

CROATIA

Country and regional context

Croatia, like most European Union (EU) countries, faces demographic challenges, including an aging population, declining birth rates, and negative natural population growth. An analysis of the labor market from 2012 to 2022 shows an increased integration of older workers (aged 50-64 and over 65) into the workforce, while the number of young workers (aged 15-24) continues to decline. Although employment rates and reductions in unemployment have improved, significant challenges remain in adapting workplaces to meet the needs of older workers and enhancing their digital competencies.

The National Plan for Work, Occupational Safety, and Employment for the period 2021-2027 in Croatia addresses various developmental needs and areas, including collecting data on labor market trends, aligning occupations with market demands, developing skills for unemployed individuals, promoting lifelong career guidance, ensuring adequate financial compensation during unemployment, and continuing the implementation of the Youth Guarantee. However, this plan lacks a strong focus on older individuals and concrete measures specifically designed to assist them. While some priorities include measures that encompass individuals aged 55 and above, it is evident that active employment policy measures need to incorporate initiatives specifically targeting this demographic.

The pension system has been adjusted to enable more flexible retirement conditions and encourage workers to remain in the labor market longer, including options for gradual retirement and part-time work.

Existing measures in Croatia have shown mixed effectiveness. Programs such as employment subsidies and training initiatives have helped reduce unemployment among older workers. However, challenges persist, including workplace conditions not being adapted to the physical needs of older employees and the rapid pace of technological advancements, which many older workers struggle to keep up with. Additionally, negative stereotypes about the productivity of older workers continue to hinder their full integration into the labor market.

Policy Recommendations

The Business Incubator BIOS, together with its project partner, the Association for Creative Development SLAP, 05.11.2024. held a workshop as part of the IntegrAGE project to recommend and validate measures for Age Management.

These recommendations will serve as valuable inputs for BIOS in developing a strategic document aimed at promoting the healthy integration of workers over 55 in Croatia, allowing them to continue in their current positions or re-enter the labor market competitively. This approach also aims to provide employers with a more skilled, satisfied workforce.

This engaging and timely topic brought together representatives from University J.J.Strossmayer in Osijek, Faculty of Economics and Business in Osijek, Croatian Employers' Association, Croatian Chamber of Commerce - Osijek County Chamber, Civic Democratic Initiative Project (P.G.D.I.), and Croatian Employment Service - Osijek office.

Measure: *Active employment measures and job retention*

- **Description of the measure**

To effectively boost the employment rates of individuals aged 55+, it is essential to create and implement specific employment measures. These measures should target both the supply side (skills and readiness of older workers) and the demand side (employer incentives and workplace adaptations) of the labor market. Croatia has implemented several active employment policy measures to support the employment of individuals aged 55 and over. These initiatives, managed by the Croatian Employment Service, aim to enhance employability, encourage job creation, and facilitate the retention of older workers. Most of the existing employment measures are general aiming either at financial support to employers to hire unemployed persons or providing employment opportunities to vulnerable groups (public work, permanent seasonal work). Also set of measures is focused on education and training improving employability and aligning skills with labor market demands.

When it comes to specific employment measures for individuals aged 55+ they are to be designed to integrate older individuals into the labor market, addressing challenges such as skill mismatches and encouraging lifelong learning. By focusing on both employment creation and retention, Croatia is to enhance the economic participation of its aging population.

Some of the proposed measures are tax credits and wage subsidies for hiring and retaining older workers, part-time and remote work opportunities, job-sharing programs, and different mentorship programs. Measures are to include employment, creation, and retention of jobs within civil society organisations and the social economy which play a significant role in the social and economic integration of vulnerable groups. Measures may include grants for social economy enterprises, tax benefits, training and development programs, flexible work arrangements, shared mentorship and networking programs.

- **Barriers and preconditions for successful implementation**

The barriers to scaling employment measures in Croatia and adjusting them for individuals aged 55+ involve structural, cultural, financial, and systemic issues:

- Cultural and social barriers: negative stereotypes about older workers' productivity, adaptability, and skills discourage employers from hiring or retaining them; resistance to change - both employers and employees may resist new approaches, such as LLL or workplace adaptations; lack of awareness - older workers and employers might be unaware of available measures, subsidies, or support systems;
- Financial barriers: cost of programs - employment measures like wage subsidies, training programs, or mentorship schemes require significant financial resources, which may not be scalable due to budget constraints; sustainability issues - short-term funding for programs without long-term financial planning leads to difficulties in maintaining or expanding them;
- Economic and labor market barriers: competition with younger workers - older workers often compete with younger, more recently educated candidates in a limited job market; economic instability can reduce the willingness of employers to take risks on older hires; sector-specific challenges - some industries (e.g., tech or physically demanding jobs) are less accommodating to older workers, limiting opportunities;
- Lack of evaluation and evidence: limited impact assessment - without robust data and evaluation mechanisms, it is hard to prove the effectiveness of measures and justify their

scaling; poor feedback mechanisms -lack of input from stakeholders (employers, older workers, policymakers) makes programs less effective and adaptable.

To overcome these barriers, **several preconditions** are essential:

- stakeholder engagement: involve employers, older workers, unions, and policymakers in designing and implementing measures.
- policy integration: ensure alignment with broader labor market policies and strategies.
- flexible design: tailor programs to regional, sectoral, and demographic needs.
- sustained funding: secure long-term investment from governments and international organizations.
- public awareness campaigns: combat ageism and promote the benefits of hiring older workers.
- monitoring and evaluation: establish systems to track progress and adapt programs based on feedback and outcomes.

Addressing these barriers is key to enhancing the scalability and impact of employment measures for individuals aged 55+.

- **Policy actors and instruments for implementation**

The successful implementation of employment measures for individuals aged 55+ depends on the collaboration and contribution of various stakeholders or policy actors. Each stakeholder has a unique role in addressing the challenges and facilitating the measures:

- a) **Government and Public Institutions: Ministry of Labor and Social Policy, Croatian Employment Service, local governments, tax authorities**

Role: lead the design, funding, and implementation of employment policies and programs, provide funding and subsidies, develop regulations to ensure equal opportunities and prevent age discrimination, facilitate partnerships between employers, training providers, and civil society organizations.

- b) **Employers and Private Sector: large companies, SMEs, employers' associations**

Role: create and sustain jobs for older workers and implement workplace adaptations, offer mentorship and job sharing opportunities, invest in upskilling programs, provide feedback to policy makers

- c) **Civil Society Organizations and Social Economy Enterprises (community support, civil rights, counseling and advocacy organizations;**

Role: provide employment opportunities in CSOs and social enterprises, advocate for the rights of older workers and implement grassroots initiatives to support their employment, monitor and report on the impact of policies and programs, ensuring they are inclusive and effective; help design programs that consider the specific needs of vulnerable groups within the 55+ demographic.

- d) **International Organizations and Donors (EU, ILO, WB, UN Agencies)**

Role: Provide funding – pilot initiatives and scale up programs, technical assistance for policy design, policy guidance and monitoring.

To ensure the effectiveness of the proposed measures, these stakeholders are to establish a multi-stakeholder task force: facilitate ongoing dialogue and coordination among all actors; set measurable goals - define clear objectives and accountability mechanisms; focus on public-private-civil partnerships -leverage the strengths of each sector to address the diverse needs of the 55+ demographic; monitor and evaluate progress - continuously improve programs based on feedback and evidence proving benefits and efficiency of the proposed measures.

By working together, these stakeholders can create a supportive ecosystem for older workers, ensuring that employment measures are impactful and sustainable.

- **Impact Assessment**

Multistakeholder team has made an impact assessment of active employment measures for individuals aged 55+ . Discussing various aspects of preparing, implementing and proving long term benefit of proposed measures, and having in mind evaluation criteria, stakeholder team has come up with several key challenges and recommendations to enhance introduction of new set of measures and expected impact.

- Concerning **relevance** with the needs of the target groups and policy priorities it was concluded that specific measures designed for individuals 55+ are highly relevant due to demographic trends, labor market gaps and the underutilized potential of older workers.
- **Effectiveness** of tailored measures may be limited due to ageism and lack of public awareness on labor market shortages and benefits of supporting employment and job retention of older workers.
- **Efficiency** of most measures such as tax incentives for employers and training programs are relatively cost-efficient as they leverage existing infrastructure
- Long-term **sustainability** depends on securing funding from both national budgets and EU support (e.g., European Social Fund) but also requires proper financial planning and involvement of all stakeholder groups.
- The broader social, economic and cultural **impact** of the measures is expected provided that employment measures are implemented continuously and that they are properly monitored and evaluated ensuring continuous improvements.
- **Feasibility** of Implementation is primarily based on already existing institutional framework including the Croatian Employment Service. Main challenges may include initial resistance from employers, lack of coordination among all key players and lack of awareness of all the benefits measures may produce.

By addressing these factors, the proposed employment measures can significantly enhance the economic and social inclusion of individuals aged 55+, ensuring long-term benefits for both the target group and the broader economy.

Measure: Raising awareness on benefits and Rewards for good/healthy workplaces

- **Description of the measure**

Creating an enabling environment for the employment of persons 55+ requires support from all sectors but also the general public. There needs to be a long-term campaign promoting the benefits on having solid policies and effective practices for employing and retaining jobs for elder employees. Public awareness and a positive attitude are crucial to get support not just from public institutions and employers but also to create a positive organizational climate within companies. Other age groups are to become aware of all the benefits and to fully understand that it is not just a matter of solidarity but also smart management of scarce human resources within the company and society as a whole. Therefore, a well designed and managed public awareness campaign is to be created and launched, having clear objectives and using a set of different tools to create positive public opinion and get a wide support for creating enabling environment for employment of persons 55+.

Also, an important part of the campaign is an initiative to organize an Annual Award for good/healthy workplaces and smart policies for motivating and empowering employees to use their full working potential. It is also a tool for promoting, recognizing and awarding companies that create supportive environment for older employees.

- **Barriers and preconditions for successful implementation**

Fostering the employment of individuals aged 55 and above is critical to addressing labor market challenges, including skill shortages and demographic shifts. However, implementing an effective public awareness campaign for this purpose faces significant barriers and requires specific preconditions to ensure success.

- **Ageism and stereotypes:** many employers perceive older workers as less adaptable to change, technologically challenged, or less productive than younger counterparts. Such biases undermine the willingness of businesses to embrace campaigns promoting the inclusion of older workers.
- **Lack of policy support:** while policies supporting lifelong learning and active aging exist, there is often insufficient coordination between stakeholders—governments, NGOs, and employers—to operationalize these policies effectively. Without a robust institutional framework, campaigns may lack credibility and sustainability.
- **Insufficient funding:** public awareness campaigns require substantial resources for research, media production, and outreach. Limited public or private funding dedicated to such initiatives can hinder the scope and quality of campaign activities.

Preconditions for Successful implementation:

- **Multi-stakeholder collaboration:** successful campaigns must involve partnerships among governments, businesses, unions, and civil society. These stakeholders can provide funding, policy backing, and platforms for outreach, enhancing the campaign's reach and legitimacy.
- **Public and private sector commitment:** demonstrated support from influential organizations can help dismantle stereotypes and encourage wider participation. Highlighting success stories of older workers in diverse industries can create a positive narrative.
- **Customized communication channels:** campaigns should utilize diverse media platforms, including traditional channels such as television and print, to complement digital efforts. Tailored approaches are critical to reaching both employers and older adults effectively.

By overcoming these barriers and meeting the preconditions, Croatia can leverage public awareness campaigns to not only boost employment among people aged 55 and above but also promote a more inclusive and resilient workforce.

Designing a public awareness campaign to foster the employment of individuals aged 55 and older in Croatia requires a strategic **selection of tools** to engage various stakeholders effectively. These tools should address age-related stereotypes, promote inclusivity, and encourage actionable change among employers, policymakers, and the general public. Various key tools can be utilized:

- **Media Outreach:** TV and radio - interviews, documentaries, and public service announcements highlighting the benefits of employing older workers ; have a wide reach, especially among older adults who may not use digital media extensively. Print Media - newspapers, magazines, and brochures to disseminate stories of successful employment and entrepreneurship among individuals aged 55+.
- **Social media campaigns:** use different digital platforms to run targeted advertisements, share success stories, and engage with both employers and the 55+ age group.
- **Dedicated Website or Portal:** create a centralized hub providing resources, such as information on upskilling opportunities, rights of older workers, and employer toolkits for inclusivity.
- **Workshops and Seminars:** conduct in-person or virtual sessions for employers to educate them about the advantages of a diverse workforce, strategies for managing multigenerational teams, and the economic benefits of employing older workers.
- **HR Toolkits:** develop guides and training materials to help organizations implement age-inclusive hiring practices, flexible working arrangements, and mentorship programs.
- **Public Events:** host job fairs, open days, or roundtable discussions in collaboration with businesses and vocational training centers to connect older job seekers with potential employers.
- **Grassroots Outreach:** partner with local NGOs, unions, and community groups to ensure the campaign reaches rural areas and marginalized communities.
- **Endorsements:** get support from influential figures, such as government officials, business leaders, and celebrities, to add credibility to the campaign.
- **Video Campaigns:** produce short, compelling videos showcasing the contributions of older workers and the positive experiences of inclusive employers.
- **Public Information Tools:** use posters, infographics, and leaflets in public spaces to educate the public about the economic and social value of older workers.

By employing these tools in a coordinated and culturally sensitive manner, Croatia can create an environment that not only supports the employment of individuals aged 55 and above but also promotes their active participation as valuable contributors to the economy and society.

Establishing an annual award for healthy workplaces that excel in supporting older employees can encourage inclusive practices, raise awareness about the value of older workers, and set a benchmark for workplace wellness. The benefits and steps to be taken in organizing such an initiative:

- Promoting age-inclusive work cultures - recognizing companies that create supportive environments for older employees motivates others to adopt similar practices, fostering age diversity
- **Encouraging healthy work environments** - the award incentivizes workplaces to prioritize wellness initiatives, ergonomic adjustments, and mental health support tailored to older workers' needs.

- **Highlighting best practices** - showcasing successful examples inspires employers to innovate and implement proven strategies for engaging and retaining older employees.
- **Boosting employer reputation** - participating and winning organizations gain recognition, improving their brand image and positioning them as leaders in workplace inclusivity.
- **Empowering older workers** - acknowledging companies that value and support older employees can boost morale, enhance retention, and attract older job seekers.
- **Strengthening policy advocacy** - the initiative can draw attention to the broader need for supportive policies and investments in creating age-friendly workplaces.

By following these steps, the annual award can become a cornerstone initiative that drives change, celebrates excellence, and strengthens the movement toward healthier, more inclusive workplaces for older employees in Croatia.

Impact assessment of the Measure

This is a complex measure that requires a long-term and strategic approach involving employers' associations, specialized consulting companies and media representatives. It is assessed to have a medium long-term impact on employee well-being and the entire set of another macro-regional labor market (workforce productivity, knowledge transfer, organizational performance, and retirement policies). It is important to emphasize that a one-time campaign would not produce any long-term impacts but well-designed and comprehensive sets of activities will create positive attitudes within the key stakeholders and general public. In previous periods there was an overall attitude that the future of the economy is in activating and giving preferences to well-educated young people. It was complemented by various policies, funds, tools, and promotional campaigns emphasizing the necessity and benefits of active young citizens. Older citizens were seen as a burden to the economy so there is a dire need to change that perception among the general public and thus policy makers. The costs of such a public campaign may be significant but the benefits are far more greater than the investment.

- **Impact Assessment**

The awareness-raising campaign in Croatia, aimed at fostering an enabling environment for the employment and job retention of persons aged 55 and older, was assessed across six key criteria: relevance, effectiveness, efficiency, sustainability, impact, and feasibility.

- This campaign is marked as being highly **relevant** to national and EU employment strategies, closely aligning with Croatia's demographic and socio-economic challenges; especially focusing on reducing stereotypes, promoting lifelong learning, and advocating policy changes directly addresses barriers faced by older workers
- **Effectiveness** is expected to be very high if achieving significant outreach, engaging key stakeholders, including employers, policymakers, and the general public. It may bring improvement in attitudes towards older workers and increased awareness of their value in the workplace. However, there may be some challenges in translating awareness into tangible action, such as hiring practices or workplace adjustments for older employees.
- **Efficiency** – if utilizing a proper mix of media channels, workshops, and public events, optimizing resources for maximum reach, partnerships with local organizations and employers it can lead in minimizing costs while enhancing credibility. However, limited funding restricted the duration and scale of activities, potentially hindering deeper engagement with harder-to-reach rural communities.

- **Sustainability** is closely linked with collaboration among key stakeholders. However, the lack of guaranteed funding for follow-up initiatives creates risks to long-term sustainability. Building institutional support, such as embedding older worker initiatives within national labor policies, would enhance the campaign's durability.
- **Impacts to be expected are** positive societal attitudes, including increased dialogue on age diversity in the workplace and a slight rise in employment rates and creation of new employment opportunities for individuals 55+. Nevertheless, the broader systemic impact, such as policy reforms or significant changes in employment trends, remains limited at this stage and requires more systematic and long term approach.
- The campaign demonstrated strong **feasibility** by leveraging existing networks and aligning with policy priorities. Its design was pragmatic, focusing on achievable goals within a constrained budget. The main challenge lies in scaling and institutionalizing the campaign's efforts, which require additional resources and political commitment.

The awareness-raising campaign has made a meaningful start in addressing employment challenges for persons aged 55+ in Croatia. While it shows high relevance and feasibility, its effectiveness, impact, and sustainability could be enhanced through increased funding, long-term planning, and stronger integration into national policies.

Measure 5 - Employer Education

- **Description of the Measure**

The measure aims to educate employers on the unique challenges faced by older workers and the importance of implementing age management models. The National Plan for Employment, Occupational Safety, and Employment for the period 2021-2027 includes education as part of its priorities and measures. However, these are mostly targeted at unemployed individuals, less so at employed persons aged 55+, and even less at employers. The term “employers” refers to individuals in management roles or human resources, not necessarily only business owners and directors.

In Croatia, unfortunately, 38% of employers still lack a designated budget for employee education or training. Similarly, employer education mostly focuses on areas like foreign languages, communication, and presentation skills. The field of human resources has only recently started gaining attention and investment.

The measure "Employer Education" should be designed so that national systems of education extend to the level of Entrepreneurial Support Institutions (PPI). These institutions, in partnership with universities, the Croatian Chamber of Commerce, the Croatian Employers' Association, and the Croatian Employment Service, would conduct education programs, certification processes, and mentoring programs for employers. Promotional campaigns for this measure could be implemented by civil society organizations funded through projects focused on informing employers.

- **Barriers and Preconditions for Successful Implementation**

Despite the benefits of employer education, several challenges must be addressed:

- **Limited Financial Resources:** Smaller employers may face financial obstacles when investing in education. Government subsidies or incentives for programs with participation fees are needed. While measures by the Croatian Employment Service (e.g., Training Support, Workplace Training, Activation Programs, and the POSAO+ Program) exist, they are primarily aimed at educating unemployed individuals to improve their employment prospects. Measures specifically designed to educate employers and employees are lacking.
- **Lack of Time:** Employers often feel they lack the time to participate in training due to daily business obligations. This mindset stems from insufficient time management and human resources skills. Promotional campaigns at the national level highlighting the importance of continuous learning could address this issue.
- **Skepticism Towards Change:** Some employers may view new approaches and strategies as unnecessary or irrelevant. This skepticism can be mitigated through awareness-raising campaigns.

- **Recommendations for Implementation**

Adapting Education Content: Conduct a national study and compare it with best practices from other countries to develop suitable curricula for employer education.

- **Improving Accessibility:** Develop a national action plan to define implementation instruments and institutions involved. One mechanism could be EU-funded projects where eligible applicants include Entrepreneurial Support Institutions, civil society organizations, the Croatian Employers' Association, and the Croatian Chamber of Commerce. Projects could focus on improving working conditions for employees aged 55+ through employer education.

- **Employer Certification:** Introduce a certification program for employers providing better conditions for employees aged 55+. This certification would require employers to meet specific criteria and undergo an annual evaluation. The certification process would emphasize the importance of employer participation in education programs.
- **Promotional Campaigns:** Utilize EU-funded projects to launch campaigns educating employers on the benefits of maintaining satisfied and healthy employees aged 55+.

- **Policy Actors and Instruments for Implementation**

- a) **Government**

Instrument: Financial incentives

Recommendation/Measure: Subsidies for training older workers

Implementation: Provide grants, tax incentives, or subsidies to employers investing in lifelong learning initiatives or adapting workplaces for older employees.

- b) **Non-Profit Sector and Business Associations**

Instrument: Advocacy campaigns and certifications

Recommendation/Measure: Introduce a "55+ Employer" certification program.

Implementation: Certify employers offering improved conditions for older employees.

- c) **Media and Public Campaigns**

Instrument: Awareness campaigns

Recommendation/Measure: Combat stereotypes

Implementation: Use media platforms (TV, online portals, social networks) to showcase older workers as valuable and experienced members of the workforce.

- **Impact Assessment**

During a workshop with project stakeholders—including representatives from the Creative Development Association Slap, Josip Juraj Strossmayer University of Osijek, the Croatian Employers' Association, and the Croatian Chamber of Commerce—the following conclusions were drawn:

- **Relevance and Strategic Alignment:** Policy recommendations align with overall goals and are based on current conditions.
- **Coherence and Complementarity:** Recommendations are synergistic with national priorities and consistent in their measures.
- **Effectiveness:** The impact of the recommendations will be evident after at least one year of implementation. Initial analyses suggest effectiveness in the first year.
- **Efficiency:** Recommendations provide a foundation for strengthening employer management structures to create better working conditions for employees aged 55+.
- **Evidence of Impact and Sustainability:** Positive effects are expected in the first year, with long-term impacts increasing as certifications gain recognition.
- **Feasibility:** While challenges such as lack of state interest or employer disengagement exist, these can be mitigated through awareness campaigns and targeted measures.
- The implementation of these recommendations will foster a more adaptive and inclusive labor market for older employees.

Summary

Cultural stereotypes about the productivity and adaptability of older workers persist, discouraging their employment. Financial constraints, such as the high costs of programs and insufficient long-term funding, also pose challenges. Economic factors, including competition with younger workers and sector-specific barriers in industries like technology or physically demanding jobs, further limit opportunities for older individuals. Additionally, systemic issues, such as the lack of robust evaluation mechanisms and stakeholder feedback, hinder the effectiveness of current programs. To overcome these challenges, it is essential to engage all stakeholders, secure sustained funding, design tailored programs, and launch public awareness campaigns to promote the benefits of employing older workers.

A comprehensive public awareness campaign is crucial in combating ageism and fostering a positive perception of older workers. The campaign should highlight the benefits of employing individuals aged 55+ through various channels, including television, print, social media, and grassroots efforts. Public events, workshops, and the introduction of an annual award recognizing supportive workplaces can further encourage inclusive practices and motivate employers to adopt age-friendly policies. Despite barriers such as stereotypes, funding limitations, and policy misalignment, multi-stakeholder collaboration and strategic communication can help create a supportive environment for older workers.

Employer education is another critical component in addressing these challenges. By educating employers on the value of older workers and the importance of age-inclusive management practices, Croatia can encourage workplace adaptations and improve employment opportunities. This can be achieved through training programs, certification initiatives, and promotional campaigns funded by EU-supported projects. Partnerships with institutions such as the Croatian Employers' Association, the Croatian Chamber of Commerce, and Entrepreneurial Support Institutions can ensure the successful design and implementation of these education programs.

Impact assessments of these measures suggest that they are highly relevant to Croatia's demographic and labor market challenges. While effectiveness and efficiency depend on sustained efforts, the long-term benefits include increased employability of older workers, improved public attitudes, and stronger economic and social inclusion. To achieve these outcomes, continuous funding, stakeholder collaboration, and integration into national labor policies are essential.

In summary, by addressing cultural, financial, economic, and systemic barriers through targeted measures, public awareness campaigns, and employer education, Croatia can create a more inclusive labor market. This will enable the country to harness the untapped potential of its aging workforce, benefiting both individuals and the broader economy in the long term.