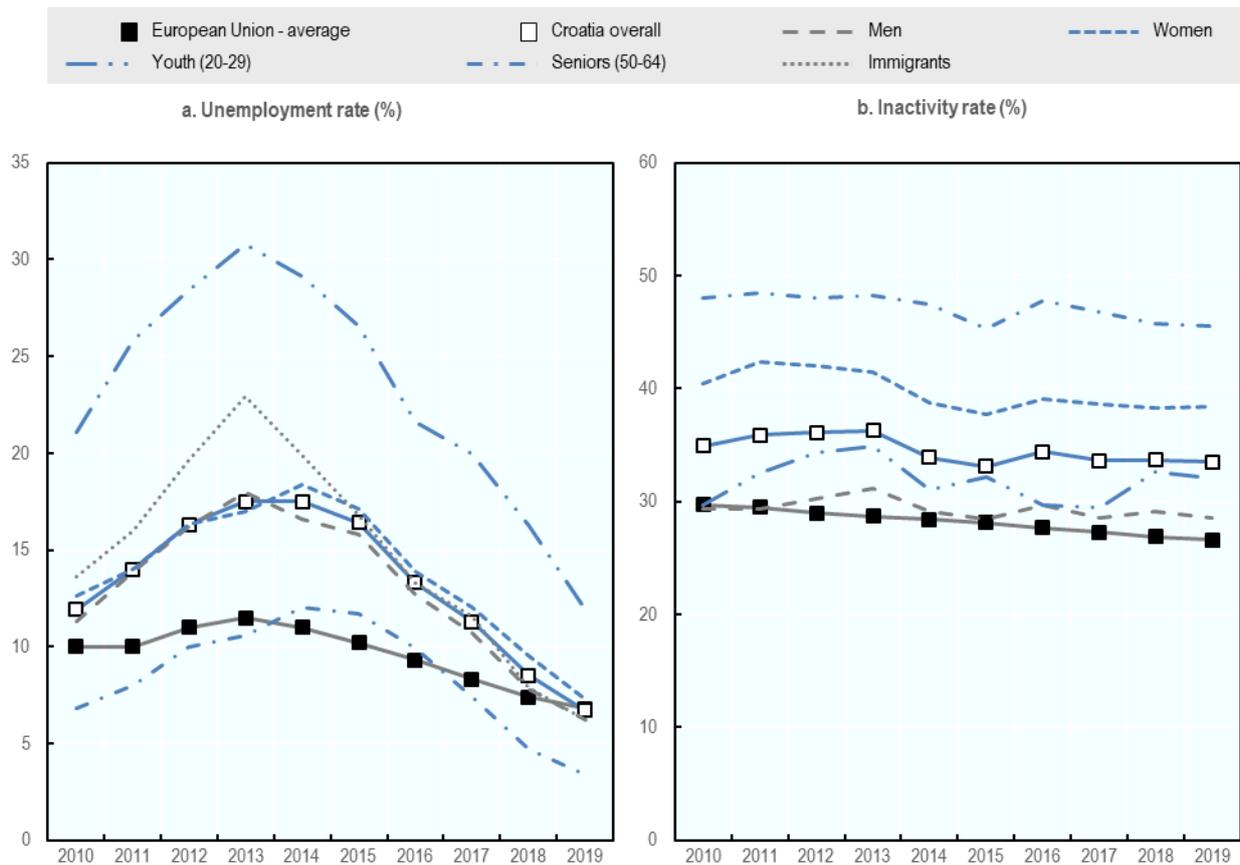
Young people (20-24 years old) were the most likely to be unemployed – in peak year 2013 the unemployed rate for youth was 1.8 times higher than the Croatian average (30.8% vs. 17.5%), and this gap remained in 2019 (11.9% vs. 6.7%). Young people identified the unemployment as the most important generational issue, which leads to low living standard and the lack of life perspective (Ilisin and Spajic Vrkas, 2015). A dominant social opinion about employment opportunities is related to nepotism, what is also confirmed in

the survey from 2019, by adding connections with high positioned persons and influential friends. Required level of education and / or expertise are only ranked as third or fourth element for getting a job.¹

Second, inactivity rates were quite stable over the past decade. However, since inactivity rates for the EU overall are slowly decreasing (three percentage points from 2010 to 2019), the gap between rates in EU and Croatia is slightly increasing (from five percentage points in 2010 to seven percentage points in 2019). While the unemployment rates of men and women in Croatia are very close to each other, inactivity rates are much more differentiated. The highest inactivity rates are among youth and seniors and there is a gender gap of about 15 percentage points.

Figure 1.3. Unemployment and inactivity

Proportion of the labour force that is unemployed and proportion of the working age population that is inactive



Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Self-employment activities

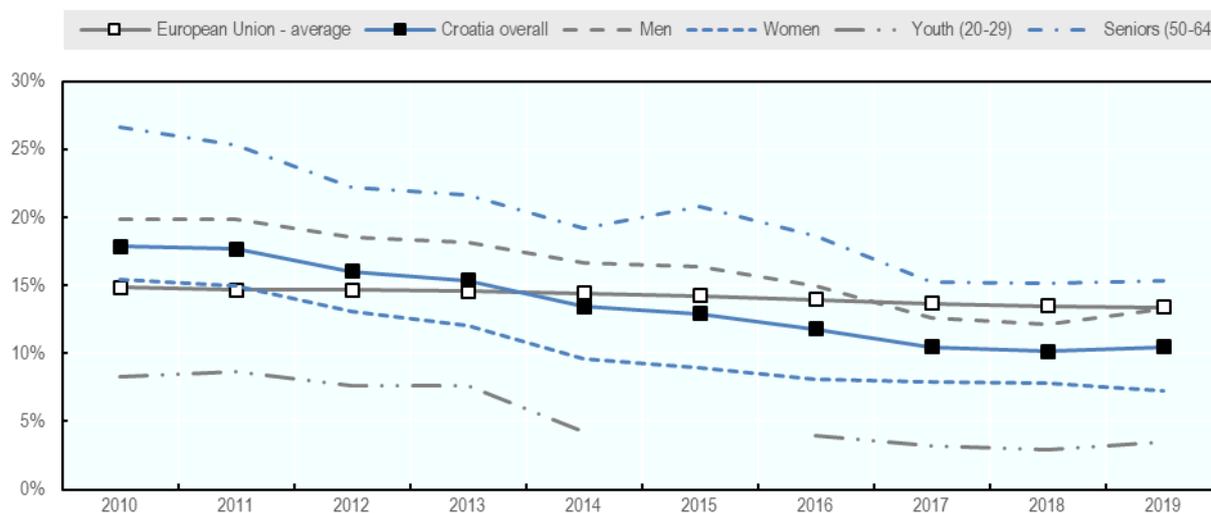
The self-employment trend in EU is quite stable, whereas the share of self-employed persons in total employment decreased over the past decade in Croatia (Figure 1.4). In the years following the financial crisis (2010-11), the self-employment rate exceeded the EU average. However, from 2013 onward it was

¹ "Most youth think that success in finding a job requires connections with powerful people, influential friends, having adequate level of education or expertise, and luck.", in Gvozdanovic et al., 2019: 27

below the EU average, despite of the high level of unemployment and inactivity rates among young people and numerous programs which are designed to support self-employment.

Figure 1.4. Self-employment rate

Proportion of employment that is self-employed

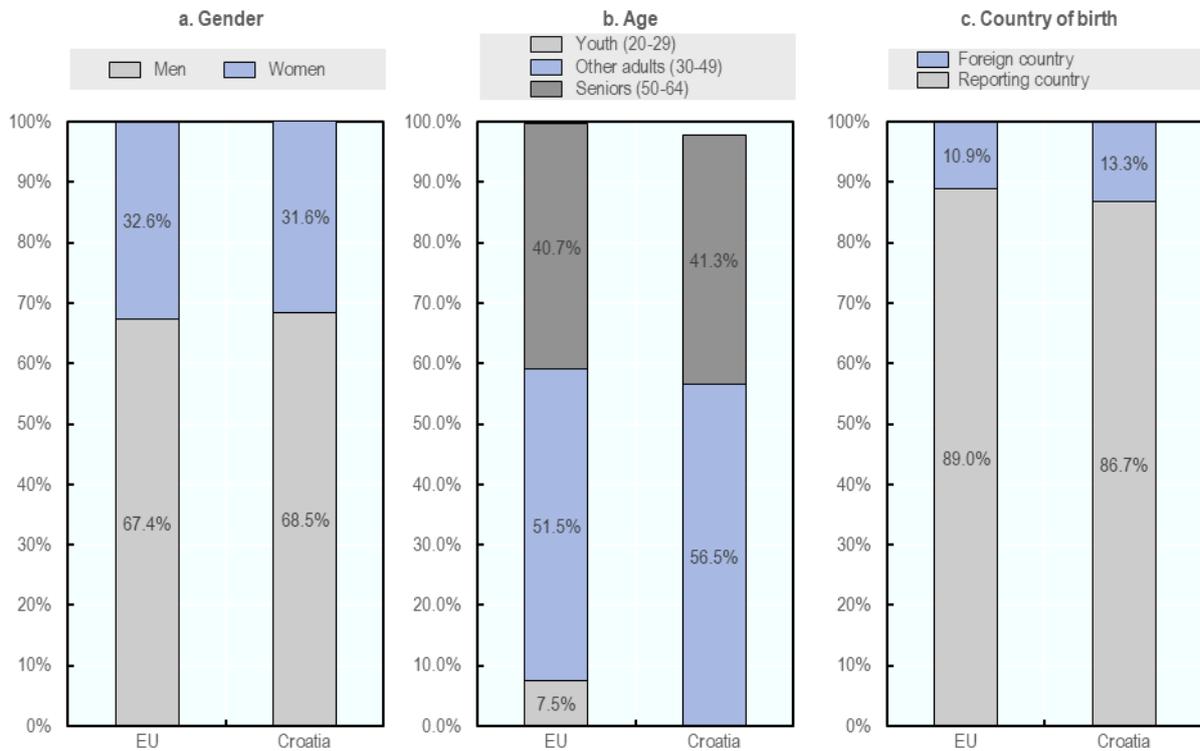


Note: There is a break in time series in 2014. Data for youth includes the estimate for the age group 20-24 years old, which is of low reliability. Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Using 2019 as a “window” into the proportion of self-employed according to gender, age and country of birth (Figure 1.5) some similarities and differences with EU average are evident. The proportion of self-employed according to gender is in favour for men (2:1) but it does not differ from the EU average. There is a slightly higher proportion of self-employed people born in a foreign country, likely from Bosnia and Herzegovina.

Figure 1.5. Composition of the self-employed

Proportion of self-employed workers, 2019

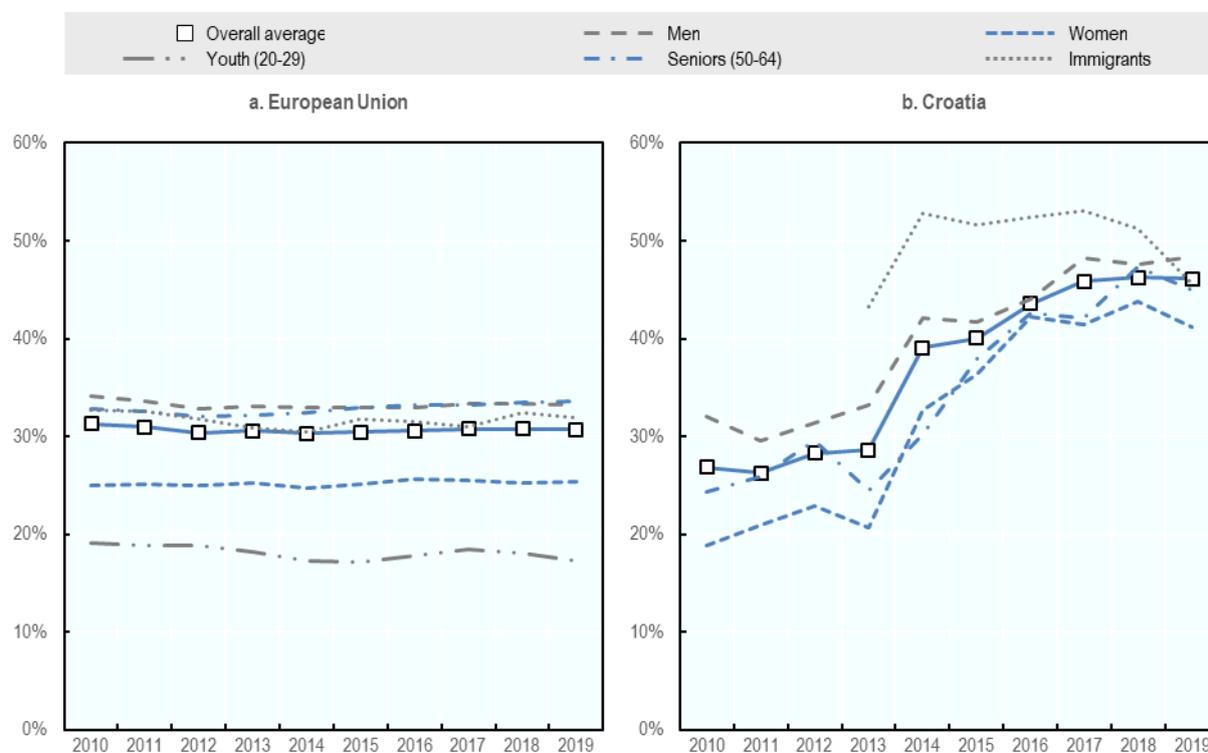


Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Trends and patterns of self-employed as employers are significantly different in Croatia comparing with very stable trends in all observed categories in EU over the decade (Figure 1.6). In Croatia, the proportion of the self-employed who employ others increased significantly among men, women and seniors in 2013 and kept increasing until 2017. There are more men than women in this category but the gap has closed from 13 percentage points in 2010 to 7 percentage points in 2019. The share of self-employed seniors doubled in the observed period.

Figure 1.6. Self-employed as employers

Proportion of the self-employed who employ others



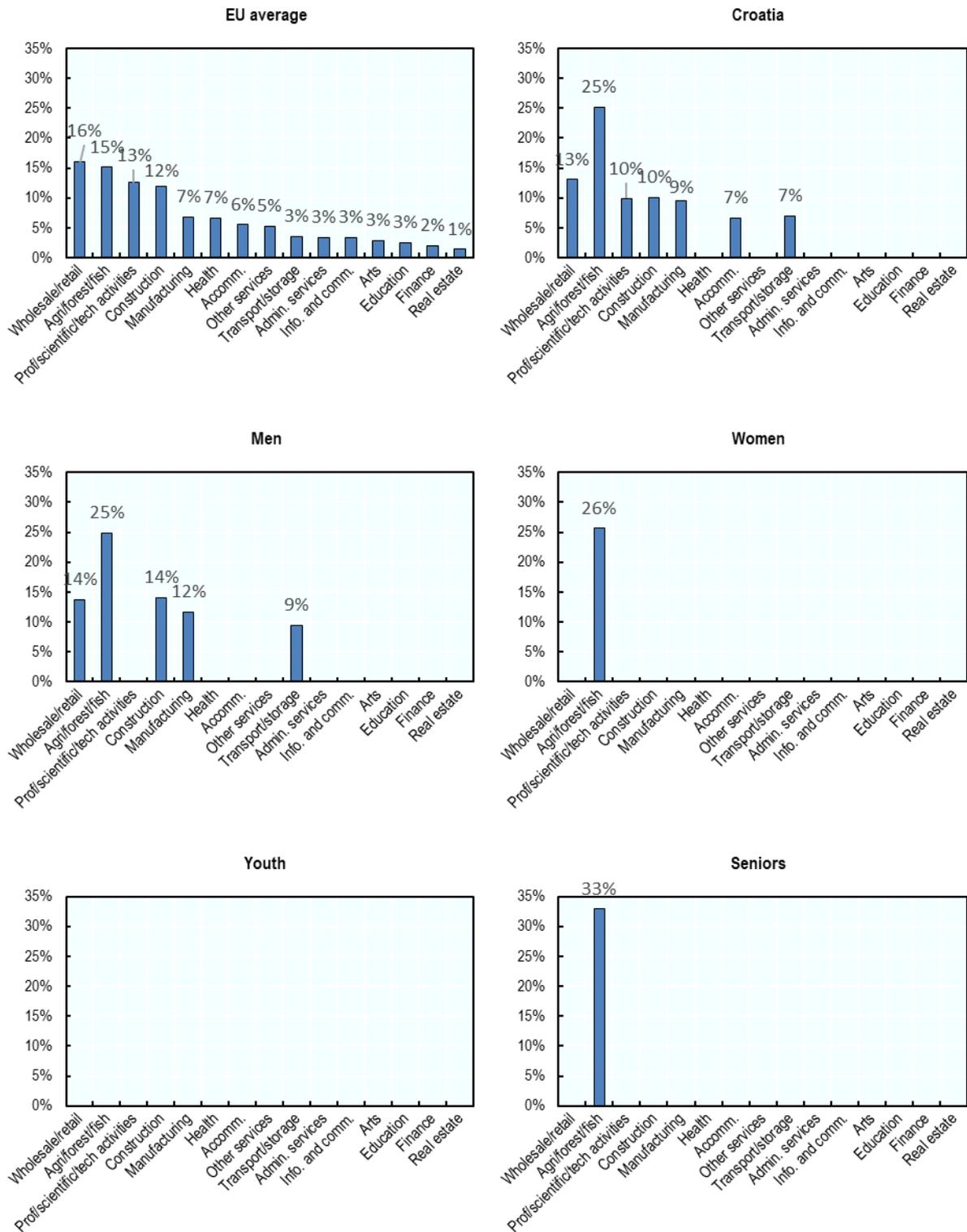
Note: There is a break in the time series in 2014. Reliable data for youth is not available. Reliable data for immigrants is not available for 2010-2012.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

The dominant sectors in which self-employed started their business ventures are Agriculture, forestry and fishing; Wholesale and retail trade, repair of motor vehicles; Construction, and Professional, scientific and technical activities. Manufacturing is on the fifth place (Figure 1.7). This is similar to many other EU countries and reflects the industrial structure in Croatia. Data by population group are very limited so it is difficult to understand how self-employment activities vary across population groups and sectors.

Figure 1.7. Self-employment by economic activity

Distribution of the self-employed by sector, 2019

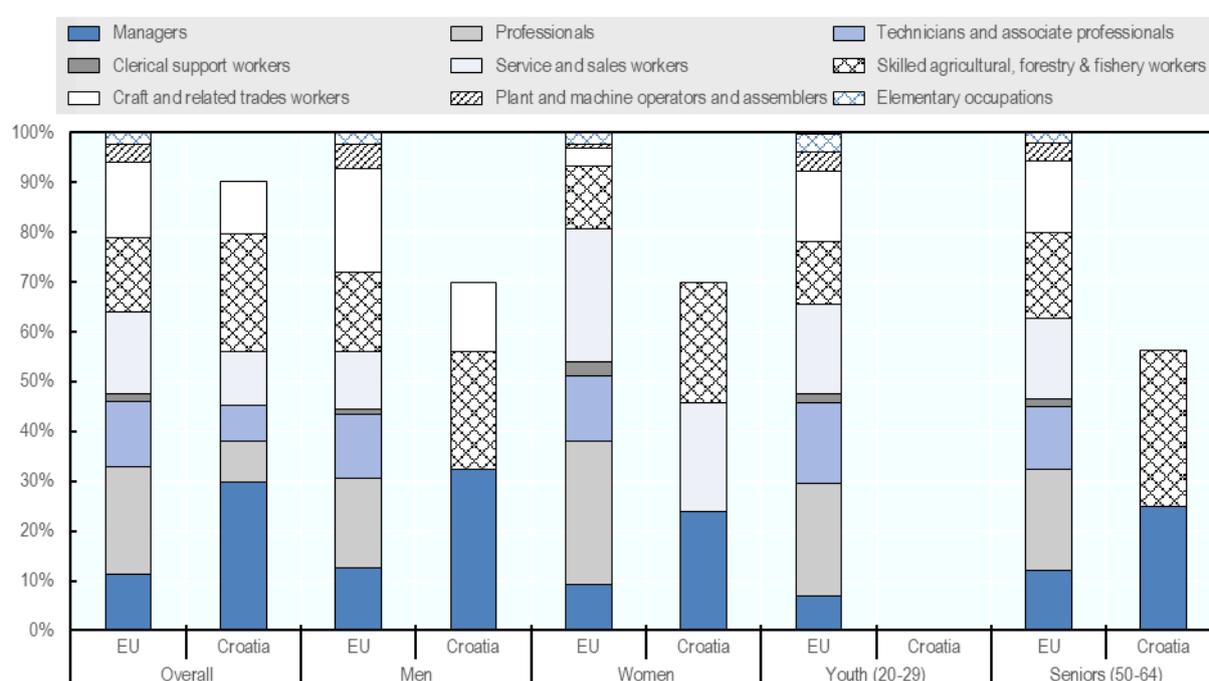


Note: Reliable data for youth are not available and some data for men, women and seniors are suppressed due to the quality of the estimates.
 Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

While there is equal share of self-employed men (23.5%) and women (24.4%) working as Skilled agricultural, forestry and fishery workers, men dominates in the group of Managers (32.3% vs. 24.0%) (Figure 1.8). This dominance among managers is greater than the gap at the EU level. Conversely, self-employed women were much more active than men as Service and sales workers. Further insights are difficult to obtain due to data limitations.

Figure 1.8. Self-employment by occupation

Distribution of the self-employed by occupation, 2019



Note: Reliable data for youth is not available.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

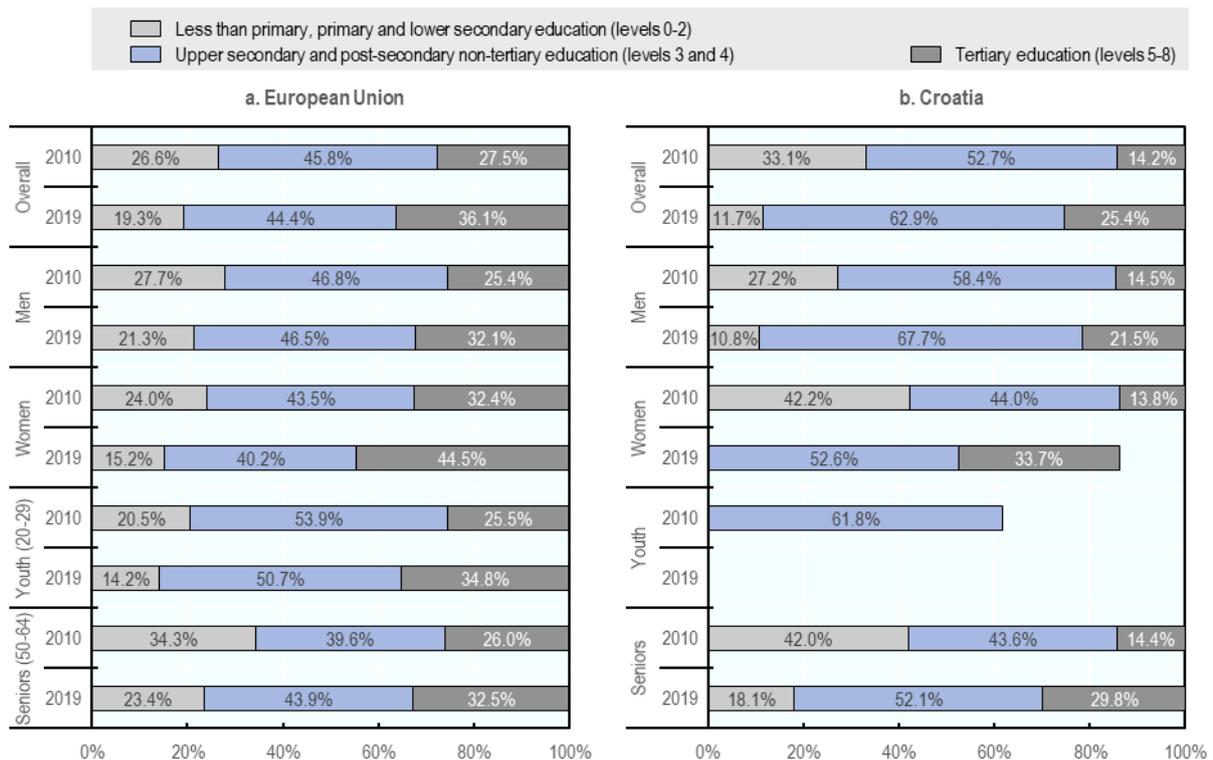
Overall, the structure of self-employment by educational level is similar between the Croatia and the EU (Figure 1.9). In 2010 and 2019, the dominant educational level is upper secondary and post-secondary non-tertiary (levels 3 and 4), followed by tertiary education (levels 5-6) and less than primary, primary and lower secondary education (levels 0-2). In 2019, the share of self-employed persons with the highest level of education (levels 5-6) increased, and the share of self-employed persons with the lowest education (levels 0-2) decreased. In both cases, changes in Croatia were more intensive than in the EU – the share of self-employed persons with the lowest educational background dropped in Croatia from 33.1% to 11.7% compared to the EU (26.6% to 19.3%). The share of the self-employed with the highest education almost doubled in Croatia (from 14.2% to 25.4%) and in EU increased from 27.5% to 36.1%.

There are significant differences in educational background of self-employed persons, using a gender perspective in 2010 and 2019. For example, the increase in the share of self-employed persons with the highest educational level was much higher among women (13.8% to 33.7%) than among men (14.5% to

21.5%). Moreover, the Decrease of the share of self-employed persons with the lowest educational level is much more intensive among women (from 42.2% to 13.6%) than among men (27.2% to 10.8%).

Figure 1.9. Self-employment by education level

Distribution of the self-employed by educational attainment



Note: Data is only available for youth for level 3-4 in 2010. Data for youth contains data that is unreliable for some employer status.

Source: Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.

Entrepreneurship activities

The share of people involved in early-stage entrepreneurship activities (i.e. the share of people working to start a business or managing a new one that is less than 42 months old) is higher in Croatia than the EU average (Figure 1.10). The difference is greatest among youth (4.4 percentage points in the period 2015-19) and men (3.6 percentage points in the period 2015-19). There are no significant changes between two observed sub-periods (2010-14 and 2015-19) in the nascent entrepreneurship rates neither in EU nor in Croatia (i.e. this indicator of entrepreneurship activity is not showing a sensitivity on immediate post-2008 financial crisis). In the period 2014-2018, the new business ownership rate increased in Croatia among all target groups (men, women, youth), except seniors.

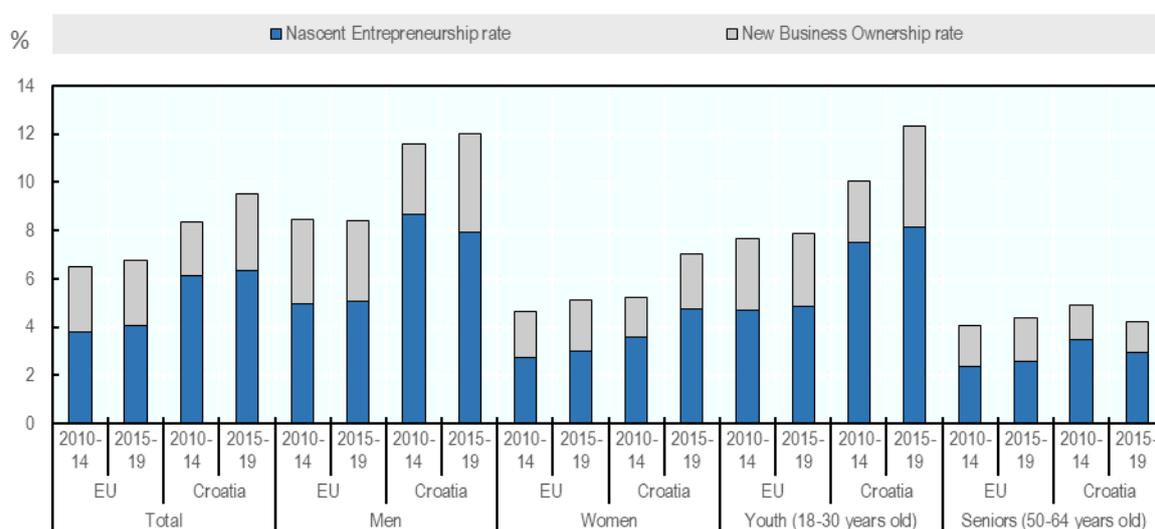
Since the new business ownership rates are quite similar between Croatia and the EU, there appears to be more “lost” nascent ventures started by men and youth in Croatia (i.e. there is a greater share of businesses started that exit between they are 42 months old). This can be result of several factors, including difficult business conditions, ineffective regulatory and policy environment, poor business

preparations, a lack of knowledge and skills how to develop business venture, or a lack of access to appropriate financial resources. This gap in Croatia should be viewed as a signal that there may be a need for further actions from government and other entrepreneurship support organisations.

In its study on the gender ownership of businesses, the Financial Agency (FINA) revealed that the proportion of women owners/founders of companies had gradually increased from 2010 to 2018, as the proportion of companies owned solely by women was 17.3% in 2010 and 22% in 2018. "The situation is changing, albeit slowly, despite incentives for the development of women's entrepreneurship, medium-term development strategies and efforts to include women, as much as possible, in the business sector, which for the greater part still belongs to men," FINA said (FINA, 2019).

Figure 1.10. Nascent entrepreneurship and new business owners

Proportion of the population (18-64 years old) that self-report being engaged in nascent entrepreneurship activities or new business owners



Note: The nascent entrepreneurship rate is defined as the proportion of the adult population (18-64 years old) that is actively involved in setting up a business they will own or co-own; this business has not paid salaries, wages or any other payments to the owners for more than three months. The new business ownership rate measures the proportion of the population (18-64 years old) that is currently the owner-manager of a new business that has paid salaries, wages or any other payments to the owners for more than three months, but not more than 42 months. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

How many “missing” entrepreneurs are there?

The gaps in early-stage entrepreneurship rates across population groups suggest that there are many “missing” entrepreneurs. There are currently about 251 000 early-stage entrepreneurs in Croatia (i.e. those starting or managing a business that is less than 42 months old) and this number would increase by about 155 000 if the early-stage entrepreneurship rate for core-age males (30-49 years old) was applied to the whole population.

A similar exercise can be done for each population group by applying the rate for core-age males to each group (i.e. women, youth, seniors, immigrants). This shows that about 70% of these “missing” entrepreneurs are female, nearly 65% are over 50 years old and 20% are immigrants.

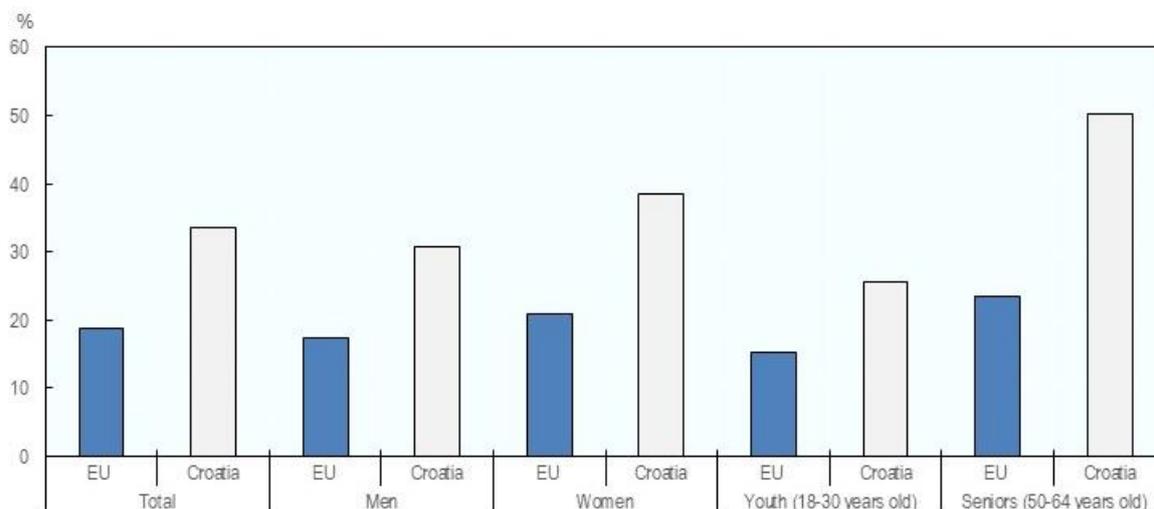
Public policy should not seek to convert all of these “missing” entrepreneurs into actual entrepreneurs. Entrepreneurship is a labour market activity that involves risk and it is not suitable for everyone. Nonetheless, the exercise of estimating the number of “missing” entrepreneurs can illustrate the scale of entrepreneurship gaps and the potential benefits if some of the gaps in activity rates were reduced.

One of the reasons why early-stage entrepreneurship rates are high in Croatia is due to a high proportion of businesses that were started out of “necessity” (Figure 1.11). Overall, one-third of early-stage entrepreneurship activities during the period 2015-19 were launched because the entrepreneur could not find employment. This was nearly double the EU average (18.8%). The share of necessity-driven nascent and new business owners among seniors in Croatia was more than double the EU average, followed by women and men (both close to double). A higher share of necessity-driven ventures in Croatia is result of high level of unemployment and inactivity. Government support for self-employment provides additional incentives – therefore, it is important to connect wisely several support tools (money, trainings, counselling and mentoring). Without it, necessity driven ventures can lead to a multitude of losses (private and public money, time of an unsuccessful entrepreneur-to-be and public perception of such schemes as useless).

The drop-off of entrepreneurship activity between the nascent and new business stages is also visible when examining those early-stage activities that anticipate strong growth (Figure 1.12). The share of early entrepreneurial ventures (nascent and new business owners) with growth expectations (measured by the indicator of creating at least 19 new jobs over the next five years) dropped in the period 2015-19, compared to the 2010-14 period, in all groups of entrepreneurs. The intensity of decrease is much higher in Croatia (from 20.1% to 10.1%) than in the EU (from 12.9% to 9.9%). In Croatia, the biggest drop of ambitious entrepreneurs was among seniors (from 28.7% to 5.0%).

Figure 1.11. Necessity entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that self-report that their entrepreneurship is necessity-driven, 2015-19

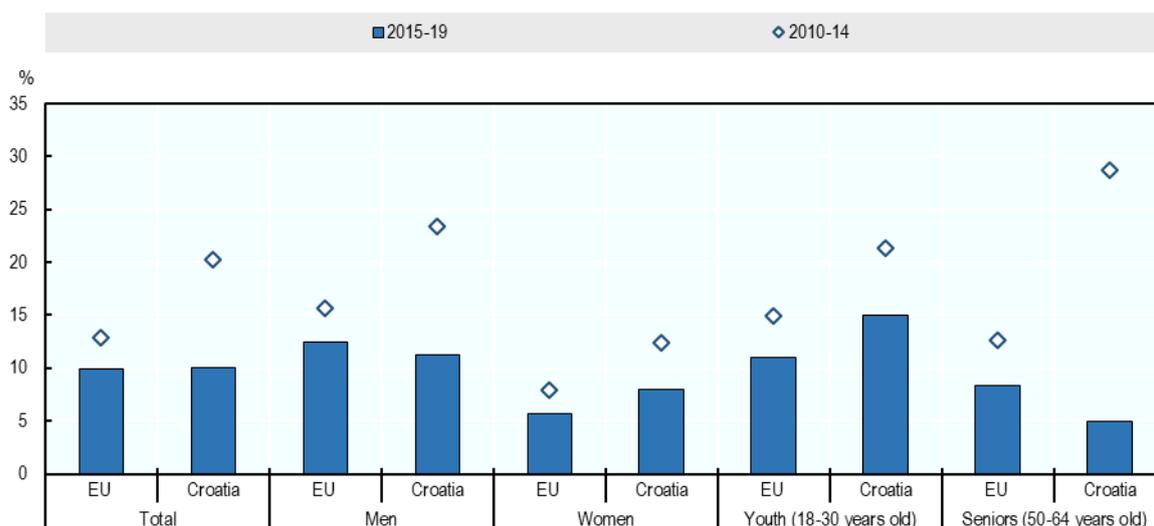


Note: Necessity entrepreneurship is defined as entrepreneurship activities that were launched because there were no other options in the labour market. All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Figure 1.12. Growth-oriented entrepreneurship

Proportion of nascent entrepreneurs and new business owners (18-64 years old) that expect to create at least 19 new jobs over the next five years



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

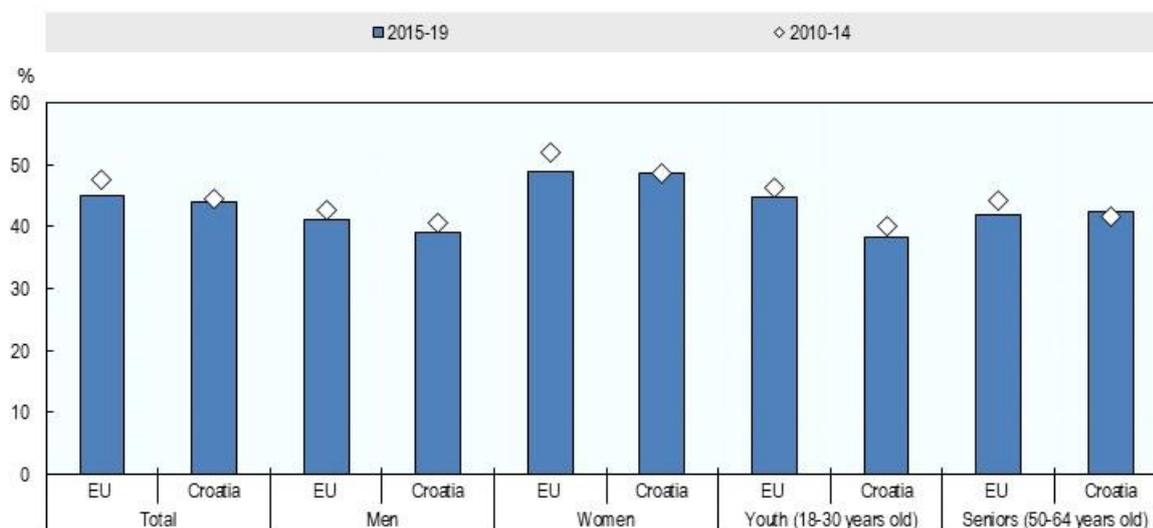
Barriers to business creation

The successful launch of new business activities depends on many factors, among them there are two important personal perceptions which can support or prevent an individual to start a business (fear of failure and needed knowledge and skills). The share of the population that reported that a “fear of failure” was a business to entrepreneurs was stable over the time. The confidence in own entrepreneurship knowledge and skills is higher in Croatia compared to EU, in all observed categories with very similar level of difference (between 10 to 11 percentage points) (Figure 1.13). Young Croatians were the least likely group to identify that a fear of failure was a barrier to business creation. This is driven partly by higher unemployment rates among youth, which pushes more youth into entrepreneurship and self-employment because there is a scarcity of other employment options. Women have higher fear of failure rates than men, in both periods and almost at the same intensity as in EU.

Confidence in own capabilities to start a venture is an important asset for any individual (despite the over-confidence as a result of non-critical evaluation of own capabilities can increase the risk of venturing). On other side, the lack of confidence (combined with the fear of failure) is a barrier for persons who consider to be entrepreneurially active. The capability is expressed through the perception of having adequate knowledge and skills for starting a business (Figure 1.14). The confidence in own entrepreneurship knowledge and skills is higher in Croatia compared to EU, in all observed categories with very similar level of difference (between 10 to 11 percentage points).

Figure 1.13. Fear of failure

“Does a fear of failure prevent you from starting a business?”
Percentage of population who responded “yes”, 18-64 years old



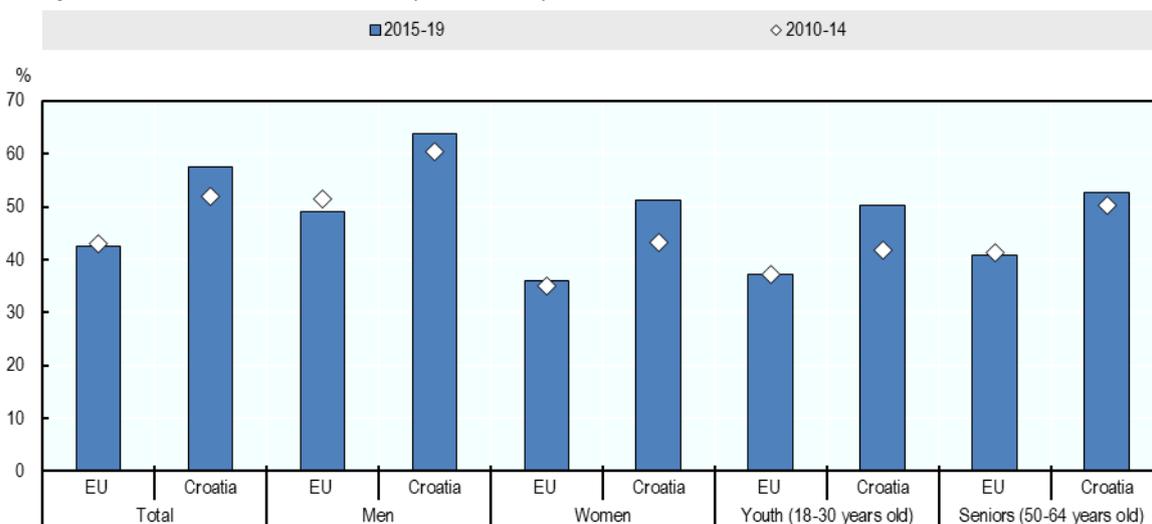
Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

Figure 1.14. Entrepreneurship skills

“Do you have the knowledge and skills to start a business?”

Percentage of population who responded “yes”, 18-64 years old



Note: All EU countries participated in the GEM survey between 2015 and 2019 except the Czech Republic, Denmark, Lithuania and Malta. Several countries did not participate in the survey in every year (missing years noted): Austria (2015, 2017), Belgium (2016-19) Bulgaria (2014), Cyprus (2015), Denmark (2015-18), Estonia (2018-19), Finland (2017-19), France (2015, 2019), Hungary (2017-19), Latvia (2018), Lithuania (2015-18), Portugal (2017-18), Romania (2016-19).

Source: GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.

2 Inclusive entrepreneurship policy framework

Overview and assessment

Table 2.1. Characterisation of the inclusive entrepreneurship policy context

		Women	Immigrants	Youth	Seniors	Unemployed
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓	✓	✓	✓	✓
	Regional					
	Local					
2. A group-specific entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		✓	✓	✓	✓	✓
3. Clear targets and objectives for entrepreneurship policy have been developed for different target groups		✓	✓	✓		✓
4. Monitoring and evaluation practices for entrepreneurship support are strong and wide-spread			✓	✓		✓

Note: A check-mark indicates the level policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

Policy responsibility

Overall, the national level of government is responsible for all entrepreneurship policies, including those that are tailored for specific population groups. The main ministries with responsibilities for entrepreneurship policy are:

- **Ministry of Economy, Entrepreneurship and Crafts**, which is responsible for overall entrepreneurship policy and women's entrepreneurship policy.
- **Ministry of Labour and Pension System**, which is responsible for employment policies and social entrepreneurship.
- **Government's Office for Human Rights and the Rights of National Minorities**, which is responsible for policies for the integration of immigrants.

The non-government sector is usually included in the consultation phase of developing specific strategies. For example, in developing the Strategy of Women Entrepreneurship Development in the Republic of Croatia 2014-2020, representatives of KRUG (an association of women entrepreneurs) were involved in the working group. The Strategy on Development of Social Entrepreneurship in the Republic of Croatia 2015-2020 was developed with a strong participation of different stakeholders, and due to its participatory methodology it was presented as an example of good practice (OECD/EU, 2017). In many cases, non-government sector is strong in initiatives, but then excluded from the monitoring and evaluation activities.

The co-ordination of entrepreneurship policy remains a challenge and there are just few examples when it worked to some extent, mostly in the phase of developing strategic documents, much less in coordinating the implementation phase. For the purpose of developing the Strategy of Women Entrepreneurship Development in the Republic of Croatia 2014-2020, the Ministry of Economy, Entrepreneurship and Crafts appointed a working group to co-ordinate activities. The working group a range of different stakeholders (government, non-government sector, research sector). In another example – the development of the Strategy on Development of Social Entrepreneurship in the Republic of Croatia 2015-20 – a task force was created, which included representatives of the government, non-government and academia. This example is celebrated for its participatory approach in the phase of developing the strategy, yet two of the principal bodies involved in its implementation (Office for implementation and the Council for social entrepreneurship development) were not involved in building the strategy. In both examples, the co-ordination bodies in charge of implementation were established for a limited time period (including representatives of different ministries and government agencies).

Inclusive entrepreneurship strategies and objectives

The strategic platform for entrepreneurship activities (overall and relevant to women, youth, seniors and unemployed) is still determined by strategies developed for 2014-20 period. The three most significant strategies are:

- ***The Entrepreneurship Development Strategy of Croatia 2013-20*** outlines overall strategic framework for boosting entrepreneurial activity.² There are no specific measures for inclusive entrepreneurship, but a number of measures have been introduced to address specific labour market and social inclusion faced by certain population groups, including the use of self-employment as a tool for addressing social and labour market exclusion.
- ***The Strategy for Combating Poverty and Social Exclusion in the Republic of Croatia (2014-20)***³ supports groups such as the long-term unemployed, low-skilled workers, older workers, youth and women. There is a very detailed list of planned activities, but no quantified objectives. The World Bank and the Croatian Bureau of Statistics (CBS) developed Income and Consumption-Based Poverty Maps at the municipal level in order to help policy makers, as well as local governments to customise their measures related to combating poverty (October 2017).⁴ Croatian AntiPoverty Network⁵ was established in 2014 as a national network of non-governmental organisations and individuals advocating for rights of socially excluded people.
- ***The Strategy of Women Entrepreneurship Development in the Republic of Croatia 2014-20***⁶ identified four areas of activities (Improvement in coherence and public policies networking; Improving systematic support to women entrepreneurship; Introduction of women entrepreneurship to the overall institutional infrastructure; Promotion of women entrepreneurship) with quantified objectives and identified approach how to realise objectives (see Section 4). The action plan accompanies this strategic document. The only evaluation was published in 2016 as a

² https://www.mingo.hr/public/Poduzetnistvo/Strategija_razvoja_poduzetnistva_RH_2013_2020.pdf

³ https://vlada.gov.hr/UserDocsImages/ZPPI/Strategije/STRATEGY_COMBATING_POVERTY_SOCIAL_EXCLUSION_2014_2020.pdf

⁴ <http://www.worldbank.org/en/country/croatia/brief/croatia-poverty-maps-a-policy-tool-to-combat-poverty-and-social-exclusion>

⁵ https://www.facebook.com/Hrvatskamrezaprotivsiromastva/?ref=page_internal

⁶ https://www.mingo.hr/public/Poduzetnistvo/Strategy_of_Women_Entrepreneurship_%20Development12117.pdf

part of the EU report Strategic Engagement for Gender Equality 2016-2019 for all EU member states in which strategic goals identified for 2010-2015 were evaluated.

In addition to these strategic documents, another set of strategies are relevant of inclusive entrepreneurship since they call for measures to support specific groups in entrepreneurship. These strategies include: The National Strategy for Inclusion Roma 2013-20⁷; The Strategy on Development of Social Entrepreneurship in the Republic of Croatia 2015-20⁸; The Strategy for the Life-long Guidance and Career Development 2016-20⁹; The National Strategy for Equalization of Opportunities for Persons with Disabilities 2017-20¹⁰; Action plan for integration of persons who have been granted international protection for the period 2017-19¹¹; and the ESF Operational Programme under the investment for growth and jobs goal, 2014-20. In general, these strategic documents suggest that entrepreneurship should be supported but the objectives are not always defined so it is difficult to measure their progress or success. Evaluations to date tend to be rather negative. For example, an evaluation of the Action Plan for the inclusion of Roma found that the objectives will not likely be achieved (Friedman and Horvat, 2015). Another example is an assessment report of the Strategy for the Life-long Guidance and Career Development 2016-20 found that no career centres had been established as of 2018 even though it was a major action (Report on implementation of the action plan of the Strategy for the Life-long Guidance and Career Development 2016-20, for 2018).

The implementation of some strategies has been delayed. For example, the Strategy for the Development of Social Entrepreneurship in the Republic of Croatia (2015-20) is a step forward in strategic development of social entrepreneurship, but there is the delay in implementation of many planned activities. The Social Entrepreneurs Register, planned for the 2nd Quarter of 2016, does not yet exist (Kolaković, M., Turuk, M. and Turčić, 2018).

Monitoring and evaluation practices

Although the development of strategic policy documents is common, their commitments are often vague and timelines are not usually clearly identified (Starc, 2007; Stubbs and Zrinščak, 2018). Moreover, many strategies are not translated into actionable measures. Therefore, monitoring and evaluation is difficult at the strategy level. Even in cases where clear action plans have been developed, monitoring and evaluation remain insufficient. For example, The Strategy of Women Entrepreneurship Development in the Republic of Croatia 2014-20 has a very detailed action plan but there is only one evaluation report for 2016.

Monitoring and evaluation at the programme or project level is similarly difficult. The timelines for reporting on the progress in implementation of planned activities are often not followed as they were announced in strategic documents. When evaluation reports are produced, they are difficult to find and frequently produced by the implementing institution so they are not independent. Finally, there is virtually no ongoing monitoring, which limits efficient feedback into the design of schemes.

⁷ https://ec.europa.eu/info/sites/info/files/roma_croatia_strategy_en.pdf

⁸ <http://www.esf.hr/wordpress/wp-content/uploads/2015/02/Strategija-razvoja-dru%C5%A1tvenog-poduzetni%C5%A1tva-u-RH-za-razdoblje-2015-2020.pdf>

⁹ https://www.ssc.uniri.hr/files/Ured_za_karijere/Strategija_CPU_eng_KON_v2.pdf

¹⁰ https://www.un.org/development/desa/disabilities/wp-content/uploads/sites/15/2019/10/Croatia_National-Strategy-of-Equalization-of-Opportunities-for-Persons-with-Disabilities.pdf

¹¹ <https://pravamanjina.gov.hr/UserDocsImages/dokumenti/ACTION%20PLAN%20FOR%20INTEGRATION%202017-2019.pdf>

Recent developments

Being in the last year of the ongoing 2014-20 strategic period, it would be expected to have a very intensive planning activities for the next strategic period. Many of those activities are on hold, waiting for the country's development strategy to 2030, which was expected to be adopted in early 2020. However, the strategy was not adopted before parliamentary elections were called for 5 July 2020. Since it did not happen, it is expected that the 2030 national development strategy will be adopted at the end of 2020 and the majority of strategic documents will only be finalised with delays.

Policy measures in response to COVID-19 to support entrepreneurs and the self-employed¹²

The Government of Croatia introduced two sets of policy measures in response to COVID-19 to support entrepreneurs (as of July 2020). The first set of measures adopted on 17 March 2020 focused on preserving the financial liquidity of businesses, especially small- and medium-sized business entities. It included 66 measures, with a three-month moratorium on liabilities to the Croatian Bank for Reconstruction and Development and commercial banks, as well as the approval of loans for cash flow in order to pay wages, suppliers and to reschedule other liabilities. Additionally, the Agency for SMEs, Innovation and Investments got the increased allocation for the ESIF micro loans for working capital for micro and small enterprises. Business entities are entitled to get government support in the amount of HRK 4 000 (EUR 520) on monthly basis to cover a part salaries for employees who were employed on 19 March 2020, for three month, with possibility to be prolonged additional three months.

The second set of measures, adopted at the end of June 2020, is focused on shortening working hours. The employers can claim the subsidy for the salaries of their employees if they can prove the decrease of the firm's turnover by 50%, comparing May 2020 to May 2019. Public reaction is very positive to this measure, but there is a strong critical reaction on the criteria about the eligibility of firms to use it. While all existing measures are available for micro, small- and medium-sized enterprises, only this one is for businesses with more than ten employees.

¹² Policy measures up to mid-July 2020 have been considered. However there might be changes in duration and amount of existing measures respectively new measures upcoming.

3 Assessment of current and planned inclusive entrepreneurship policies and programmes

Developing entrepreneurship skills

Overview and assessment of policies and programmes

Table 3.1. Characterisation of schemes for developing entrepreneurship skills

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship training	✓	✓	✓	✓	✓			✓	✓
	2. Entrepreneurship coaching and mentoring	✓	✓	✓	✓	✓			✓	✓
	3. Business consultancy, including incubators/accelerators	✓		✓	✓		✓		✓	✓
Immigrants	1. Entrepreneurship training	✓			✓		✓		✓	
	2. Entrepreneurship coaching and mentoring	✓			✓		✓		✓	
	3. Business consultancy, including incubators/accelerators									
Youth	1. Entrepreneurship training	✓		✓	✓	✓			✓	✓
	2. Entrepreneurship coaching and mentoring	✓		✓	✓				✓	✓
	3. Business consultancy, including incubators/accelerators	✓		✓	✓				✓	✓
Seniors	1. Entrepreneurship training	✓		✓					✓	✓
	2. Entrepreneurship coaching and mentoring	✓		✓					✓	✓
	3. Business consultancy, including incubators/accelerators									
The unemployed	1. Entrepreneurship training	✓		✓	✓	✓	✓		✓	✓
	2. Entrepreneurship coaching and mentoring	✓		✓	✓				✓	✓
	3. Business consultancy, including incubators/accelerators	✓		✓	✓				✓	

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Tailored programmes are used to support the development of entrepreneurship skills for different target groups, mainly for unemployed, women and youth, are implemented by the Croatian Employment Service and commonly delivered in collaboration with the specialist organisations (like educational institutions and/or support organisation: centres for entrepreneurship, incubators). Training component is often connected to the financial support scheme, but usually only for entering the self-employment, not for growing the business venture.

Women

Under the Strategic objective #2 Improving Systematic Support to Women Entrepreneurship in the Strategy of Women Entrepreneurship Development in the Republic of Croatia 2014-20¹³ entrepreneurship training courses, mentoring and business consultancy are identified as a prerequisite for entrepreneurial activity. This has led to number of schemes for women entrepreneurs. The offers are fairly comprehensive but it is difficult to assess the scale and effectiveness of these schemes since there is little monitoring, evaluation and reporting about these schemes. However, according to the Gender Equality Index 2019, Croatia improved its scores in the domain of knowledge in the period 2005-17 for 6.8 points, but with 50.4 score it still ranks 27th in the EU (out of 28 in 2017).

Immigrants

An action plan for integration of persons who have been granted international protection for the period from 2017 to 2019 has been built on the Migration Policy of the Republic of Croatia for 2013-15. It refers to mutual responsibility: migrants and host country in providing the right to work, appropriate accommodation, education and learning the Croatian language, history and culture and internal security. As of 31 December 2018, 144 persons who have been granted international protection were supported by the Croatian Employment Service and 284 individual counselling sessions were provided during 2018. A small number of these would have covered entrepreneurship. On 31 December 2019, 171 persons with such status were registered unemployed in the Croatian Employment Service but only 127 counselling contacts were provided during the year.

Migrants are also included in a variety of seminars related to learning Croatian language, and understanding the Croatian educational and employment system. The Ministry of Science and Education, collaborating with different government agencies for vocational education, educational institutions for adults, as well as with civil society organisations, is in charge of those activities. A very good example is the Guide through Integration - Basic Information for the Integration of Foreigners into Croatian Society, which is available in French, English, Arab, Urdu and Farsi (e.g. https://ljudskaprava.gov.hr/UserDocsImages//dokumenti//Vodic%CC%8C%20kroz%20integraciju_FARSI.pdf).

Youth

There are several measures focused on entrepreneurship training for youth which are highlighted as a good “traineeship incentive” in the last assessment (European Commission, 2020). However, it is expected that “further action should be undertaken to enhance the quality of the traineeships provided and to improve their employment outcomes in order to fully comply with the QFT, in particular as regards learning objectives, duration and validation of traineeship periods” (European Commission, 2020).

Start-up support services, including activities related to increasing awareness of the possible opportunities connected with self-employment, are a part of the recommendation on establishing the Youth Guarantee (YG) scheme in EU Member States in 2013 (Council of European Union, 2013: 120/4). In Croatia, the YG

¹³ https://www.mingo.hr/public/Poduzetnistvo/Strategy_of_Women_Entrepreneurship_%20Development12117.pdf

Implementation Plan was introduced on December 2013 (and updated in 2014, 2015, 2017 and in 2019), suggesting close co-operation between employment services, business support providers and (micro)finance providers. There is a web site dedicated to the Youth Guarantee (www.gzm.hr/) where all information related to this programme can be found.

In addition to the active labour market measures available to all registered unemployed persons, the YG in Croatia provides access to targeted subsidised employment, traineeships and education measures to young people. Measures were to be implemented through the network of youth employment centres across the country. In the meantime, already established Career Information and Counselling Centres (CISOK centres) by the Croatian Employment Service performed the activities of informing, training and counselling for self-employment to young people.

Support services for self-employment of young persons (through information, development of business plans and financial support) through CISOK centres were used by increasing number of young persons, 15-29 years old (e.g. 7% more than planned in 2017 and 2018). The numbers are presented in the section Financing Entrepreneurship, since those services come jointly with a financing component.

There were plans to introduce other measures oriented to the acquisition of skills until 2020 in order to address the needs of young people, for instance, with a disability or potentially marginalised, but there is no evidence that this has occurred.

The unemployed

Under the Guidelines for the development and implementation of active employment policy in the Republic of Croatia in the period from 2018 to 2020¹⁴ (Ministry of Labour and Pension System, 2017), there are planned activities related to providing training, counselling and consultancy services for persons interested in self-employment. Those activities are connected with financing instruments for supporting all persons interested in self-employment (including all vulnerable groups such as women, youth, immigrants under international protection, Roma). Such services are dominantly organised by the Croatian Employment Service, but also offered by the centres for entrepreneurship, sometimes in collaboration with the Croatian Employment Service.

These quality of these services are being improved by the growing partnerships between the Croatian Employment Service and education and training institutions. In 2018, procurement procedures for the provision of education and training services were simplified (from duration of one year to two years) and the criteria of quality has been emphasised (replacing the lowest costs criteria with the best ratio between costs and expected outputs).

The CISOK centres developed in the framework of the Croatian Employment Service (twelve by 2017) have the role of providing information and more personalised counselling and training services to unemployed persons. Additionally, these centres are also implementing services for persons under the Youth Guarantee Scheme. In order to cover the whole Croatia, there was a plan to establish three such centres in 2019 and seven in 2020 (Ministry of Labour and Pension System, 2019a). In 2017, there were 42 618 contacts with unemployed persons provided by the CISOKs, 47 325 in 2018 (including all services, like information, training and counselling), for people interested in all kind of active labour market measures (including self-employment) (*Hrvatski zavod za zapošljavanje*, 2019:8)

¹⁴ <https://vlada.gov.hr/UserDocImages/2016/Sjednice/2017/12%20prosinac/73%20sjednica%20VRH/73%20-%201.pdf>

Roma

In the National Strategy for Inclusion Roma 2013-20, there are seven objectives related to education. These are supported by 14 measures that are expected to contribute to the overall goal “to improve access to high-quality education” from early childhood to university education, with special emphasis on removing any possible segregation in schools by 2020. Specifically, the Objective 7 refers to inclusion of adult members of Roma national minority in different education and training programmes in “order to develop their individual potential and strengthen their capacities and competences for achieving a greater competitive strength on the labour market and permanent employability.” In the area of employment and inclusion in economic life, there are several measures (professional counselling, group informing on self-employment, counselling on starting a business).

The monitoring framework is based on comparing reporting data to the baseline, but for many of those measures, the baseline information is not available. In many cases only incomplete data are collected, so the evaluation of the progress toward identified goals is limited. The only evaluation report covering 2013 and 2014 (Friedman and Horvat, 2015) revealed that majority of measures relevant to education, training and counselling are evaluated as “not possible to determine” (e.g. inclusion of Roma in higher education), “progress made - based on incomplete data” (for inclusion of adult Roma in training programs) and “progress not made – decrease of values in relation to 2013” (for providing group informing on self-employment and counselling on starting a business). Based on such findings, the report questions the relevance of the data to the objectives – for example, participation in informational activities on self-employment does not report on self-employment itself (Friedman and Horvat, 2015).

Recent policy developments

There are no specific new policy documents in the field of inclusiveness, related to developing entrepreneurial competences, but there are some reports on implemented programs focused on informing, training, counselling and consultancy for self-employment for 2017-19 period, what will be important inputs for future activities.

A reform of the education system is ongoing. The “School for Life” reform is focused on formal education on primary and secondary level. Entrepreneurship education is not emphasised directly across curricula but some components of entrepreneurial behaviour (e.g. creativity, innovativeness) are built in the programmes. Entrepreneurship education in the form of a course or apprenticeships is available only in vocational schools, as electives.

Non-formal education is outside of recent discussion. At the same time, the evaluation of the Youth Guarantee scheme repeatedly emphasised that continued education is the other axis of the YG plan. It consists of the extension of compulsory pre-tertiary education, a VET curriculum reform, early-school leavers retention programmes and the recognition of non-formal and informal learning.

Financing entrepreneurship

Overview and assessment of policies and programmes

Table 3.2. Characterisation of schemes for facilitating access to finance

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Grants for business creation	✓		✓	✓				✓	✓
	2. Loan guarantees	✓		✓	✓				✓	✓
	3. Microfinance and loans	✓		✓	✓				✓	✓
	4. Other instruments (e.g. crowdfunding, risk capital)									
Immigrants	1. Grants for business creation	✓							✓	✓
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
Youth	1. Grants for business creation	✓		✓	✓					✓
	2. Loan guarantees	✓		✓	✓					✓
	3. Microfinance and loans	✓		✓						✓
	4. Other instruments (e.g. crowdfunding, risk capital)									
Seniors	1. Grants for business creation									
	2. Loan guarantees									
	3. Microfinance and loans									
	4. Other instruments (e.g. crowdfunding, risk capital)									
The unem- ployed	1. Grants for business creation	✓		✓	✓				✓	✓
	2. Loan guarantees	✓		✓					✓	✓
	3. Microfinance and loans	✓		✓	✓				✓	✓
	4. Other instruments (e.g. crowdfunding, risk capital)									

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Women

Public actions to facilitate access to financial resources for female entrepreneurs is based on the combination of government loan guarantee schemes, grants and commercial banks’ microloans and loans. Grant and guarantee schemes are delivered through Croatian Bank for Reconstruction and Development and Croatian Agency for SMEs (HAMAG-BICRO). The ESF Operational programme under the “investment for growth and jobs” goal 2014-20 provides sources for women’s self-employment projects through active labour market policies. There are also programmes emerged from collaboration between business sector,

government and non-governmental organisations supporting women's ventures. A good example is the programme ODVAŽNA (COURAGEOUS), which is based on collaboration between IKEA, Mastercard, Foundation for Human Rights and Solidarity, and Croatian Business Council for Sustainable Development. The programme is focused on financing the women's ventures which are in transition from the start-up phase to growing phase, with a social responsibility dimension. In 2019, they financed three projects with EUR 10 000 each.¹⁵

Immigrants

There are no specific financial instruments for supporting immigrants' intentions for self-employment, but the active employment policy measures are open to them as well. Croatian Employment Service is in charge of these activities. The research¹⁶ findings (Office for human rights and rights of national minorities, 2019) reveal several important aspects of integration of immigrants: (i) a need to encourage immigrants for self-employment and their inclusion in entrepreneurship centres and incubators; (ii) there is evidence that immigrants are getting jobs for which they are overqualified and for which they are underpaid; (iii) SWOT analysis revealed more efficient decision making process related to involvement of immigrants into social and economic life on local level than it looks from the national level, but the major weakness is lack of an efficient communication between institutions on national and local level.

Youth

The ESF Operational programme under the "investment for growth and jobs" goal 2014-20 provides guarantee schemes for young persons interested in self-employment. The Implementation Plan for Youth Guarantee Scheme 2019-20 is updating this financial instrument for youth self-employment, along the changes in the conditions and criteria for supporting self-employment for all unemployed persons (the amount and the length of the measure). In 2019, the financial support for self-employment was up to HRK 70 000 (EUR 9 300), in the period of 12 months, in 2020 it is increased up to HRK 100 000 (EUR 13 300), for 24 months (first 12 months for justifying the support, next 12 months for maintaining the business venture and paying all contributions and taxes). The financial support comes in the package with information and support with developing a business plan, as well as counselling during business start-up. As a result of both Active Labour Market Policy and Youth Guarantee scheme, in the 2017-19 period a rising number of young persons used this package: 983 in 2017, 1 882 in 2018 and 2 543 in 2019. Under the Youth Guarantee Scheme for 2019-20, it is anticipated that 518 young persons will use the self-employment measure and that 247 young persons will be self-employed six months after using this package (Ministry of Labour and Pension System, 2019a:19). While these numbers appear to be positive, there is no tracking system to permit an assessment of the measure's effectiveness and impact, i.e. "the outcome cannot be evaluated in 2017", "the outcome cannot be evaluated in 2018" (Hrvatski zavod za zapošljavanje, 2019).

To improve the accessibility of information and counselling services for business creation, 22 CISOK centres were planned. However, at the end of 2018 there are 12 CISOKs and additional ten CISOKs are planned to be established in 2019-20 period. The development of these centres was stopped because of the overlap with the Career Guidance Centres as part of the Youth Guarantee Scheme.

¹⁵ <https://voxfeminae.net/kalendar-dogadanja/natjecaji/otvoren-natjecaj-za-strucnu-i-financijsku-potporu-zenama-u-poduzetnistvu/>

¹⁶ The Framework for the Integration of Persons who have been granted International Protection at the Local Level has been developed as part of the project "Support to the Implementation of Policies for Integration of Migrants" funded by the European Union as part of the IPA 2012 instrument and co-funded by the Office for Human Rights and the Rights of National Minorities of the Government of the Republic of Croatia who is the project beneficiary.

The unemployed

Under the Guidelines for the development and implementation of active employment policy in the Republic of Croatia in the period from 2018 to 2020¹⁷ (Ministry of Labour and Pension System, 2017), self-employment is one of five intervention areas in the Objective 1 (“Increasing the employment rate”). There are three measures: (i) financial and counselling support for self-employment of unemployed persons (responsible institution is the Croatian Employment Service); (ii) financial and counselling support for self-employment of war veterans and the members of their families (Ministry of War Veterans); and (iii) different financial instruments (micro-loans, guarantee schemes) for people interested in self-employment (Ministry of Labour and Pension System through a contracted financial institution). The planned and realised results are:

- Number of unemployed with the financial support for self-employment: 4 712 planned in 2018 (6 485 realised), 4 982 planned in 2019 (8 723 realised) and 5 437 planned in 2020 (972 realised as of 1 June 2020). Gender structure is in the favour of men, from 61 to 63%. Age structure is 61% for 30-49 olds, 29% for 15-29 olds, and 9-10% for 50+ olds.¹⁸
- Number of war veterans with the financial support for self-employment: 115 planned in 2018 (53 realised), 210 planned in 2019 and 210 in 2020. No report yet on 2019 or 2020.¹⁹
- Planned number of persons for using micro-loans and guarantees: 40 in 2018, 50 in 2019 and 50 in 2020. According to the Ministry of Labour and Pension System²⁰, those financial instruments were not implemented due to the lack of procedures needed for their implementation. In 2020, there are activities in order to provide needed mechanism for implementing this measure.

Two new features were introduced in 2020. First, there is financial support for those who want to grow their businesses established through the successful usage of the self-employment support. This support is targeting two groups: those who want to enlarge their existing business (up to HRK 55 000 or EUR 7 300) and those who want to do it by diversifying into a new industry (up to HRK 75 000 or EUR 10 000). Second, it is possible to support two or more unemployed persons interested in starting a business venture as a group:

- Up to five persons (registered as a cooperative) up to HRK 320 000 or EUR 42 700;
- Up to 4 persons (registered as a ltd company) up to HRK 265 000 or EUR 35 300;
- Up to 2 persons (registered as a craft) up to HRK 155 000 or EUR 20 700.²¹

Moreover, the self-employment measure was more customised in 2020 according to the development level of a region where a beneficiary is permanently located and plans to start a business.

Participation in the self-employment measure of the Active Labour Market Policy proved to be successful according to number of unemployed persons interested in starting own venture. In 2019 there were 36 926

¹⁷ <https://vlada.gov.hr/UserDocImages/2016/Sjednice/2017/12%20prosinac/73%20sjednica%20VRH/73%20-%201.pdf>

¹⁸ Data about the realisation are obtained from the Croatian Employment Service, July 21, 2020

¹⁹ Communication with the Ministry of Labour and Pension System, August 27, 2020

²⁰ Communication with the Ministry of Labour and Pension System, July 28, 2020

²¹ The Croatian Employment Service (2020). Potpora-za-samozapošljavanje-i-proširenje-poslovanja-uv-10.07..pdf

persons involved in all employment measures (more than planned) with 8 723 persons (24%) used self-employment measure (Vlada Republike Hrvatske, 2020).

Recent policy developments

The amount of financial support for the unemployed pursuing business creation increased substantially in recent years. In the period of 2014-16 it was up to HRK 25 000 (EUR 3 500). In 2017, financial support increased to HRK 35 000 (EUR 4 700), which could be extended up to HRK 45 000 (EUR 6 000) if the support was connected to professional training. In 2018 and 2019, the same scheme was in place, but the financial support increased to HRK 55 000 (EUR 7 300), which could be extended to HRK 70 000 (EUR 9 300) if using the professional training service. In 2019 the financial support could be up to HRK 80 000 (EUR 10 700) if the value of equipment was more than 50% of the support, in specific industries. In 2020, the financial support could be in the range of up to HRK 75 000 to HRK 100 000 (EUR 10 000 to EUR 13 300), depending on industries. From 2017-19, the duration of all programmes were twelve months, but in 2020 they were extended to 24 months.

For the period 2018-20 for self-employment support it was planned almost HRK 597 million (EUR 80 million), with 70% of EU funding. There are no evaluation reports on the success rates of implemented financial support schemes, despite of substantial increase in the number of recipients, substantial increase in the amount of individual support and substantial amount of money allocated for supporting self-employment.

Entrepreneurship culture and social capital

Overview and assessment policies and programmes

Table 3.3. Characterisation of public policy actions to promote entrepreneurship and develop networks

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Entrepreneurship campaigns, including role model initiatives	✓		✓					✓	✓
	2. Networking initiatives	✓		✓					✓	
Immigrants	1. Entrepreneurship campaigns, including role model initiatives	✓			✓				✓	
	2. Networking initiatives	✓							✓	
Youth	1. Entrepreneurship campaigns, including role model initiatives	✓		✓					✓	✓
	2. Networking initiatives	✓		✓					✓	
Seniors	1. Entrepreneurship campaigns, including role model initiatives	✓		✓					✓	✓
	2. Networking initiatives									
The unem- ployed	1. Entrepreneurship campaigns, including role model initiatives	✓		✓					✓	✓
	2. Networking initiatives	✓		✓					✓	

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Women

Through the ESF Operational programme under the “investment for growth and jobs” goal, there are many activities focused on promotion of women’s self-employment and networking activities. A good example is the International network of business women (<https://mrezazena.com/>), which is active in networking, i.e. one of the missing dimension of women entrepreneurial activity (Singer et al., 2017).

Immigrants (i.e. those granted international protection)

There are some public presentation of immigrants entrepreneurship initiatives (on public television) aiming to develop a friendly context for their integration into the Croatian society. Several ministries (the Ministry

for Demography, Family, Youth and Social Policy, the Croatian Employment Service, the Ministry of Health, the Ministry of Science and Education, local governments, civil society organisations) are in charge for Measure 18.3. (Establishment of a network of contact persons for realisation of the rights of persons who have been granted international protection on a local level). Overall, local governments have a positive and supportive attitude towards immigrants, often due to shortages in local labour markets (Ajduković et al., 2019). At the same time, these authors revealed a need for training local governments for implementation of the activities from the Action plan, as well to provide language training for immigrants and helping them to understand the economic and social system.

Youth and the unemployed

Public campaigns and promotion of active labour policies are the part of The Guidelines for the development and implementation of active employment policy for 2018-20. Those activities are specifically targeting youth and the unemployed, as well as employers and the general public, by informing about the need for inclusion of excluded groups of people and the opportunities of self-employment of those excluded groups.

Recent policy developments

In addition to on-going discussion on issues of gender (in)equality, the exclusion of youth from the labour market and the marginalisation of elderly people, there is growing attention placed on the issues faced by immigrants. A resurgence of immigrant after 2015 has shifted public attitudes in a positive way. It contributed also to more active government plans in this field, not only on the level of minimal fulfilment of EU requirements (Baričević and Koska, 2017). The majority of planned activities from the Action plan 2017-2019, were fully implemented in 2017 and 2018 (Government's Office for human rights and rights of national minorities, 2019). These discussions contribute to keeping issues of excluded groups from equal access to self-employment opportunities (by education and financial support) alive. It is important pre-condition for developing entrepreneurship culture and social capital, but it should be followed by policies and instruments to operationalise such improving context.

Regulatory measures

Overview and assessment of regulatory environment

Table 3.4. Characterisation of regulatory measures used to support entrepreneurship

			Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?
Women	1. Support with understanding and complying with administrative procedures		✓		✓						
	2. Measures to address group-specific regulatory challenges	Maternity leave and benefits for the self-employed Access to childcare	✓ ✓				✓ ✓	✓ ✓	✓ ✓		
Immigrants	1. Support with understanding and complying with administrative procedures		✓			✓				✓	✓
	2. Measures to address group-specific regulatory challenges	Entrepreneurship visa Administrative and tax obligations can be met in several languages									
Youth	1. Support with understanding and complying with administrative procedures		✓		✓						
	2. Measures to address group-specific regulatory challenges	Student business legal form Reduced tax and/or social security contributions for new graduates									
Seniors	1. Support with understanding and complying with administrative procedures										
	2. Measures to address group-specific regulatory challenges	Medical leave schemes for the self-employed									
The unemployed	1. Support with understanding and complying with administrative procedures		✓		✓	✓				✓	✓
	2. Measures to address group-specific regulatory challenges	Welfare bridge to support those moving into self-employment	✓		✓					✓	✓
		Mechanisms for regaining access to unemployment benefits if business is not successful		✓							

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

Women

Regulations related to maternity leave and access to childcare are usually seen as “women” related issues, but they should be seen as a horizontal regulatory framework for both parents. This is the case in Croatia where maternity leave is defined as a right of an employed or self-employed parent in duration of eight months, for the first and second child, or 30 months for twins, each third or next child. Each parent can execute the right on maternity leave in duration of four or 15 months. There is a whole portfolio of different childcare instruments in the form of time (right to stay at home with a child in a need) or money (financial support for a parent with a child in a need). Such support includes childcare for children with disabilities, or for children with a need for intensified childcare. All those instruments are available for an employed parent or self-employed parent. Regulatory measures do not differentiate any rights on childcare between employed and self-employed parents.

Immigrants

Up to 2015, the Ministry of Science and Education, pursuant to the Elementary and High School Education Act, the Aliens Act, and the Asylum Act, adopted a series of regulations whereby asylum seekers, refugees, foreigners under temporary protection and foreigners under subsidiary protection were enabled to learn the Croatian language, history and culture, for the sake of inclusion in the Croatian educational system or inclusion in Croatian society. It includes also the regulatory provisions for verification of immigrants’ previous educational achievements.

Seniors

The regulatory interventions planned for 2017-20 are focused on improving the access of elderly to social services and introduction of national pension. A part of those interventions was relaxation of conditions under which retired people can be entrepreneurially active without their pensions being financially impacted. A retired person (with old-age or premature old-age pension) can be entrepreneurially active up to half working time only if all contributions (health insurance) are paid out of this working status.²²

The unemployed

One very important issue emerged from the implementation of the self-employment measure from the Active Labour Market Policy programme. Persons who were beneficiaries of that measure, but interrupted this status and returned to the status of unemployed, cannot be involved in any other Active Labour Market measure at least for 12 months after stopping to use self-employment support. Such criteria lead many persons to the long-term unemployment.

²² Explanation of this provision was provided by the Ministry of labour and pension system, July 23, 2020.

4 Supporting people who experience disability in entrepreneurship

Self-employment and entrepreneurship activities

Self-employment of persons with disabilities is one of the measure of the National Strategy for Equalization of Opportunities for Persons with Disabilities 2017-20 (as follow-up on the 2011-15 strategy). It covers promotional activities (raising public awareness about such opportunities), educational and professional counselling services for preparing persons with disabilities for self-employment and financial support. The most recently available data show that in 2015 only 24 persons opted for self-employment.

The barriers for self-employment of persons experiencing disabilities are lack of trained persons to council about self-employment and lack of educational and training programmes, as the most important components of professional rehabilitation.

Policy framework

Table 4.1. Characterisation of the entrepreneurship policy context for people who experience disability

		People who experience disability
1. Entrepreneurship policies for each target group are under the responsibility of the following level(s) of government (multiple levels can be checked)	National	✓
	Regional	
	Local	
2. A dedicated entrepreneurship strategy has been developed (either stand-alone or embedded in another strategy)		✓
3. Clear targets and objectives for entrepreneurship policy have been developed and reported		

Note: A check-mark indicates the level of policy responsibility for tailored entrepreneurship policy (multiple selections are possible) and characteristics of the entrepreneurship policy framework.

Policy framework for supporting persons who experience disability in entrepreneurship only recently started to be formulated, mostly as a result of the pressure of non-governmental organisations. The Commission of the Government of the Republic of Croatia for Persons with Disabilities was appointed in May 2017, consisting of representatives of different ministries (19 members), academia (2 members) and non-governmental organisations / associations from this field (17 members). The committee is responsible for opinions and proposals related to protection and rehabilitation of persons with disabilities.

Overview and assessment of policies and programmes

Table 4.2. Characterisation of entrepreneurship schemes for people who experience disability

		Tailored: Are public programmes tailored for the target group (i.e. dedicated)?	Consultation: Are the targeted entrepreneurs consulted during the design of programmes?	Outreach: Are appropriate outreach methods used for different target groups?	Delivery: Are specialist organisations used to deliver programmes?	Take-up: Does the support have high take-up among target group?	Scale: Is the scale of available support sufficient?	Impact: Does evaluation evidence show a positive impact?	Integrated: Is the programme delivered linked other related supports?	Links: Do tailored programmes link to mainstream support programmes?	
Skills	1. Entrepreneurship training	✓		✓	✓				✓	✓	
	2. Entrepreneurship coaching and mentoring	✓		✓	✓				✓	✓	
	3. Business consultancy, including incubators/accelerators	✓		✓	✓				✓	✓	
Finance	1. Grants for business creation	✓	✓	✓	✓					✓	
	2. Loan guarantees	✓		✓	✓					✓	
	3. Microfinance and loans	✓		✓	✓					✓	
	4. Other instruments (e.g. crowdfunding, risk capital)	✓									
Culture	1. Entrepreneurship campaigns, including role models	✓		✓	✓				✓	✓	
	2. Networking initiatives	✓		✓	✓				✓		
Regulations	1. Support with understanding and complying with administrative procedures	✓		✓	✓				✓	✓	
	2. Measures to address group-specific regulatory challenges	Mechanisms to move back into disability benefit system if business is not successful	✓			✓					
		Mechanisms to move regain access to other social security supports (e.g. housing benefits) if business is not successful	✓			✓					
		Medical leave schemes for the self-employed	✓								

Note: This table presents the characteristics of entrepreneurship schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. It considers the “typical” entrepreneur in each of the different target groups, in the “typical” region in the country. A check-mark indicates when the characteristic is typically fulfilled.

The National Strategy for Equalization of Opportunities for Persons with Disabilities 2017-20²³ (as follow-up on the 2011-15 strategy), specifically mentions employment of women with disabilities, youth with disabilities and deaf persons. The support for self-employment is covered by Measure 4, which is based on two activities (Government of Croatia, 2017):

²³<https://mdomsp.gov.hr/UserDocsImages/Vijesti2018/National%20Strategy%20for%20Equalization%20of%20Oppo rtunities%20for%20Persons%20with%20Disabilities%202017%20-%202020.pdf>

- Collect and publish information and examples of good practice on the official website of the competent authorities to promote the various forms of self-employment of persons with disabilities, and organise periodic targeted training on self-employment. The indicators for checking the realisation of this activity are examples of good practice involving self-employment of people with disabilities, availability of education on self-employment and the number of participants in such education and the number of self-employed persons with disabilities who are beneficiaries of the government support
- Implement measures to encourage self-employment of persons with disabilities (especially women with disabilities) in accordance with their individual needs and demands of the local labour market. Planned indicators include the number of self-employed persons with disabilities and number of self-employed women with disabilities.

In addition, there is a specific measure to develop a model of non-profit (social) entrepreneurship and other models of social employment of persons with disabilities (Measure 5). This includes financing professional training and employment placements.

People who experience disability can also receive support through active labour market measures. In 2018, these measures were used by 1 648 persons (1 668 in 2015), 3 231 persons were employed (2 613 in 2015). Of these, self-employment incentives were used by 40 persons with disabilities (compared to 24 people in 2015), Special attention was paid to employment of women with disabilities and unemployed victims of domestic violence.

A number of other actions are ongoing. First, women entrepreneurs, entrepreneurs with difficult social conditions and people with disabilities are also supported through in the programme "Entrepreneurial impulse," which is run by the Ministry of Economy, Entrepreneurship and Craft. The selection process for this programme uses a system of preferential additional scoring in all available incentive measures. Second, the Ministry of Tourism funds projects aimed at the needs of persons with disabilities and their integration into the labour market in the tourism sector, including through self-employment.

There are annual reports²⁴ on implementation of the planned activities, but it is very difficult to follow what is achieved compared to what was planned. Metrics is quite vague, very often descriptive, and statements like "fully achieved, partially, not achieved" do not help much. It will require additional efforts to evaluate the impact on equalisation of opportunities for persons who experience disability.

²⁴ On the website of the Ministry of Demography, family, youth and social policy there are reports for years 2012-2018 (except for 2016)

<https://mdomsp.gov.hr/istaknute-teme/osobe-s-invaliditetom-i-starije-i-nemocne-osobe/osobe-s-invaliditetom-1740/zakonodavni-okvir-medjunarodni-i-nacionalni-dokumenti/217>

5 Policy recommendations

Policy strategies that promote and support entrepreneurship among people from under-presented and/or disadvantaged groups (women, youth, seniors, unemployed, immigrants, Roma) are currently in place, but only cover the period up to 2020. They will all need to be renewed for the next EU programming period. This presents an opportunity to strengthen the strategic plans since many are rather descriptive documents that are not followed-up with action-oriented plans. There is also a need to strengthen the implementation, monitoring and evaluation mechanisms. The following recommendations can help to strengthen the inclusive entrepreneurship policy framework when the strategic documents are renewed, and also identify some and offers some suggested priority actions to

1. **Use a participatory and collaborative approach when policies and strategies are updated for the 2021-27 period.** This will help ensure that the government sets out relevant actions that address the needs of different population groups and improves the transparency of policy development. It is also important to ensure that the different strategies are coherent with each other. Policy objectives for inclusive entrepreneurship should be linked to EU objectives related to inclusive and economic growth, as well as consistent with UN Sustainable Development Goals.
2. **Develop evidence-based action plans for each strategy.** The action plans should have measurable objectives, assign responsibility for implementation of the actions, outline a clear timeline, and identify metrics to be used to track progress.
3. **Strengthen monitoring and evaluation practices.** Little is known about the effectiveness and impact of inclusive entrepreneurship schemes because they are not well tracked or formally evaluated.

References

- Ajduković, D., et al. (2019), “*Izazovi integracije izbjeglica u hrvatsko društvo: stavovi građana i pripremljenost lokalnih zajednica*”, Zagreb (based on the project *Podrška integraciji državljana trećih zemalja kojima je potrebna međunarodna zaštita* – “Support to integration of citizens from the third countries who need international protection”), funded from the National programme of the EU Fund for asylum, migrations and integrations, <https://pravamanjina.gov.hr/UserDoc/Images/dokumenti/Izazovi%20integracije%20izbjeglica%20u%20hrvatsko%20društvo.pdf>
- Baričević, V. and V. Koska (2017), “Stavovi i percepcije domaće javnosti o nacionalnim manjinama, izbjeglicama i migrantima”, Report from the project *Racism and Xenophobia: For Refugee and Ethnic Equality*, IPA RAX FREE 20121, *Centar za mirovne studije Zagreb*, ISBN 978-953-7729-45-5, https://www.cms.hr/system/publication/pdf/94/Stavovi_i_percepcije_doma_e_javnosti_o_nacionalnim_manjinama_izbjeglicama_i_migrantima.pdf.

- Council of European Union (2013), COUNCIL RECOMMENDATION of 22 April 2013 on establishing a Youth Guarantee (2013/C 120/01), Official Journal of the European Union, 26 April 2013, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:C:2013:120:0001:0006:EN:PDF>.
- European Commission (2018), "Special Eurobarometer 469 – Integration of immigrants in the European Union", <https://ec.europa.eu/commfrontoffice/publicopinion/index.cfm/ResultDoc/download/DocumentKy/82537>.
- European Commission, Employment, Social Affairs and Inclusion (2020), The Youth Guarantee country by country – Croatia, Brussels.
- European Institute for Gender Equality (2019), Gender Equality Index 2019: Croatia, <https://eige.europa.eu/publications/gender-equality-index-2019-croatia>.
- Eurostat (2020), Business demography statistics, <https://ec.europa.eu/eurostat/web/structural-business-statistics/data/main-tables>.
- Eurostat (2020), Labour Force Survey, <https://ec.europa.eu/eurostat/web/lfs>.
- Financial agency (2019), "Analiza udjela žena poduzetnica u vlasničkoj strukturi trgovačkih društava. Zagreb", <https://www.fina.hr/-udio-zena-u-vlasnickoj-strukturi-trgovackih-drustava-u-hrvatskoj-u-2018-godini>.
- Friedman, E. and M. Horvat (2015), "Evaluation of Croatian National Roma Inclusion Strategy: evaluation report", Government Office for Human Rights and Rights of National Minorities and the United Nations Development Programme Project Management Office in Croatia, Zagreb, <https://pravamanjina.gov.hr/UserDocImages/dokumenti/Evaluation%20of%20Croatian%20NRIS%20-%20Report%20EN.pdf>.
- GEM (2020), Special tabulations of the Global Entrepreneurship Monitor Survey, prepared for the OECD.
- Government of Croatia (2017), "The National Strategy for Equalization of Opportunities for Persons with Disabilities 2017 – 2020", https://www.un.org/development/desa/disabilities/wp-content/uploads/sites/15/2019/10/Croatia_National-Strategy-of-Equalization-of-Opportunities-for-Persons-with-Disabilities.pdf.
- Government of the Republic of Croatia (2013), "Action Plan for the Implementation of the National Roma Inclusion Strategy for the Period 2013-2015".
- Government's Office for Human Rights and Rights of National Minorities (2017), "Action plan for integration of persons who have been granted international protection for the period from 2017 to 2019".
- Government's Office for Human Rights and Rights of National Minorities (2019), "*IZVJEŠĆE o provedbi mjera iz Akcijskog plana za integraciju osoba kojima je odobrena međunarodna zaštita za razdoblje od 2017,*" do 2019. godine, za 2017. i 2018. godinu (Report on implementation of measures from the Action Plan for integration of persons under international protection for 2017-2019, for 2017 and 2018, Zagreb, <https://pravamanjina.gov.hr/UserDocImages/dokumenti/Izvješće%20o%20provedbi%20mjera%20iz%20AP%20za%20integraciju-2017.%20i%202018.pdf>.
- Government's Office for Human Rights and Rights of National Minorities (2018), "The Framework for the Integration of Persons who have been granted International Protection at the Local Level", <https://www.irh.hr/dokumenti/50-okvir-za-integraciju-osoba-kojima-je-odobrena-medunarodna-zastita/file>.
- Gvozdanic, A. et al. (2019). Youth Study Croatia 2018/2019, Friedrich Ebert Stiftung, Zagreb. <http://library.fes.de/pdf-files/id-moe/15265.pdf>

- Hrvatski zavod za zapošljavanje (2019), *Pokazatelji provedbe mjera CISOK u 2018*, godini.
- Hrvatski zavod za zapošljavanje (2020), "Mjere aktivne politike zapošljavanja iz nadležnosti Hrvatskog zavoda za zapošljavanje: Uvjeti i načini korištenja sredstava za provođenje mjera u 2020", godini, June.
- Ilišin, V. and V. Spajic Vrkas (2015), "Potrebe, problemi i potencijali mladih u Hrvatskoj (Needs, problems and youth potential in Croatia)", research report produced for the Ministry of Social Policy and Youth,
<https://mdomsp.gov.hr/dokumenti/10?page=1&tag=1&tip2=8&Datumod=01.01.2010.&Datumdo=31.12.2019.&pojiam>.
- Kolaković, M., M. Turuk I. Turčić (2018), "Social Entrepreneurship: Strategic Development in Croatia. Sciendo", *Zagreb International Review of Economics & Business*, Vol. 21, No. 2, pp. 129-143.
- Ministry for Demography, Family, Youth and Social Policy (2019), "Izvešće o provedbi nacionalne strategije izjednačavanja mogućnosti za osobe s invaliditetom od 2017", do 2020, godine za 2018, godinu
<https://mdomsp.gov.hr/UserDocImages/dokumenti/Izvjecje%20o%20provedbi%20mjera%20Nacionalne%20strategije%20u%202018%20godini.pdf>.
- Ministry for Demography, Family, Youth and Social Policy (2016), "Izvešće o provedbi nacionalne strategije izjednačavanja mogućnosti za osobe s invaliditetom od 2007", do 2015, godine za 2015, godinu,
https://mdomsp.gov.hr/UserDocImages/zgrbac/Izvjescje_o_provedbi_Nacionalne_strategije_za_OSi_za_2015.pdf.
- Ministry of Labour and Pension System (2019a), "Plan implementacije garancije za mlade za razdoblje 2019", do 2020, godine, www.gzm.hr/wp-content/uploads/2014/11/Plan-implementacije-Garancije-za-mlade-za-razdoblje-od-2019.-do-2020.-godine.pdf.
- Ministry of Labour and Pension System (2019b), "Izvešće o provedbi Strategije socijalne skrbi za starije osobe u Republici Hrvatskoj za razdoblje od 2017", do 2020 godine za 2018, godinu
<https://vlada.gov.hr/UserDocImages/2016/Sjednice/2019/Rujan/179%20sjednica%20VRH/179%20-%2017%20a.pdf>.
- Ministry of Labour and Pension System (2019c), "Izvešće o provedbi Akcijskog plana provedbe Strategije cjeloživotnog profesionalnog usmjeravanja i razvoja karijere u Republici Hrvatskoj za 2018", godinu, (Report on implementation of the action plan of the Strategy for the Life-long Guidance and Career Development 2016-2020, for 2018).
- OECD (2019), *OECD SME and Entrepreneurship Outlook 2019*, OECD Publishing, Paris,
<https://doi.org/10.1787/34907e9c-en>.
- OECD/EU (2017), *Boosting Social Enterprise Development: Good Practice Compendium*, OECD Publishing, Paris <http://dx.doi.org/10.1787/9789264268500-en>.
- Oberman, M. and R. Šimić Banović (2019), "Immigrant Entrepreneurship in Croatia", Policy Brief, Zagreb,
<http://www.cepor.hr/wp-content/uploads/2015/04/CEPOR-policy-osvrt-IMIGRANTSKO-PODUZETNIŠTVO.pdf>.
- Operativni program Učinkoviti ljudski potencijali 2014.-2020. (the Operational programme under the 'investment for growth and jobs' goal , http://www.esf.hr/wordpress/wp-content/uploads/2020/04/Programme_2014HR05M9OP001_5_0_en.pdf.
- Pena, I. (2002), "Intellectual capital and business start-up success", *Journal of intellectual capital*, Vol. 3, No. 2, pp 180-198.
- Singer S., N. Šarlija, S. Pfeifer and S. Oberman Peterka (2017), "Gender Patterns of Businesses with

Growth Potential in Croatia”, in P. Wynarczyk and M. Ranga (eds.), *Technology, Commercialization and Gender*, Palgrave Macmillan, Cham, pp. 101-40, https://link.springer.com/chapter/10.1007/978-3-319-49923-9_5.

Singer S., N. Šarlija, S. Pfeifer and S. Oberman Peterka (2019), “Što čini Hrvatsku (ne)poduzetničkom zemljom?”, GEM Hrvatska 2018, CEPOR, Zagreb.

Starc, N. (2007), “Hundred strategies, one stratagem – an inquiry into the Croatian aptitude to strategy production”, 7th International Conference Enterprise in Transition.

Stubbs, P. and S. Zrinščak (2018), “ESPN Thematic Report on Challenges in long-term care Croatia 2018”, European Union

Vlada Republike Hrvatske (2020), “*Nacionalni program reformi 2020* (Government of the Republic of Croatia, National Reform Programme)”, https://ec.europa.eu/info/sites/info/files/2020-european-semester-national-reform-programme-croatia_hr.pdf.

The World Bank (2017), “Croatia Poverty Maps – A Policy Tool to Combat Poverty and Social Exclusion”.

The World Economic Forum (2018), ‘The Global Gender Gap Report 2018”.

Annex A. Methodology

Each country report was prepared by a national expert in co-operation with the OECD Secretariat. Information was collected through desk research and interviews (i.e. telephone, face-to-face, email) with policy officers, entrepreneurship support organisations and other stakeholders. The information was then verified by government ministries, programme managers and other inclusive entrepreneurship stakeholders, including through the circulation of draft reports for comment and online seminars that were organised between June and September 2020.

The reports are based on a common assessment framework that was developed by the OECD Secretariat. The framework contains five pillars:

1. Policy framework
2. Entrepreneurship skills
3. Financing entrepreneurship
4. Entrepreneurial culture and social capital
5. Government regulations

The reports provide an overview of the current inclusive entrepreneurship policies and programmes. They also notes assess programmes against the following international good practice criteria, considering the “typical” entrepreneur in each of the different target groups (i.e. women, immigrants, seniors, youth, the unemployed, people who experience disability), in the “typical” region in the country. It covers schemes that are directly offered by national, regional and local governments, as well as those that are financed by the public sector but delivered by other actors. The international good practice criteria used in the assessment are:

- **Tailored:** Are public programmes tailored for the target group (i.e. dedicated)?
- **Consultation:** Are the targeted entrepreneurs consulted during the design of programmes?
- **Outreach:** Are appropriate outreach methods used for different target groups?
- **Delivery:** Are specialist organisations used to deliver programmes?
- **Take-up:** Does the support have high take-up among target group?
- **Scale:** Is the scale of available support sufficient?
- **Impact:** Does evaluation evidence show a positive impact?
- **Integrated:** Is the programme delivered linked other related supports?
- **Links:** Do tailored programmes link to mainstream support programmes?

A focus is placed on the most commonly targeted population groups, namely women, immigrants, youth, seniors and the unemployed. Other groups such as the Roma are covered by the report when relevant. A special thematic section was added on entrepreneurship support for people who experience disability (Section 4) to highlight their potential as entrepreneurs and to showcase the variety of tailored entrepreneurship schemes that are in place around the European Union.