



**(Never) mind the evidence: how well  
does Croatia implement  
recommendations on active labour  
market policy based on external  
evaluations?\***



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Because of the adoption of integrated measures of active employment policy under the slogan "Od mjere do karijere" (From measure to career) we decided to compare recommendations from the [External Evaluation of Active Labour-Market Policy Measures 2010-2013](#) and [Realisation of the Measures of the Active Employment Policy - Evaluation of Participant, Mentor and Employer Experiences with Workplace Training without Employment \(SOR\)](#) with newly adopted measures. Both evaluations were commissioned by the Ministry of Labour and Pension System and funded by the European Union. As a relevant source of information on new measures we used document titled Measures of Active Employment Policy Within the Jurisdiction of the Croatian Employment Service(CES): Terms and Uses of Funds for the Implementation of Measures in 2017.<sup>1</sup>

[External Evaluation of Active Labour-Market Policy Measures 2010-2013](#) lays out a set of recommendations (pages 71 - 78). The following table will be used as a tool to analyse which of recommendation have been implemented and to which extent.

This analysis does not cover recommendations concerning internal organization of Croatian Employment service because these needs take more time for implementation. Furthermore, we lack a clear basis for comparison, which is not the case with other measures summarized in the document: Terms and Uses of Funds for the Implementation of Measures in 2017.

No.	Recommendation	Observed change	Comment	Mark (1-5)
<b>1</b>	<b>General recommendations</b>			
<b>1.1.</b>	To try to secure financial sustainability of the measure on the basis of previous experience, so that their interruption on account of lack of funds doesn't occur, which often happened before.	It was announced that for measures government secured 1.5 billion, mostly from the state budget which is almost 400 million more than in the previous year. It is stated in the draft of Implementation Plan for Youth Guarantee that the measure SOR for two years will cost 1,252,528,889.00kn, of which from the state budget 1,034,052,385.42kn. It is unclear at what pace it would be spent.	Projections on the number of users and how the funds are allocated to specific measures were not published.	1

<sup>1</sup> [http://mjere.hr/admin/wp-content/uploads/2017/03/Provedbena-MAPZ-2017\\_final.docx](http://mjere.hr/admin/wp-content/uploads/2017/03/Provedbena-MAPZ-2017_final.docx)

1.2.	To unite the measures and revoke those for which there is little interest; to simplify the measure structure because it is difficult to find one's way through a thicket of sub-options and sub-measures for the unemployed, the employers, and for the Employment Service staff as well.	Measures are merged and there is a total of nine measures and two sub-measure.		5
1.3.	To rename the measures so that it would be clearer from their name what they are all about, especially those which imply false information in their name (e.g. measure „Fifty-Fifty“, where the subsidy ratio in the case of the highly-educated changed to 70:30, so the name of the measure leads the employers to wrong conclusions).	Measures have been renamed and is clearer how employers can use them.	Target groups are too broadly defined. In some measures, such as public works, is unclear why a person under 25 years who is unemployed between 4 and 6 months is not the target group and all other persons under 25 years are the target group.	3
1.4.	To stabilize the design and the conditions of the majority of measures in the long-term or at least medium-term.	Terms and design of the measures have been changed several times in the last couple of years.	Just after adopting the revised package, officials from the MLPS announced that new measures will be developed.	1
1.5.	To empower the users of the measures to report misuse: to inform them on employers' obligations which have to be fulfilled; to provide protection in that case from negative consequences of reporting misuse (e.g. getting a dismissal), or compensation for the unemployed individual – e.g. possibility to enter another	At the moment, nothing has been done in this regard.	There are no incentives for a young person to report an employer considering their workers' rights are in no way secured.	1

	measure or gaining compensation, etc.			
1.6.	To achieve more focus on using the measures in the private sector	Number of users in the public sector had been limited to 10% of employees (SOR).  One mentor can now mentor three persons instead of one (SOR).	It is uncertain how and if the proposed limitation would influence the number of users in the public sector. The limitation of 10% does not affect the quality of the measures. Measure SOR continues to dominate over all other measures.	2
	Recommendations	3 not integrated	2 partially integrated	1 fully integrated
2	<b>Workplace training without employment (SOR)</b>			
2.1.	To consider limiting and reducing the volume of this measure so as to reduce negative macro-effects (pushing out other forms of entering the labour market and internship, pushing those young individuals who can't afford to work for a year for HRK 2400 a month out of their professions, etc.).	It is unknown what is the proposed volume of measures are. It is stated in the draft of Implementation Plan for Youth Guarantee that the measure SOR for two years will cost 1,252,528,889.00kn which indicates that that the volume of measure will actually increase.	No action was taken to resolve the negative macro effects of this measure.  It was not made public what is the planned number of users in SOR.  The measure was extended to all persons who have completed secondary education and the measure can no longer be used by people older than 29 years.	1
2.2.	To consider stricter restrictions on number of users per one	Number of users in the public sector had	It is uncertain how and if the proposed	2

	employer, especially when state administration bodies are in question as well as local/regional self-government bodies.	been limited to 10% of employees.  One mentor can now mentor three persons instead of one.	limitation would influence the number of users in the public sector. The limitation of 10% does not affect the quality of the measures.  A mentor can provide mentoring for up to 3 persons.	
<b>2.3.</b>	To consider introducing the retaining condition for employers from the public sector also.	Nothing has been done in this regard.		1
<b>2.4.</b>	To increase supervision of mentoring processes and content of work, especially with those employers who have a larger number of users in the measure, and especially with state administration bodies and non-profit organizations.	Nothing has been done in this regard.		1
<b>2.5.</b>	To consider introducing different fees according to education level.	Nothing has been done in this regard.		1
<b>2.6.</b>	To synchronize regulations for some professions which are conditioned with training in the duration of 2 or 3 years before taking the licensing exam, which is longer than the duration of SOR.	The maximum duration of the SOR is reduced from 36 months to 24 months with the possibility of using additional employment subsidy until the user meets conditions for the professional exam.		3
<b>2.7.</b>	To define more clearly what occupational work history means, especially for those	Nothing has been done in this regard.		1

	educated in social studies and humanities, to make bringing decisions/assessments easier for the Employment Service staff.			
<b>2.8.</b>	To notify users more efficiently about the goals of the measure so as to coordinate their expectations with realistic outcomes of the measure, since a large number of users expect to be employed by the same employer after the measure expires, where a part of the responsibility for such high expectations lies in the media and politics, who especially for this measure played a generally significant role in informing potential users and probably in raising their unrealistic expectations.	Nothing has been done in this regard.	Continuation of the same type of marketing.	1
	Recommendations	6 not integrated	2 partially integrated	0 fully integrated
<b>3</b>	<b>Employment incentives</b>			
<b>3.1.</b>	To consider introducing additional criteria for determining minimum wage given the employer's activity and region, along with existing criteria.	Nothing has been done in this regard.		1
<b>3.2.</b>	To loosen the criteria on which employers can use this measure, so as to additionally enable the measure's utilization for employers who in the long run have a stable business activity, but are suffering from short term business problems.	Nothing has been done in this regard.		1

	This way the effect of dead weight would be reduced.			
<b>3.3.</b>	Dead weight can be reduced in this measure if the Employment Service were to have a greater role in the selection of unemployed individuals among whom the employer chooses his future employee.	Nothing has been done in this regard.		1
<b>3.4.</b>	To consider introducing a condition of being registered with the unemployment records for at least three months with the group of individuals over 50 years of age, to reduce the effect of dead weight.	Nothing has been done in this regard.	Persons on the termination period may be the beneficiaries of the measures now.	1
<b>3.5.</b>	To coordinate the measure for youth with the fact that SOR had developed in the meantime. It becomes less attractive for employers when there is SOR, and it literally turns into dead weight. Possibly to convert it only for individuals with secondary education who don't have the condition of taking the licensing exam, and cannot enter SOR. To consider conversion of the measure for young people who don't have the prerequisites for entering SOR, e.g. long-term unemployed young people with some experience in their line of work.	Nothing has been done in this regard.	Users of SOR now can be all people with secondary education and there have not been significant changes to employment incentives.	1
<b>3.6.</b>	To inform the users on the rights and obligations of employers (e.g. minimum amount of stipulated wages, etc.) so as to reduce the possibility of misuse.	Nothing has been done in this regard.		1

	Recommendations	6 not integrated	0 partly	0 integrated
<b>4</b>	<b>Start-up incentives</b>			
<b>4.1.</b>	Concerning the recorded problem of this measure existing also as entrepreneurship funding, and not just as a ALMP measure, one should pay attention so that it predominantly remains an ALMP measure, and not to become a general measure for the development of entrepreneurship. In that respect, it is recommended that, for example, some conditions related to the duration of waiting for employment should exist (e.g. that the person was not employed according to the Croatian pension insurance institute records, regardless of the registration with CES).	The only prerequisite for inclusion in a measure is the performance of activities of the Croatian Employment Services with the assigned counsellor.	As the support increased and as a young entrepreneur can now take up to two people to the SOR, we can say that the exact opposite of the proposed has occurred.	1
<b>4.2.</b>	Implementation should include activities oriented to empowering unemployed individuals who have certain resources for entering entrepreneurship, but are lacking in a portion of funds, knowledge and skills, and should not come down to mere entrepreneurship funding.	Users are: unemployed persons who have made a professional employment plan and which have been in activities for self-employment at their counsellor for self-employment.	From the available information, it would seem that measure is reduced to mere financing of entrepreneurship.	1
<b>4.3.</b>	To emphasize other support activities apart from financing - the support in the spirit of education, empowerment and similar programs is needed, and attending them during implementation should be mandatory.	Nothing has been done in this regard.	Possibility of mentoring two people had been introduced without also introducing control or support for the process.	1



4.4.	Networking with other institutions (relevant ministry, chambers, etc.) in charge of entrepreneurship development is necessary – this measure should be implemented in cooperation with them.	According to available information, nothing was done in this regard.		1
4.5.	More clearly and precisely stress to the users which obligations they assume while entering the measure and all related risks. It is recommended to introduce an obligatory information leaflet which contains information and clearly and unambiguously emphasizes risks with which the counsellor should familiarize the user.	According to available information, nothing was done in this regard.	The procedures related to the implementation of the measures are prescribed by the internal manual on self-employment. It should be more transparent.	1
	Recommendations	5 not integrated	0 partly	0 integrated
5	<b>Public works</b>			
5.1.	To more clearly and concretely define the criteria which jobs can be accepted as appropriate work for organization of public works – necessary standardization and codification of the assessment practice.	According to the official website, grading scale program of public work had been standardized.  Furthermore, it now possible to combine education programmes and public work.		4
5.2.	To supervise which jobs are actually performed through public works, especially with social public works.	According to available information, nothing was done in this regard.		1
5.3.	To pay greater attention to avoidance of undesirable effects with approving public works,	Nothing has been done in this regard.		1

	such as substitution employer's regular activity with public work.			
5.4.	With individual types of public works (e.g. assistant in class), the public work duration should be synchronized with the duration of the cycle of the associated job (e.g. school year).	Nothing has been done in this regard.		1
5.5.	While defining criteria for entering other measures (e.g. for employment incentives), participating in public work should not be treated as unemployment interruption. If activation is the goal, it should be utilized when achieved through public work.	Now Public works can be combined with the measure of education in a way that users of Public works that are included in the program of public works for more than six months, as deemed appropriate by the employer, are referred to short-term training programs necessary for the performance of public work for a period of maximum 3 months.	Linking education/training with requirements of the temporary employment (public work) is rather problematic considering it occurs at the end of the programme for all participants who are not receiving guaranteed minimum income.  It continued to be treated as leaving unemployment.	2
5.6.	To observe profitability of work with public work users, that is, the consequence of utilizing other social service rights – horizontal connection and coordination with other departments.	Measures associated with guaranteed minimum income in a way that people can participate in public work part-time.	It is questionable what will the effect be, given to limitation of the possibility of working full-time for the persons who are recipients of the minimum guaranteed income.	4
5.7.	The Employment Service should continue to include "under duress" the most passive	It is unknown whether anything	We hope that nothing has changed, but by	3

	portion of unemployed individuals	has been done in this regard.	expanding the user base to all the young, there is an increasing possibility that persons entering the measure in fact do not truly need such an incentive, on contrary, it may be harmful to them.	
	Recommendations	3 not integrated	2 partially integrated	2 fully integrated
<b>6</b>	<b>Education for the unemployed</b>			
<b>6.1.</b>	Re-establishing the measure education for the unemployed for the known employer is recommended, as well as placing greater emphasis on this form of training for the unemployed individuals.	Nothing has been done in this regard.		1
<b>6.2.</b>	It is recommended that the education be arranged based on medium-term assessments of the labour market demands, which would be performed on a regional level for the period of approximately three years, to avoid burdening the Employment Service staff with performing short-term assessments. Medium-term assessments should be based on more complex and more systematic methodology.	Nothing has been done in this regard.		1
<b>6.3.</b>	To cross over from common public procurements of education services which are conducted annually, to general long-term agreements in order	Nothing has been done in this regard.		1

	to increase flexibility of procuring educational programs and facilitate the educational programs, as well as their better seasonal distribution. It would solve the problem of filling stipulated quotas per individual program and allow greater flexibility in allocating unemployed individuals in those programs for which they show more interest.			
6.4.	During contracting of education for unemployed individuals the suppliers should be selected according to the criterion of economically most viable offer according to the Public Procurement Act, and not according to the lowest offer.	Educational institutions that will implement education are selected on the basis of a previously conducted public procurement	The form of public procurement is not specified - may be by the criterion most economically most viable but it is not certain.	1
6.5.	Not to use the measure as an activation measure, because then it brings about a weak effect. To include in the programs those unemployed individuals who are truly motivated in retraining for certain occupations, that is, for professional education or training.	Nothing has been done in this regard.	There is a possibility that users would be people motivated to obtain financial assistance. All unemployed persons are potential users.	1
6.6.	To increase/return education aiming at strengthening generic competence (language skills, IT skills, etc.)	According to available information, nothing was done in this regard.		1
	Recommendations	6 not integrated	0 partially integrated	0 fully integrated
7	<b>Maintaining employment incentives</b>			

<b>7.1.</b>	To arrange the rights and obligations of employers in greater detail and adjust the measure to the practice and experience of the market.	Nothing has been done in this regard.		1
<b>7.2.</b>	To allow smaller employers a greater range of seasonal workers in relation to the unemployed so as to reduce the gap between large and small employers.	Nothing has been done in this regard.		1
<b>7.3.</b>	To allow employers with certain difficulties in their business activities to use the measure "Free Friday" so that the measure could aim at retaining employees even in those companies which are dealing with problems.	Measure cancelled.		1
<b>7.4.</b>	To enable the measure utilization for employers who have a fluctuation in the work force in certain departments, especially if these employers operate on a wider geographical area or have a widely-spread business structure.	Nothing has been done in this regard.		1
	Recommendations	4 not integrated	0 partially integrated	0 fully integrated
<b>8</b>	<b>Training incentives</b>			
<b>8.1.</b>	To increase the usage and the coverage of the measure, especially as a quick and flexible ad hoc complement to Labour-market oriented training which proves to be inflexible and noneffective in certain aspects.	According to available information, nothing was done in this regard	Plan of coverage of measures has not been published	1

8.2.	To additionally work out communication tools with the employers and educational institutions for the purpose of faster and more effective monitoring of the labour market demands, so as to better respond to the educational needs of the unemployed, but also the employed at risk of unemployment.	Nothing has been done in this regard.		1
8.3.	To reduce the duration of the application procedure in order to speed up and coordinate the education of the work force on local labour markets.	Nothing has been done in this regard.		1
	Recommendations	3 not integrated	0 partially integrated	0 fully integrated

	Recommendations	40 not integrated	6 partially integrated	3 fully integrated
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[Realisation of the Measures of the Active Employment Policy - Evaluation of Participant, Mentor and Employer Experiences with Workplace Training without Employment](#) has proposals how to improve measure Workplace Training without Employment (SOR). Following table will be used as a tool to analyse which of recommendation have been implemented into the reform.

No.	Recommendation	Observed change	Comment	Mark (1-5)
9	<b>Recommendations SOR</b>			
9.1.	Evaluation of the experience of participants after leaving the measure	Nothing has been done in this regard.		1

9.2.	Encouraging employers to hire participants - restore rules on the retention of a certain number of participant or percentage of participants	If privately owned enterprise after the expiration of SOR wants to re-use SOR, it will be possible if certain number of old participants' stay employed.	It is unclear whether the person who used the measure of self-employment has obligation to hire them.  It appears that the problem is not addressed with regard to state and local government(s), which use this measure frequently. Only those who have the status of enterprise have an obligation to hire certain number of people if they want to use measure again.	2
9.3.	The detection of employers who abuse measure	Nothing has been done in this regard.		1
9.4.	Support and monitoring of mentor	Nothing has been done in this regard.	In the measure self-employment user has the right to mentor two people on SOR regardless of its previous record and experience.	1
9.5.	Better elaboration of functions of mentor - enabling informal mentor	Nothing has been done in this regard.	Mentor can now be mentor to three people.	1
9.6.	To promote guidelines for the creation of training programs: general job description, list of professional skills and knowledge, monitoring and evaluation of progress, defined schedule of activities and predicted period of time	Nothing has been done in this regard.		1

	to prepare for the certification exam, if applicable.			
9.7.	Adaptation and harmonization of Workplace Training without Employment with the real situation in some professions, especially health	Nothing has been done in this regard.		1
9.8.	To restrict and monitor use in state and local government	A maximum of 10% of the number of employees in the previous year can be hired through this measure.	It is uncertain how and if the proposed limit in the public sector will influence the number of users in the public sector. The issue of quality SOR in state and local government is by no means addressed.	2
9.9.	To develop a system to support craftsmen and companies in order to develop the private sector and micro entrepreneurs	Nothing has been done in this regard.		1
9.10.	To consider the introduction of possibilities for employers to co-finance the salary of participants	Employers can further reward or pay workers if they wish. Employers are now responsible for paying the transportation costs if any.	Work fee is entirely paid by the State.	1
9.11.	Linking practice of mentoring as part of measures to already existing practices, for example in education where institutions of mentors already exists	Nothing has been done in this regard.		1



9.12.	To develop cooperation with relevant departments / ministries in public sector in terms of valorisation / compensation of mentors	Nothing has been done in this regard.		1
9.13.	To establish a distinction between professional practice and workplace training at the level of the objectives of measures.	Nothing has been done in this regard.		1
9.14.	To promote the definition of professional knowledge and skills at the level of individual professions / occupations	Nothing has been done in this regard.		1
9.15.	To develop cooperation with professional associations / chambers of crafts in defining key professional competencies	Nothing has been done in this regard.		1
9.16.	To promote the importance of the existence of organized, internal training system of new / young workers	Nothing has been done in this regard.		1
9.17.	To promote best practices in the form of high quality and extensive workplace training programs	Nothing has been done in this regard.		1
9.18.	To inform potential participants of workplace training on the general structure of the program of professional training and to promote awareness of participants to the program when entering the measure	Nothing has been done in this regard.		1
	Recommendations	16 not integrated	2 partially integrated	0 fully integrated

**TOTAL (BOTH EVALUATIONS)**

	Recommendations	56 not integrated	8 partially integrated	3 fully integrated
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**SUMMARY:**

<b>General recommendations</b>	3 not integrated	2 partially integrated	1 fully integrated
<b>Workplace training without employment (SOR)</b>	6 not integrated	2 partially integrated	0 fully integrated
<b>Employment incentives</b>	6 not integrated	0 partially integrated	0 fully integrated
<b>Start-up incentives</b>	5 not integrated	0 partially integrated	0 fully integrated
<b>Public works</b>	3 not integrated	2 partially integrated	2 fully integrated
<b>Education for the unemployed</b>	6 not integrated	0 partially integrated	0 fully integrated
<b>Maintaining employment incentives</b>	4 not integrated	0 partially integrated	0 fully integrated
<b>Training incentives</b>	3 not integrated	0 partially integrated	0 fully integrated
<b>Recommendations SOR</b>	16 not integrated	2 partially integrated	0 fully integrated
<b>Altogether</b>	<b>56 not integrated</b>	<b>8 partially integrated</b>	<b>3 fully integrated</b>