

14 Croatia

This country profile for Croatia benchmarks recent trends in entrepreneurship and self-employment for women, youth and seniors against the European Union average. It also presents recent policy actions and current policy issues related to inclusive entrepreneurship.

Recent trends in inclusive entrepreneurship activities

The overall entrepreneurship conditions are similar to the EU average. The share of people starting and managing new businesses (i.e. TEA rate) was above the EU average between 2018 and 2022 (12% vs. 7%), notably among youth (18-30 years old) (17% vs. 9%) and women (9% vs. 6%). If everyone was as active as 30-49 year old men in business creation, there could be an additional 130 000 early-stage entrepreneurs. Of these, about 67% would be women. Nearly one-third new entrepreneurs reported starting their business out of “necessity” compared to 20% across the EU - the shares of women (35% vs. 22%), youth (22% vs. 17%) and seniors (50-64 years old) (46% vs. 27%) were all above the EU average. While the overall self-employment rate was below the EU average over the past decade, the proportion of working immigrants who were self-employed was also above the EU average in 2022 (19% vs. 11%). Moreover, the self-employed remained more likely to have employees compared to the EU average in 2022 (45% vs. 32%), yet the share of self-employed employers decreased by six percentage points between 2021 and 2022. This downward trend was also observed among women, youth and immigrants.

Recent policy developments

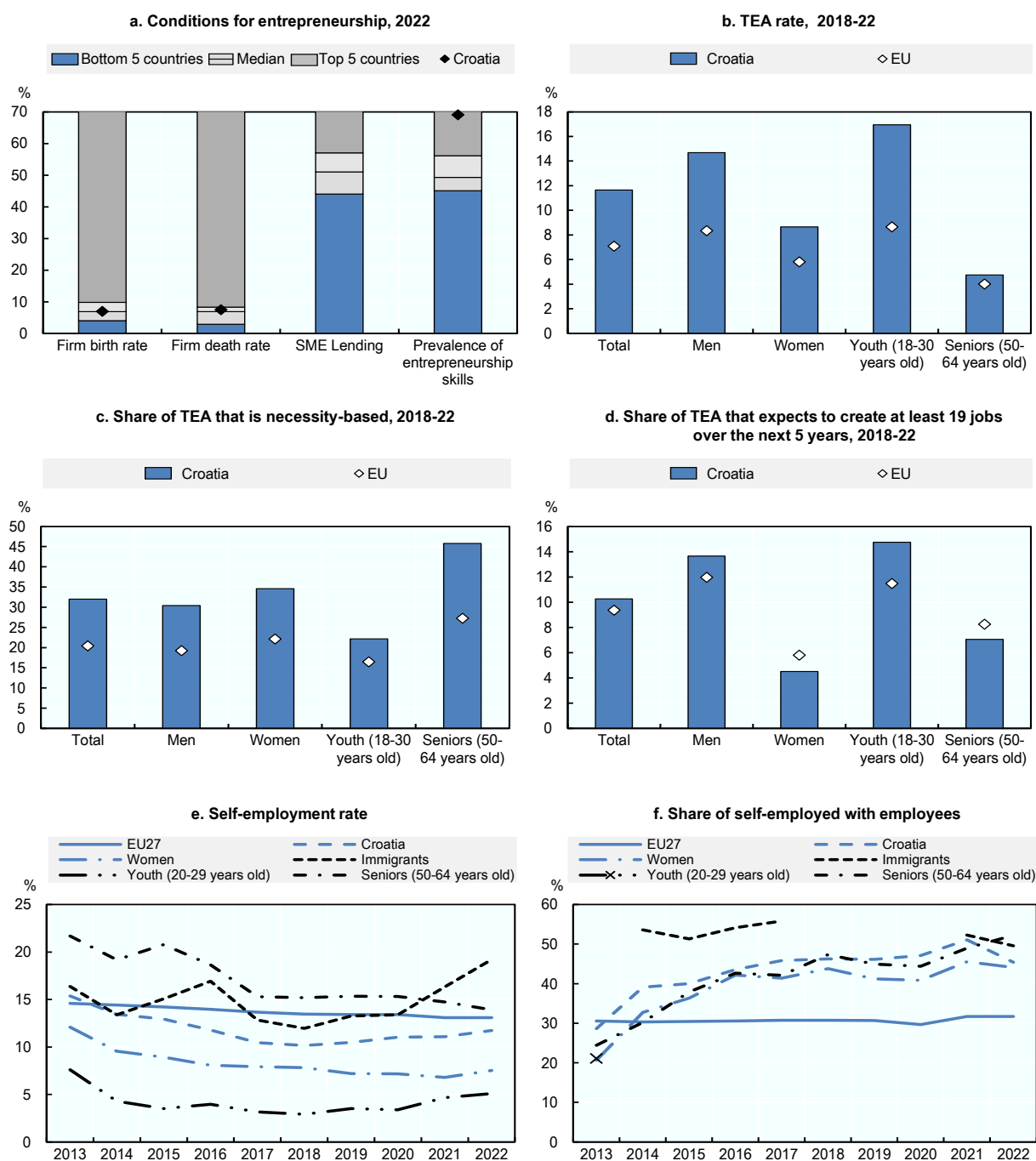
The administrative and regulatory burden on entrepreneurs has been reduced in recent years, notably through digitalising business registration and introducing the START system. START allows entrepreneurs to start a business online through a single procedure. Moreover, the National Plan on Recovery and Resilience 2021-26 included goals for inclusiveness, such as providing training, consultancy, and financial support for the entrepreneurs and the self-employed. The plan emphasised strengthening innovation networks as well as improving knowledge and access to resources needed to support projects related to the green and digital transitions. For example, a voucher system for training related to digital skills will be implemented, which aims to help young people and the long-term unemployed.

Hot policy issue

Youth entrepreneurship is a priority for the government with most public entrepreneurship support schemes being targeted to young people. The Croatian Employment service offers a range of youth entrepreneurship programmes, including entrepreneurship training. Moreover, the national programme for youth 2020-24 (*Nacionalni program za mlade za razdoblje 2020 do 2024*) focuses on entrepreneurship and employment among young people, notably introducing dedicated financial literacy schemes for young people.

Inclusive entrepreneurship indicators

Figure 14.1. Entrepreneurship and self-employment data for Croatia



Note: In Panel a, the data for the EU median for SME lending excludes the following countries: Austria, Bulgaria, Croatia, Cyprus, Denmark, Finland, Germany, Luxembourg, Malta and Romania. The EU median for the entrepreneurship skills indicator excludes: Belgium, the Czech Republic, Denmark, Estonia and Malta. In Panels b-d, the data for the EU average refers to a population-weighted average and excludes Belgium, the Czech Republic, Denmark, Estonia and Malta. Please see Chapter 10 for detailed notes on the figures.

Source: (Eurostat, 2023; GEM, 2023; OECD, 2023). Please see Chapter 10 for full citations.



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