



**FOR INTERNAL USE**

# **European Network of Public Employment Services**

PES Capacity Questionnaire  
Country Factsheet

Croatia  
Croatian Employment Service (CES)  
2019



Written by ICON INSTITUT Public Sector GmbH  
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*Social Europe*

## **EUROPEAN COMMISSION**

Directorate-General for Employment, Social Affairs and Inclusion  
Directorate B — Employment  
Unit B1 — Employment Strategy

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The European Network of Public Employment Services was created following a Decision of the European Parliament and Council in June 2014<sup>1</sup>. Its objective is to reinforce PES capacity, effectiveness and efficiency. This activity has been developed within the work programme of the European PES Network. For further information: <http://ec.europa.eu/social/PESNetwork>.

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<sup>1</sup> DECISION No 573/2014/EU

## About the Croatian Employment Service (CES)

<b>Name of PES</b>	Hrvatski zavod za zapošljavanje (Croatian Employment Service)
<b>PES Website address</b>	www.hzz.hr
<b>PES contact person and email address</b>	Vilma Mostahinić Vilma.Mostahinic@hzz.hr

## 1. Background

### 1.1. Status of the national PES

The CES (the Croatian PES) is a separate legal entity with its own budget. Although overall funding is allocated from the state budget, the CES can make adjustments within its own budget. The CES Central Office is responsible for activities such as technical and operational procedures and it contributes to the development of national employment policy and its implementation.

The principle objectives of the PES are to:

- Provide effective labour market mediation;
- Develop jobseekers' knowledge and skills;
- Promote partnerships with labour market stakeholders;
- Develop high quality services meeting the needs of different categories of jobseekers.

### 1.2. Geographical organisation

The PES is organised on the following structure:

Level	Description
National	<i>National Central Office</i> – responsible for the main policy decisions and providing guidelines for implementation, to the regional and local offices
Regional	<i>Main Regional Centres (5) and Regional Offices (17)</i> – responsible for the implementation and delivery of employment services
Local	<i>Local offices (99)</i> – responsible for the implementation and delivery of employment services

### 1.3. Relationships and cooperation with other organisations

The PES operates and cooperates with a range of organisations and with different types of relationships, the principal ones being as follows:

- National level: it takes place through the PES Managing Board, composed of Ministry of Labour representatives, social partners, employers' representatives and NGOs.
- Local level: the cooperation includes local partnerships for employment, within PES regional and local offices, also employers' associations, trade unions, educational institutions, chambers, among other local institutions.

#### 1.4. Key PES responsibilities




The key activities and tasks and the PES responsibilities within them are set out in the table below:

Activity/Task	PES Responsibility
Implementation of services of individualised assistance (e.g. intensive counselling and guidance, job-search assistance) and follow-up for unemployed people provided as part of a planned path towards durable (re-)employment (cf. services as in Eurostat LMP database Category 1.1.2).	Fully responsible
Implementation of ALMP (Active Labour Market Policies) measures (any measures within Eurostat LMP database Cats. 2-7) financed by national funds or the European Social Fund (the ESF) co-funding.	Fully responsible
Administration of national unemployment benefit (UB) scheme (handling of UB claims, payments, financial planning and reporting, etc.)	Fully responsible
Administration of social types of allowances (e.g. child allowances for UB recipients), please specify each allowance separately:	Not responsible
Administration of benefits for people with disabilities or handicapped people, please specify which exact group(s) are covered:	Not responsible
Approval of layoffs by employers. Please specify if this concerns specific conditions or situation only:	Partly responsible– under the Labour Act employers must inform the PES of impending collective redundancies after which the PES staff meet with the employer to discuss options for support, including a team of mobile staff to help displaced workers find alternative employment.
Licensing and supervising private employment agencies (PrES), please specify whether this covers PrES, temporary work agencies, or another type of service provision by private companies:	Not responsible
Notification of apprenticeship places and placement of apprenticeship candidates	Not responsible
Careers advice and guidance for young people still in education	Partly responsible – the PES is responsible for providing guidance to pupils with health and development issues in their final year of primary school to inform subsequent educational choices. The PES also provides information and guidance to secondary school pupils, though the Ministry of Science, Education and

Activity/Task	PES Responsibility
	Sports is the main provider of careers guidance in schools.
Acting as Managing Authority for the ESF	Not responsible
Managing training centre for jobseekers (that are an integral part of the PES)	Not responsible
Issuing of work permits for third country nationals (e.g. dealing with applications, approving and issuing, keeping records, reporting, etc.)	Not responsible
Other – please specify:	None

### 1.5. PES good practices

Examples of good practice in the Croatian PES identified by the European Network of PES are listed below:

EN		Promising PES Practice - EmployID	2018
EN		Promising PES Practice: Statistically Assisted Profiling (StAP)	2017
EN		PES Practice: Lifelong Career Guidance Centres (LLCG Centres)	2016

Source: EC DG EMPL, PES Practices: <http://ec.europa.eu/social/main.jsp?catId=1206&langId=en>

## 2. Annual expenditure

Total PES expenditure increased by EUR 8.9 million or 3% between 2013 and 2018, reaching EUR 311.4 million by the end of the period. Within this total, expenditure on all types of benefit fell by 40% whereas expenditure on ALMPs increased by 81%.

Other types of expenditure remained relatively stable as can be seen in Table 1.

The principal sources of funding for PES activities are Social Security Contributions, the ESF and the Government Budget.

**Table 1. Annual expenditure summary (EUR million)**

Expenditure category	2013	2014	2015	2016	2017	2018
Total PES	302.5	315.6	325.2	301.5	290.7	311.4
All types of benefits	185.1	163.1	141.6	123.8	113.4	111.4
ALMPs	92.2	127.6	156.6	148.0	147.5	167.2
Staff costs	17.4	18.0	19.2	21.7	22.9	24.6
Staff training costs	N/A	N/A	N/A	N/A	N/A	N/A
Budget intended for other institutions	0.0	0.0	0.0	0.0	0.0	0.0
Other expenditure	7.7	6.9	7.8	8.1	6.9	8.2

Source: Annual PES Benchmarking Data Collection.

### 3. Human resources

The total number of PES staff increased by 88 or by 6% over the period 2016 to 2019, reaching 1 598 FTE (Full Time Equivalent) at the end of April 2019. The small increase in staff over the past 12 months was due to additional recruits in the office dealing with the financing and contracting of EU-funded projects. The proportion of total staff directly and exclusively servicing job-seeking clients fell between 2016 and 2019 from 54% to 45%. In 2019 there was a significant increase in the proportion of staff servicing employers reaching 17%.

During 2018, few staff from the Job Mediation department were allocated in the Active Labour Market Policy department due to the increased scope of work in the latter.

Overall staff turnover in 2019 was 8%.

**Table 2. Staffing summary (FTE, as at 30 April each year)**

Staff category	2016	2017	2018	2019
Total PES staff	1 510	1 526	1 552	1 598
Of which (absolute and in % of total PES staff):				
Exclusively servicing jobseekers*	817	753	766	713
% exclusively servicing jobseekers	54%	49%	49%	45%
Exclusively servicing employers	46	192	192	274
% exclusively servicing employers	3%	13%	12%	17%
Staff turnover (for all reasons – figures for calendar year)	5%	7%	N/A	8%

\*Includes both counsellors and administrative staff.

Source: Responses to PES Capacity Questionnaire.

### 4. Registered unemployed

The number of registered unemployed jobseekers fell by 192 389 or 56% between 2013 and 2018, ending the period at 152 441. Over the same period, participants in ALMPs increased by 815 or 290%, with 1 096 in ALMP measures in 2018.

**Table 3. Registered unemployed jobseekers and participants in ALMPs (average monthly stock each year)**

Client Group	2013	2014	2015	2016	2017	2018
Registered unemployed jobseekers*	344 830	327 728	285 713	241 289	193 446	152 441
Participants in ALMPs**	281	460	194	575	519	1 096

\*The number of people registered with the PES, who are available for the labour market and who are, or should be, looking for a job, excluding those on any active labour market policy (ALMP) measure.

\*\* The number of people participating in ALMP measures in the following Categories (according to the LMP database): Training (Category 2); Job rotation and job sharing (Category 4.3); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6).

Source: Annual PES Benchmarking Data Collection.

## 5. Job Vacancies

The monthly average of job vacancies notified to the PES increased by 9 148 or 77% between 2013 and 2018, reaching 21 093 in 2018.

The share of the job finders who found their current job through PES involvement at some point decreased considerably between 2013 and 2018 from 22.5% to 14.6%.

**Table 4. PES Job vacancies**

Vacancy measure	2013	2014	2015	2016	2017	2018
Vacancies notified to the PES (monthly average inflow) *	11 945	12 739	16 872	19 355	20 851	21 093
Vacancies notified to the PES that were filled (monthly average outflow at the end of the month) *	N/A	N/A	N/A	N/A	N/A	N/A
Vacancies notified to the PES that were filled within 60 days of notification (monthly average outflow at end of month) *	N/A	N/A	N/A	N/A	N/A	N/A
Share of the formerly unemployed who stated in Eurostat's Labour Force Survey that the PES was involved at any moment in finding their present job ( <i>proxy for vacancies filled with PES assistance</i> ) **	22.5%	22.4%	18.5%	19.8%	18.3%	14.6%

Source:

\* Annual PES Benchmarking Data Collection.

\*\* European Union Labour Force Survey (EU LFS).

## 6. Active labour market policies (ALMPs)

Two new employment measures were introduced in 2018 (see Table 5). No amendments were made to existing measures last year.

**Table 5. New ALMPs introduced in 2018**

Intervention name	Target group(s)	Type
<i>Potpore za zapošljavanje za stjecanje prvog radnog iskustva/pripravništvo/ Employment subsidies for their first work experience/traineeship</i>	Registered unemployed people with no pensionable service.  Registered unemployed people with no pensionable service, seeking jobs which correspond to their educational qualifications, who were not employed in the previous 6 months.  Registered unemployed people with no pensionable service, with qualifications in education, healthcare and social welfare.	4
<i>Osposobljavanje za stjecanje odgovarajućeg radnog iskustva/ Training to acquire relevant work experience</i>	Registered unemployed people older than age 30 who have no more than 12 months pensionable service in the profession for which they were educated to the appropriate academic level, but who do not meet the formal criteria to take the relevant vocational exam.  Registered unemployed people accepted as interns whose employer did not support their taking the relevant vocational exam. These people should have pensionable service in the	2

Intervention name	Target group(s)	Type
	<p>profession, and have the appropriate level of education, or a higher level, required for the vocational exam.</p> <p>Registered unemployed people who need to take a vocational exam and who have already been included in some measure of occupational training. These people should not yet have begun full employment and should have a lower level of formal education than that required for the vocational qualification.</p>	

\* Classification of ALMPs according to the EU LMP database: Training (Category 2); Employment incentives (including job rotation and job sharing) (Category 4); Sheltered and supported employment and rehabilitation (Category 5); Direct job creation (Category 6); and Start-up incentives (Category 7).

Source: Responses to PES Capacity Questionnaire.

**Table 6. ALMPs modified in 2018**

Intervention name	Target groups	Type	Main modifications
No existing ALMPs were modified in 2018	N/A	N/A	N/A

The following table shows the types of ALMPs that are primarily used for each of the client sub-groups listed in the table.

**Table 7. Types of ALMP for specific client groups**

Target group Type of ALMPs	Young people (aged under 25)	Long-term unemployed	Older workers	Disabled	Refugees*
2: Training	✓	✓	✓	✓	✓
4: Employment incentives	✓	✓	✓	✓	✓
5: Supported employment and rehabilitation				✓	
6: Direct job creation	✓	✓	✓	✓	✓
7: Start-up incentives	✓	✓	✓	✓	✓

\*Applies only to those with a temporary or permanent resident permit (status).

Source: Responses to PES Capacity Questionnaire.



## 7. Main strategic targets for 2018

Table 8 lists the main strategic targets set by the PES in 2018 for all clients and for sub-groups. The first column describes the indicators used, while the second column contains the actual targets set.

**Table 8. Targets for all clients in 2018**

Indicator, including target group and time frame where applicable	Target(s) set for 2018
Individualised action plan signed with all newly registered jobseekers within 60 days of registration	100%
ALMP: Number of people in employment incentives.	8 076
ALMP: Number of people in employment subsidy for the first work experience/traineeship	9 196
ALMP: Number of people in training of the employed	1 100
ALMP: Number of people in start-up incentives	4 712
ALMP: Number of people in training of the unemployed	11 053
ALMP: Number of people in workplace training	1 845
ALMP: Number of people in occupational training without commencing employment*	4 200
ALMP: Number of people in training to acquire relevant work experience	501
ALMP: Number of people in direct job creation	7 530
ALMP: Number of people in job preservation subsidies	258
ALMP: Number of people in permanent seasonal worker	1 176
LTU (Long-Term Unemployed) included into the motivation/activation counselling	All becoming LTU
Integration of registered youth with NEET (Not in Education, Employment or Training) status into the labour market within 4 months of registration	50%
Increase of vacancies (compared to previous year)	4%
Psychological assessment of competencies and individual counselling (for the purpose of counselling, selection for employment and training, work abilities assessment) – number of services to job seekers	29 700
Improving careers management skills (group counselling and CISOK services) – number of job seekers	50 000

\* The target for using Occupational training without commencing employment was reduced from 8 140 to 4200 in 2018 due to CES has introduced stricter criteria for the measurement.

Source: Responses to PES Capacity Questionnaire.

## Supporting Youth

### Implementing the Youth Guarantee

#### Responsibilities for the Youth Guarantee

The PES is just one of the implementers of the national YG scheme. The main areas of PES responsibility for implementing the Youth Guarantee (YG) are as follows:

- Registration of young people
- Provision of PES services including YG services to young people
- Outreach to NEETs
- Follow-up of all young people who received YG services
- Design and maintenance of the YG monitoring system (including indicators).

The PES is an active member of the Council for the Youth Guarantee Implementation Plan. The YG has been integrated into some of the regular activities provided by the PES which have been modified to target young people better. Adjustments have been made to communication and service channels, with special attention to those where young people are most familiar (e-counselling, email, referral to jobs via SMS and individual online consultations).

Previously, there were 13 measures targeted at young people, mostly established in the framework of the 'Youth in the Labour Market' programme. With the start of the YG, an additional 11 measures were developed under the 'Young and Creative' banner. In 2013, the PES established two Youth Centres in the two largest regional offices (Split and Zagreb) with 24 youth counsellors delivering services for the young unemployed.

#### Involving young people and youth organisations

No such involvement was reported in 2019. However, representatives of young people and youth organizations are members of the 'Council for the Implementation of the Youth Guarantee Plan' and, as such, they participate in the design or the re-design of YG services.

#### Partnerships in place and main developments

The PES works in partnership with the following:

- *Partnerships to ensure that young people have full information and support available* (e.g. careers guidance providers, education and training institutions and youth support workers). Over the past 24 months (April 2017-April 2019) there have been the following developments:
  - Lifelong Career Guidance Centres (CISOKs) signed 346 agreements in cooperation with different organizations (schools, universities, adult education institutions, NGOs, etc.) at local and regional level.
  - According to an agreement signed by the relevant institutions, the Ministry of Labour and Pensions successfully conducted an ESF project which enabled the provision of information about education leavers (both school dropouts and those who finished all levels of education) in the 15-29 age group through educational databases. This enabled the PES to access this data through a secure web service. In November 2017, the data on one generation of school leavers (who were no longer in education in the school/academic year of 2017/2018) was compared with the PES database and the Croatian Pensions Insurance Institute database in order to identify the people who were employed or and the ones registered as unemployed. In this way it was possible to identify people's reasons for leaving education, and thereby find the 'inactive NEETs'. After establishing the database of registered and

inactive NEETs, an analysis was carried out by the Economic Institute of Zagreb to test the quality of the data exchange and provide insights on the socio-demographic structure of Croatia's NEETs. This helped the PES to identify real needs in specific areas and to plan supportive measures in line with these specific needs (such as a stronger cooperation with specific schools where the risk of being a NEET was higher).

- *Partnerships aimed at increasing employment, apprenticeship and traineeship opportunities* (e.g. with employers that have led to increased job, apprentice or training opportunities); developments mentioned above for the past 24 months are also relevant for this type of partnerships;
- *Partnerships aimed at supporting transitions from unemployment, inactivity or education into work* (e.g. with private employment services, third sector organisations or youth associations); developments mentioned above for the past 24 months are also relevant for this type of partnerships;
- Partnership based on the exchange of data for establishing a NEET tracking system (for inactive NEETs):
  - Within the period April 2016-April 2019, CISOK centres have provided a range of services to 11789 NEETs, including individual counselling, group counselling and workshops. (See also the developments mentioned above).

### **New projects focusing on young people**

Over the April 2017-April 2019 period, no new projects targeting youth were introduced.

## **Resources for implementing the Youth Guarantee**

### **Human resources**

At the end of April 2019, the PES had 91 FTE staff dedicated to implementing the YG, of whom 83 were in client-facing roles directly servicing YG clients. However, since June 2018, the employment counsellors have no longer been specialised according to client groups due to the decision on PES restructuring. As a result, PES counsellors now provide services to all clients, including young people.

Over the April 2017-April 2019 period, between 25% and 50% of the total PES staff dedicated to the YG received some form of specialist training and covering the following subjects: counselling, careers guidance, the activation of youth, and working with marginalised youth.

### **Funding for youth programmes (planned)**

Specific YG measures are principally funded from government funds, with additional contributions from the ESF and the EU's Youth Employment Initiative.

## **Reaching out to young people, including NEETs**

The PES reaches out to young people (including NEETs) principally through the following activities:

- *Proactive work with schools* – the vocational guidance of pupils, including individual and group informing and counselling, workshops, career days, etc. are delivered at the local level by careers guidance counsellors, based on long-term partnerships and cooperation with schools. These activities are regulated by legislation and written agreements on cooperation.
- *Cooperation with NGOs and youth organisations* – cooperation based on the partner's role on different projects tackling various youth groups such as foster children, young people with disabilities, homeless, etc.

- *Employing or working with designated youth outreach workers* – agreements between the PES and the CISOKs on cooperation with other partners identifying and outreaching towards NEETs.
- *Single point services (one-stop shops)* – CISOKs are based on a partnership approach with schools, universities, adult education institutions, NGOs, etc.
- *Awareness-raising events or campaigns* - there are no specific agreements, apart from the official partnerships within the Council for the Youth Guarantee Implementation Plan, on the implementation of the YG implementation Plan.

## Information management

The PES has access to the following sources to support implementation of the YG:

- Database of traineeship vacancies
- Employment data from the Pensions Insurance Institute – all employed people are required to be registered, and the PES exchanges data with the agency.

## Timing in the provision of PES services

- Each jobseeker registered in the YG has their first meeting with a counsellor within 15 days of their first registration.
- The time taken to make an offer to a YG participant will vary according to their individual needs. The offer can be made on the day of registration.

No other information available on the average time for making an offer to a jobseeker after he/she registers in the Youth Guarantee scheme.

## Monitoring and evaluation

Specific targets for youth-oriented services are used within the framework of the YG:

### Proportionate targets

- PES tries to ensure that individual consultations are provided to all registered young people in given month

### Numerical targets

Various numerical targets exist based on initiatives as follows:

- careers guidance (individual and group) for young people still at school (45 700)
- number of young people in subsidised employment (1 918)
- number of young people in work training schemes (occupational training without starting employment and work training) (777)
- number of young people in institutional training and training subsidies (769)
- number of young people in public works schemes (1 517)
- number of young people in self-employment (2 487)
- number of young people in subsidised first employment – traineeship/internship (1 234)

### Combined targets

PES tries to ensure:

- individual counselling for all registered young people -within 15 days of first registration

- individual consultations (face-to-face) for all registered young people - every 12 weeks
- individual online consultations for all registered young people - at least once every 8 weeks

#### **Monitoring and evaluation activities**

- *satisfaction survey of young jobseekers*
- *satisfaction survey of employers*
- *monitoring of young people who leave the register – partially implemented*
- *monitoring how many young people receive an offer within 4 months*
- *follow-up of young clients once they have entered employment or training*
- *follow-up of young clients referred to education or training providers.*

#### **Mutual learning activities**

During the period April 2017 to April 2019, PES staff did not take part in any mutual learning or technical assistance activities relating to youth.