

13 Croatia

This country profile describes current inclusive entrepreneurship policy issues and recent developments in Croatia. It also benchmarks key self-employment and entrepreneurship indicators for women, youth, seniors and immigrants against the average for the European Union.

Conditions for inclusive entrepreneurship

The general framework conditions for entrepreneurship have improved over the past decade; however, some areas remain challenging, such as the regulatory environment and levels of administrative burden. Entrepreneurship support remains relatively high on the political agenda with several strategies calling for tailored support for women, youth, seniors, immigrants and the unemployed in the labour market, including through entrepreneurship. While not all actions outlined in these strategies have been implemented, 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 also well-developed and has increased substantially in recent years.

Recent trends

The early-stage entrepreneurship rate was above the EU average between 2016 and 2020, notably among youth (14% vs. 7%) and women (8% vs. 5%). Nearly one-third of activities were launched out of necessity compared to 18% across the EU — women (35% vs. 21%), youth (23% vs. 16%) and seniors (50% vs. 24%) all had higher shares. However, each of these groups remain under-represented in entrepreneurship. Eliminating these gaps (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.

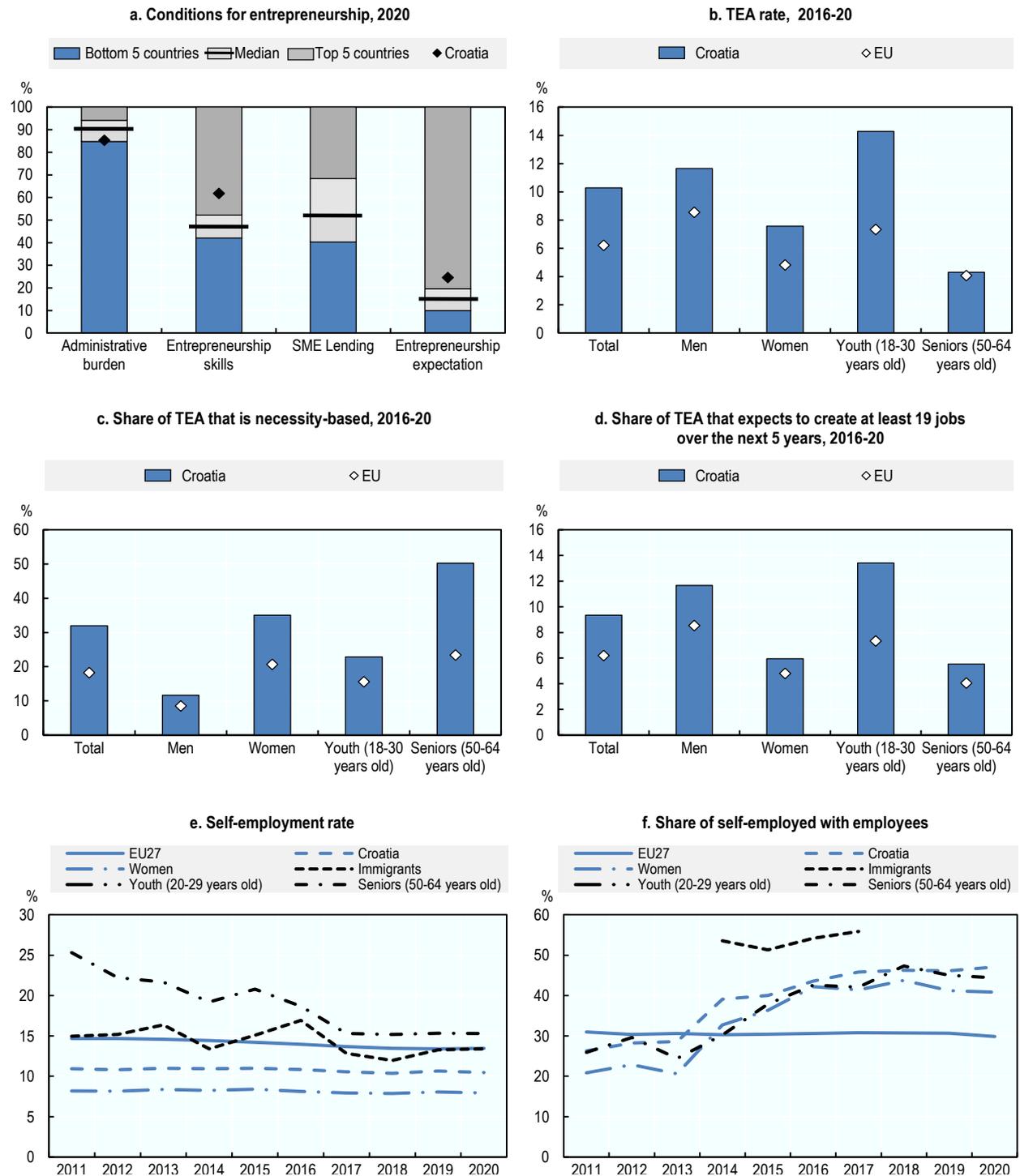
The self-employment rate remained around 11% over the last decade — about 3 percentage points lower than the EU average in 2020. However, the self-employed were more likely to have employees compared to the EU on average (47% vs. 30%) in 2020 — notably women (41% vs. 24%) and seniors (44% vs. 33%).

Hot policy issue

Several actions for entrepreneurs and SMEs were introduced in response to the COVID-19 crisis to preserve their financial liquidity, including a three-month moratorium on liabilities, loans, payroll subsidies and more. These measures have been strengthened over the past 18 months. Moreover, the Ministry of Culture provided payments for independent artists ranging from HRK 1 625 (EUR 217) to HRK 3 250 (EUR 433) from 15 March 2020 to 15 June 2020 before increasing the sum in October 2020 to HRK 4 000 (EUR 533.33) per month for any person working independently in the cultural and creative sector. The local government of Zagreb provided an additional lump sum payment of HRK 5 000 (EUR 667) in December 2020 to support young artists.

Inclusive entrepreneurship indicators

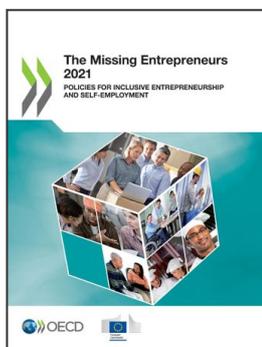
Figure 13.1. Entrepreneurship and self-employment data for Croatia



Note: The EU average in panels b-d excludes Belgium, Czech Republic, Denmark, Lithuania, Malta and Romania. Please see Chapter 9 for notes on the figures.

Source: Panel a: (World Bank, 2020^[1]; Global Entrepreneurship Monitor (GEM), 2021^[2]; OECD, forthcoming^[3]); Panels b-d: (Global Entrepreneurship Monitor (GEM), 2021^[2]); Panels e-f: (Eurostat, 2021^[4]). Please see Chapter 9 for the full citations.

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