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THE NEET POPULATION IN THE CROATIAN LABOR MARKET¹

Abstract: *The situation of young people in the labor market is an extremely important segment, and what their possibility of employment after completing a certain education is. For years, the Republic of Croatia has been struggling with an above-average double-digit youth unemployment rate of 18.8 per cent, which is data from December 2023. A major role in unemployment was played by the COVID-19 pandemic, which caused many layoffs, company closures, and the like. A big feature is the NEET (eng. Not in Employment, Education and Training) population, which according to the latest data indicates that these are young people aged 15-29, who are not employed, are not in the regular education system or in the youth education system, and moreover, they are not even registered in the register of unemployed persons of the CES (Croatian Employment Service), and yet they are given access to the labor market. In the NEET population, there are also specific reasons why someone is there. Unemployment also depends on places of residence, accessibility to urban cities where it is easier to find employment, but also on people's mentality. Unemployment will be shown on concrete examples in Croatian regions, especially in northwestern Croatia.*

Keywords: COVID-19; NEET population; unemployment; youth unemployment, Croatia

JEL Classification: E24, J6

1. Introduction

The labor market is the place where the state of the national economy can best be assessed. The goal of every economy is the well-being of citizens, that is, the highest possible standard of living. In this sense, the state of the Croatian labor market is currently quite structurally unfavorable, especially when compared with other member states of the European Union. At the beginning of 2017, Croatia reached the very top in terms of youth unemployment, with a large number of those who decide to go abroad for a long time, work as seasonal workers and are employed as precarious workers.

The COVID-19 pandemic had a major impact on unemployment in the Republic of Croatia, but also in the entire European Union. The operations of many companies have changed greatly, many people have lost their jobs and incomes, which has affected the overall economy. The most affected was tourism, which in Croatia plays a big role in earning for employers for whom it is the only source of income, but also for many seasonal

workers who were blocked from earning in the form of salary, but also the most important thing - there was no "filling" of the state budget.

In Croatia, there is quite a large part of the NEET population, unemployed young people aged 15-29. As a reason for unemployment, "NEETs" cite corruption in society as a very significant problem (Mi mladi - zapošljavanje: NEET populacija u Hrvatskoj, 2021), but there are also other problems such as low wages, poor job offers, finding jobs in the profession due to lack of work experience, and thus making it difficult to find a job for an indefinite period time. The data from 2020 states that the share of "NEETs" is 14.6% in the territory of the Republic of Croatia, while in the European Union this share is somewhat lower, 12.8%. In Croatia, the project "Reactivation and integration of marginalized youth - NEET on the labor market" was launched, which was carried out in the city of Zagreb in the area of Zagreb County, and the main holder of that project was the Center for the Development of Non-Profit Organizations, while the project itself was financed with the funds of the aforementioned

¹ This paper is based on the final paper "Young people in the labor market in the Republic of Croatia: a special review of the NEET population" (Gojković, 2024).



Center, partners, City of Zagreb, but also from the Economic Social Fund.

According to data from the Croatian Employment Service, the number of unemployed in January 2024 (as of January 31, 2024) was 119,720, while in February 2024 (February 28, 2024), that number dropped to 117,087.

Using the statistical data of the Croatian Employment Service, it can be concluded that the Central and South Adriatic have the highest unemployment of women and men, while north-western Croatia records the lowest unemployment of both sexes. Looking at all regions, it can be concluded that the largest number of unemployed in Croatia are women. This calls for additional research and a special attention from policymakers and fund raisers. Namely, this information could bring new insights and inspire policymakers to act and try to level the male and female unemployment rates with stimulating policies.

The rest of the paper is structured as follows. In the second section, a literature review on the subject of unemployment and the NEET population, as well as the problems and reasons for unemployment are provided. The third section revolves around the statistical indicators of (un)employment in Croatia. Section 4 presents the impact of the COVID-19 pandemic on unemployment in Croatia, whereas Section 5 presents the statistical data regarding the NEET population in Croatia and the employment measures against youth unemployment in Croatia. The last, sixth section provides concluding remarks and discusses the findings and presented statistical data.

2. Literature review

Unemployment is a state in which part of the members of society cannot be employed according to their abilities and qualifications, with the usual salary (Bejaković, 2003). Unemployment can be open or hidden. Accordingly, there are four types of open unemployment:

1. Frictional or normal unemployment - a worker who changes his job or interrupts it due to a shortage of materials and similar causes that cannot be directly influenced by anyone;
2. Seasonal unemployment - appears as a result of performing work during a certain season, that is, it is related to the season or is blocked by bad weather;
3. Technological unemployment - occurs as a result of technological improvements or redirec-

tion of production, which is why, at that moment, all employees are not needed;

4. Cyclical unemployment - it is caused by business cycles and similar periodic disturbances, thus significantly reducing the need for workers, while not reducing the supply.

Open unemployment increases sharply in times of crises, recessions, major technological changes, natural disasters, war destruction, etc., whereas disguised unemployment results from insufficient utilization of the labor force, which means a form of unemployment within existing employment (Bejaković, 2003).

The unemployment rate is the number of employed workers divided by the number of the working-age population. People between the ages of 16 and 65 are considered to be able-bodied (Birska, 2002).

Precarious work, on the other hand, is any form of non-standard work, work that deviates from the situation of the traditional employment model: a stable full-time job, where the worker has one employer on whose orders he works, the work lasts continuously throughout the year and the worker expects to be employed on for an indefinite period of time and to enjoy certain benefits and forms of insurance (Starčević, 2014).

Possible forms of precarious work are (Mreža mladih Hrvatske, 2018):

- fixed-term work - puts the worker in an awkward position when seeking his rights, because the employer can blackmail such workers by extending the employment contract; such a form of precarious work is very popular in Croatia;
- part-time work - a form of contracted work which, in most cases in Croatia, is a consequence of conditions in the labor market; it is more uncertain than a standard contract because workers in this status are usually the first to be fired, in case the volume of work at the workplace is reduced;
- temporary agency work - temporary assignment of workers to another employer, which means that a temporary employment agency assigns workers to another employer based on a contract on the assignment of workers". In Croatia, this way of working is implemented mostly in the telecommunications and food industries, where employers need a certain type of worker for a certain period of time, for example: Dekra. According to the Labor Law, agency workers are protected in some segments, such as receiving Christmas bonuses, gifts for children, protec-



tion arising from collective agreements, but it is considered precarious because it is based on a fixed-term contract, which does not provide the worker with a secure workplace, compared to indefinite contract;

- seasonal work - it is characteristic for Croatia, which is especially visible during the summer season, when unemployment decreases quite a bit, due to the Adriatic tourism season;
- work contract - refers to the work that the contractor does for the compensation that the client delivers. This form of work is highly criticized and is often, illegally, used as a substitute for fixed or indefinite work. People who work on such a contract do not have rights such as job security, pensions and the like;
- author's work - an original intellectual creation from the literary, scientific and artistic fields that has an individual character, regardless of the way and form of expression, type, value or purpose. With this contract, the employer tries to avoid paying contributions to the state;
- student contract - intended for people who are currently attending one of the institutions of higher education and who want to work during their studies". This type of work is more profitable for the employer because it does not pay contributions and taxes to the state, it is based on temporary employment and does not ensure the security of permanent income;
- professional training without establishing an employment relationship (SOR) - a form of one-year engagement whose goal is to provide a young person with work experience that will help them find permanent employment;
- referred work - is regulated by the Labor Law (Art. 18), and refers to the practice in which the employer (or agency) sends the worker under the contract to work abroad, and the worker receives the rights prescribed in the country where the work is carried out executes (minimum wage, safety at work, health care);
- illegal work - work that is carried out outside the framework of the legislation of the Republic of Croatia (payment in hand, avoidance of paying taxes and contributions, violation of workers' rights)".

2.1. Problems and reasons of unemployment

The problem of unemployment arises when an individual cannot exchange his labor power for money, which means that, in the free market, it is not possible to convert his labor energy into

basic goods necessary for existence. This problem is not only of an individual nature but also affects the whole society because it reduces the overall economic activity and well-being. Unemployed individuals do not have the financial means to meet their basic needs, which further worsens their social and economic situation and negatively affects the entire economy.

As potential reasons for the impossibility of employment, young unemployed persons usually state the following reasons (Koller-Trbović, 2009):

- Work (lack of) experience: young people believe that, when they acquire a certain education/knowledge (whether they have finished high school or college), they cannot compete in getting a certain job due to lack of work experience;
- Relationships, acquaintances, corruption: young people believe that, nowadays, jobs are most often obtained through relationships and acquaintances, leaving them without such "opportunities", without the employment opportunity. For example, certain workplaces, especially in state institutions, are staffed by people who do not have appropriate professional qualifications, but have connections;
- Discrimination: discrimination based on gender, age, education, appearance, difficulties in development, nationality, socioeconomic status are considered some of the problems of unemployment;
- Country: The Republic of Croatia is considered the most responsible for youth unemployment;
- The Employment Service: it is considered to be one of the "culprits" for the unemployment of young people, for the reason that it is insufficiently engaged with the unemployed (does not include a sufficient offer of jobs, does not invite the unemployed to interviews, does not deal sufficiently with proposing jobs for which certain persons have qualifications, and shows carelessness and indifference in helping the unemployed);
- Illegal work: many decide to work illegally because wages in Croatia are too low and existentially insufficient to ensure a normal and decent existence for their family, but also for the individual himself.

In the modern era, no one is spared from unemployment, but some groups are especially at risk, such as people without education, women, people with health problems.

Losing a job usually starts with a shock. After the initial shock, the individual actively looks for

a job, but at the same time maintains optimism. However, if she/he receives a series of negative answers, she/he becomes pessimistic and listless, thereby losing hope and optimism in the possibility of employment. This affects his family and those closest to him the most, who cannot help her/him. Due to the high unemployment rate, the purchasing power also decreases. As a consequence of the reduction in purchasing power, fewer luxury goods are purchased and directed towards meeting basic needs. When a working person is threatened with unemployment, she/he saves money and makes a plan to reduce his expenses to ensure a basic existence.

2.2. NEET (Not in Education, Employment, or Training)

The concept of NEET (Not in Education, Employment, or Training) has gained prominence in addressing youth unemployment and vulnerability (Furlong, 2006). The NEET phenomenon is a growing concern across various countries. NEET rates remain elevated post-financial crisis, with significant cross-country variations exacerbated by the recession (Carcillo & Königs, 2015). Risk factors for NEET status span individual, educational, work-related, health, social, family, and environmental domains, with education and family-related variables being particularly influential (Rahmani & Groot, 2023). Interventions targeting disadvantaged youth, including special education programs and mentoring, have shown promise in reducing NEET rates (Carcillo & Königs, 2015). However, the NEET concept has been criticized for overemphasizing voluntarism and potentially misrepresenting vulnerable youth and in order to effectively address youth vulnerability, policymakers may need to consider either narrower definitions or broader interventions that go beyond the NEET framework (Furlong, 2006).

In Romania, efforts are being made to integrate young NEETs into the labor market and address their specific needs (Cace & Cîrțînă, 2021). Hungary also faces NEET challenges, with research emphasizing the importance of addressing this issue from social policy and psychological perspectives (Sánta, 2016). These studies highlight the complexity of the NEET phenomenon, its prevalence across different countries, and the various factors contributing to NEET status, underscoring the need for targeted interventions and further research. However, there are not many published studies regarding the NEET population in Central and Eastern Europe, which unveils this paper as a contribution in this direction.

3. Statistical indicators of (un) employment

In Croatia, there are two sources of statistical indicators on employment and unemployment, namely data on the unemployed, which are collected and processed by employment offices, while the other indicators are from the Labor Force Survey (LFS), which is conducted by statistical offices. ARS is a survey that complies with the rules and instructions of the International Labor Organization and the European Statistical Office, which ensures methodological comparability with surveys in other European Union countries.

Before presenting the statistical data on youth unemployment in Croatia, the active and passive employment policies implemented in Croatia are laid out in detail in the following subsection.

3.1. Active employment policies in the Republic of Croatia

According to data from March 2023, there are seven active policies available in the Republic of Croatia according to the HZZ, namely (Ekonomaska baza, 2008):

1. Employment grants - state aid intended to encourage employers to hire unemployed persons;
2. Subsidies for training - are intended for employers to apply and acquire new technologies or knowledge, and further train their employees so that they do not lose pace with the times and become unemployed;
3. Support for the unemployed - state support by which the state pays unemployed people a certain amount for starting their business (opening a company);
4. Education and training - the state invests in the education of the employed/unemployed and in their training in order to return to the labor market as soon as possible and to eliminate the mismatch of their knowledge and skills with what employers are looking for on the market;
5. Public work - they motivate unemployed people to work on socially useful jobs in order to return to employment;
6. Grants for job preservation - awarded to workers at employers who currently have financial or other problems, to preserve and protect jobs (this measure was very relevant during the COVID-19 quarantine);
7. Permanent seasonal worker - a measure aimed at supporting employees who work only part

of the season (most often summer) and who do not have a permanent job or permanent income for the other part of the year.

Graph 1 shows the top five counties that used the most funds for “Support for self-employment” from 2016-2021. As presented in Graph 1, the City of Zagreb “withdrew” the most funds for self-employment, as much as 55 million euros, which indicates that it supports entrepreneurship and supports the opening of new companies, and thus new employment. The remaining four counties “withdrew” 70 million euros in total. Graph 2 shows the top five counties that used the most funds for “Public work”.

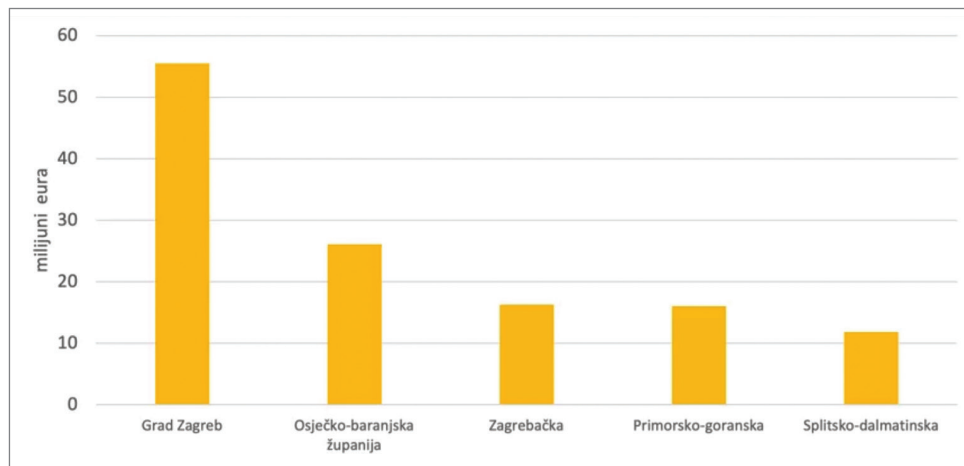
According to Graph 2, it can be highlighted that counties that have major demographic problems and where there are many young people, withdrew the most funds for “Public work”. Osijek-Baranja thus withdrew around 15 million euros.

3.2. Passive employment policies in the Republic of Croatia

Passive policies are more focused on financial support and less on education and training. The goal of the passive employment policies is to provide a certain amount of money to unemployed people, which helps them finance current expenses until they find a new job.

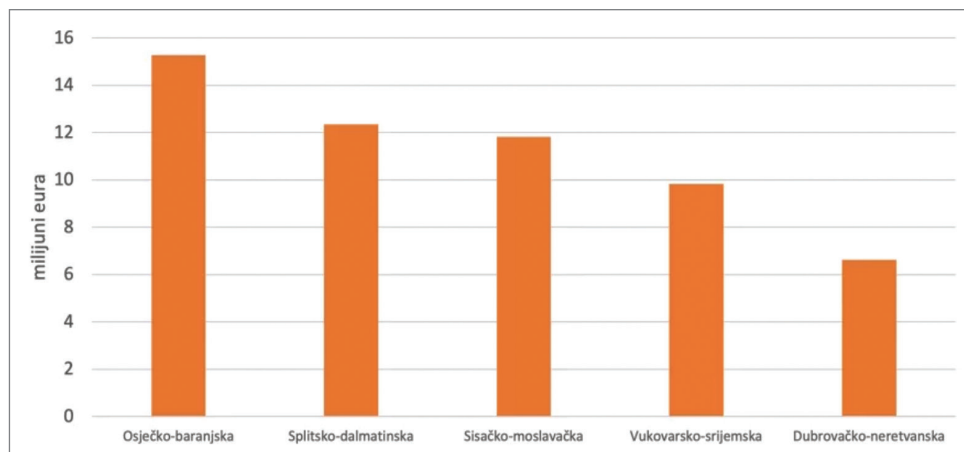
According to the Labor Law, there are six passive policies in the Republic of Croatia, and they are:

1. “Financial compensation - the state tries to “take care” of the unemployed and help them during the periods when they are unemployed. Unemployed persons who have worked for 9 months in the last 24 months, since the termination of the employment relationship, are entitled to it;
2. Pension insurance - the right to pension insurance is available to unemployed persons who



Source: <https://ekonomskabaza.hr/makro/trziste-rada/aktivne-vs-pasivne-politike-na-trzistu-rada/> (Accessed on March, 23rd 2024)

Graph 1: Top five counties that used the most funds for “Subsidies for self-employment” from 2016-2021.



Source: <https://ekonomskabaza.hr/makro/trziste-rada/aktivne-vs-pasivne-politike-na-trzistu-rada/> (Accessed on March, 23rd 2024)

Graph 2: Top five counties that used the most funds for “Public work”

have obtained the right to financial compensation, have reached the age of retirement for old-age pension, and lack at most 5 years of service before the old-age pension;

3. Financial assistance and reimbursement of costs during education and training and professional training for work without establishing an employment relationship;
4. One-time financial assistance and compensation for travel and moving expenses;
5. Financial aid for a person involved in professional training for work without establishing an employment relationship;
6. Monetary assistance to insured persons of extended pension insurance based on fixed-term employment contracts for permanent seasonal jobs." (Ekonomaska baza, 2008)

4. The impact of the COVID-19 pandemic on unemployment in Croatia

"On February 25, 2020, the National Crisis Staff and the Crisis Staff of the Ministry of Health informed the public about the first case of coronavirus 2019, i.e. COVID-19, caused by SARS-CoV-2". (HZJZ, 2020). Urgent and strict epidemiological measures were immediately taken to try to prevent further spread of the infection.

With the arrival of the COVID-19 pandemic, a major disruption occurred throughout the world. A large number of people lost their jobs and incomes, and thus unemployment and poverty grew.

On Thursday, May 11, 2023, the Government of the Republic of Croatia decided to declare the end of the epidemic of the coronavirus disease in our country, which means that - after the decision enters into force - the obligation of anti-pandemic measures, which, as of the spring of 2020, ceases were also valid in Croatia (Međimurska županija, 2023).

The lockdown, caused by the emergence of COVID-19, was one of the most important causes of inflation. The pandemic caused limited movement, which was initially only allowed with special passes, as checkpoints were set up. In conclusion, the pandemic did not bring anything good, as far as employed and unemployed persons are concerned.

Table 1 shows the trend of unemployment during the COVID-19 pandemic in the period from 2020-2023, through all five Croatian regions with a special focus on Zagreb County.

As presented in Table 1, as the pandemic progressed, unemployment also decreased. However, in 2023, unemployment varied (decreased or increased), as in the example of North-western Croatia, where there was an increase of 224 people compared to 2022.

5. The neet population in Croatia

"NEETs" are considered to be persons in the age group between 15 and 29 who do not work, are not in the regular education system and are not in the adult education system". (Mi mladi - zapošljavanje: NEET populacija u Hrvatskoj, 2021).

It is considered that the increase in the NEET population represents a far "bigger problem for society than the increase in the unemployment rate, and this increase is associated with the risk of a so-called lost generation, i.e. people who have been excluded from the world of work for a long time, who increasingly lack the skills that are in demand on the market and which are becoming increasingly difficult to employ". (Mi mladi - zapošljavanje: NEET populacija u Hrvatskoj, 2021).

In many countries, youth unemployment is a huge problem, including those countries in our neighbourhood. Within the NEET group (youth not in employment, education or training), there are significant differences. For a smaller portion of

Table 1. Trends in unemployment during the COVID-19 pandemic

Total unemployment through the following years	2020	2021	2022	2023
Northwestern Croatia	10.294	9.003	7.951	8.175
Central Croatia	36.438	32.367	26.187	24.271
Eastern Croatia	39.286	35.825	32.762	31.015
Northern Adriatic and Lika	16.276	14.501	11.115	10.270
Central and South Adriatic	41.903	38.850	33.020	30.216
Zagreb Country	6.629	6.267	5.094	4.978

Source: Author's preparation according to HZZ Statistics (retrieved on June, 2024)



the NEET population, belonging to this group is temporary, such as the period between jobs or the time before finding a job after finishing high school or college. However, for others, belonging to the NEET group may be a reason for a disadvantageous position and may indicate their withdrawal from active participation in society. In 2016, in European Union, in the population of young people aged 15 to 24, which amounted to 54.6 million people, 6.3 million were not employed, educated or trained, which means that the rate of NEETs was 11.5%. In the same year, the rate of NEETs was also the highest, where it exceeded 15% in Italy, Bulgaria, Romania, Croatia, Cyprus and Greece.

There are 7 groups of NEET population (Bedeniković, 2017):

- Short-term unemployed - people who are looking for a job and can start working within two weeks, currently with a duration of unemployment of less than 12 months;
- Long-term unemployed – people who are looking for a job and can start working within two weeks, currently with a duration of unemployment over 12 months;
- Re-enrolled - people who are divided into those who are not looking for employment because they have found a job that they will start working soon, people who are not looking for employment and have not found a job because they are waiting for an invitation to a job they previously worked, people who are looking for employment but not they can go to work because of education or training;
- Unavailable - they are divided into persons who are not looking for employment due to illness or disability and persons who are looking for employment, but cannot go to work due to illness or disability;
- Family responsibilities - include people who are not looking for work due to child care, adults with disabilities and other personal or family obligations and people who are looking for work, but cannot start work within 2 weeks due to family obligations.
- Discouraged workers - people who do not look for work due to the feeling that work is unavailable;
- Other NEET persons – there is a distinction between those who are not looking for work due to retirement or for unspecified reasons, and those who are looking for work but cannot start work for unspecified reasons, due to military service or engagement in civil services in the community.

According to Bedeniković (2017), the main reason for entering the NEET population is the low level of education, as well as the acquisition of basic writing and arithmetic skills. Also, he believes that non-cognitive skills such as conscientiousness, openness to new experiences or emotional stability are essential in completing education and finding employment. Due to starting a family, young people aged 25-29 decide to have children, and women are mostly the ones who stay at home with them, and women are more pronounced among the NEET population.

“In Croatia, in 2011, 14.9% of young people were in the NEET population (GZM, 2022). Regarding the NEET population, Croatia is far above the EU average, whose share of the NEET population is 12.8%.

Some of the factors to become a NEET are as follows (Bilić & Jukić, 2014):

- Persons with certain disabilities have a 40% higher chance of becoming NEET;
- Immigrants, young people, have a 70% chance of becoming NEET, when compared to native citizens;
- Young people who have a low level of education have a 3 times higher chance of becoming NEET when compared to young people who have completed a tertiary level of education;
- Living in remote areas increases the chances of becoming NEET by 15 times;
- Young people who have a higher income compared to those who have an average income;
- Young people who have unemployed parents have a 17% higher chance of becoming NEET;
- Young people who have parents with a low level of education double their chance of becoming NEET;
- Young people whose parents are divorced have a 30% higher chance of becoming NEET.

The following tables (numbers 2-7) show the unemployment of “NEETs” - people in the age range of 15-29 years, in the period from 2019-2023, through all Croatian counties and summarized through the regions (North-western Croatia, Central, Eastern, Northern Adriatic and Lika, Central and Southern Adriatic) and Zagreb County at the very end. The age groups are drawn from the HZZ Statistics, and could reveal insightful trends regarding the NEET population between these groups. Namely, the 15-19 group is the group of youngest unemployed youth, which still studies or has just finished secondary education. The age group 20-24 are mostly students or unemployed youth that decided not to enter the university

Table 2. Unemployment of “NEETs” in 2019

Year 2019	15-19	20-24	25-29	TOTAL
NORTHWESTERN CROATIA				
Krapinsko - zagorska	128	281	244	653
Koprivničko - križevačka	123	260	270	653
Varaždinska	117	275	283	675
Međimurska	159	273	236	668
TOTAL	527	1.089	1.033	2.649
CENTRAL CROATIA				
ZagrebCity	316	1.135	1.974	3425
Karlovačka	155	344	338	837
Sisačko - moslavačka	460	893	710	2.063
Bjelovarsko - bilogorska	253	520	426	1.199
TOTAL	1.184	2.892	3.448	7.524
EASTERN CROATIA				
Virovitičko - podravska	245	496	435	1.176
Osječko - baranjska	805	1.925	1.778	4.508
Vukovarsko - srijemska	397	942	803	2.142
Brodsko - posavska	378	726	624	1.728
Požeško - slavonska	155	381	283	819
TOTAL	1.980	4.470	3.923	10.373
NORTHERN ADRIATIC AND LIKA				
Primorsko - goranska	179	537	705	1.421
Istarska	75	284	409	768
Ličko - senjska	88	214	210	512
TOTAL	342	1.035	1.324	2.701
CENTRAL AND SOUTH ADRIATIC				
Zadarska	137	462	586	1185
Šibensko - kninska	156	446	466	1.068
Splitsko - dalmatinska	668	2.161	2.568	5.397
Dubrovačko - neretvanska	145	521	632	1.298
TOTAL	1.106	3.590	4.252	8.948

Source: Author's preparation according to HZZ Statistics (downloaded on June 21, 2024)



Table 3. Unemployment of "NEETs" in 2020

Year 2020	15-19	20-24	25-29	TOTAL
NORTHWESTERN CROATIA				
Krapinsko - zagorska	158	337	326	821
Koprivničko - križevačka	127	330	302	759
Varaždinska	149	363	318	830
Međimurska	598	1.373	1.259	3.230
TOTAL	1.032	2.403	2.205	5.640
CENTRAL CROATIA				
Zagreb City	368	1.619	2.688	4.675
Karlovačka	199	414	395	1.008
Sisačko - moslavačka	443	1.032	813	2.288
Bjelovarsko - bilogorska	314	652	496	1.462
TOTAL	1.324	3.717	4.392	9.433
EASTERN CROATIA				
Virovitičko - podravska	266	578	495	1.339
Osječko - baranjska	834	2.239	2.055	5.128
Vukovarsko - srijemska	442	1.082	963	2.487
Brodsko - posavska	437	893	757	2.087
Požeško - slavonska	194	459	366	1.019
TOTAL	2.173	5.251	4.636	12.060
NORTHERN ADRIATIC AND LIKA				
Primorsko - goranska	216	731	979	1.926
Istarska	132	476	665	1.273
Ličko - senjska	102	270	270	642
TOTAL	450	1.477	1.914	3.841
CENTRAL AND SOUTH ADRIATIC				
Zadarska	161	562	728	1.451
Šibensko - kninska	194	591	601	1.386
Splitsko - dalmatinska	818	2.849	3.332	6.999
Dubrovačko - neretvanska	195	831	994	2.020
TOTAL	1.368	4.833	5.655	11.856

Source: Author's preparation according to HZZ Statistics (downloaded on June 21, 2024)

Table 4. Unemployment of “NEETs” in 2021

Year 2021	15-19	20-24	25-29	TOTAL
NORTHWESTERN CROATIA				
Krapinsko - zagorska	130	270	272	672
Koprivničko - križevačka	114	292	246	652
Varaždinska	112	276	269	657
Međimurska	164	292	272	728
TOTAL	520	1.130	1.059	2.709
CENTRAL CROATIA				
Zagreb City	342	1.384	2.332	4.058
Karlovačka	150	294	279	723
Sisačko - moslavačka	386	817	690	1.893
Bjelovarsko - bilogorska	262	506	384	1.152
TOTAL	1.140	3.001	3.685	7.826
EASTERN CROATIA				
Virovitičko - podravska	232	458	410	1.100
Osječko - baranjska	755	1.943	1.865	4.563
Vukovarsko - srijemska	428	968	875	2.271
Brodsko - posavska	415	907	735	2.057
Požeško - slavonska	154	346	317	817
TOTAL	1.984	4.622	4.202	10.808
NORTHERN ADRIATIC AND LIKA				
Primorsko - goranska	205	689	887	1.781
Istarska	118	350	484	952
Ličko - senjska	83	215	208	506
TOTAL	406	1.254	1.579	3.239
CENTRAL AND SOUTH ADRIATIC				
Zadarska	126	417	557	1.100
Šibensko - kninska	170	492	510	1.172
Splitsko - dalmatinska	775	2.666	3.075	6.516
Dubrovačko - neretvanska	154	587	779	1.520
TOTAL	1.225	4.162	4.921	10.308

SOURCE: Author's preparation according to HZZ Statistics (downloaded on June 21, 2024)

Table 5. Unemployment of "NEETs" in 2022

Year 2022	15-19	20-24	25-29	TOTAL
NORTHWESTERN CROATIA				
Krapinsko - zagorska	97	185	216	498
Koprivničko - križevačka	105	212	209	526
Varaždinska	98	225	233	556
Međimurska	126	126	221	473
TOTAL	426	748	879	2.053
CENTRAL CROATIA				
Zagreb City	248	913	1.577	2.738
Karlovačka	99	220	209	528
Sisačko - moslavačka	325	623	577	1.525
Bjelovarsko - bilogorska	196	405	321	922
TOTAL	868	2.161	2.684	5.713
EASTERN CROATIA				
Virovitičko - podravska	197	398	384	979
Osječko - baranjska	630	1.455	1.489	3.574
Vukovarsko - srijemska	304	668	719	1.691
Brodsko - posavska	320	654	593	1.567
Požeško - slavonska	127	286	282	695
TOTAL	1.578	3.461	3.467	8.506
NORTHERN ADRIATIC AND LIKA				
Primorsko - goranska	145	465	640	1.250
Istarska	66	217	314	597
Ličko - senjska	63	140	170	373
TOTAL	274	822	1.124	2.220
CENTRAL AND SOUTH ADRIATIC				
Zadarska	87	301	433	821
Šibensko - kninska	118	345	428	891
Splitsko - dalmatinska	556	1.880	2.433	4.869
Dubrovačko - neretvanska	103	402	591	1.096
TOTAL	864	2.928	3.885	7.677

Source: Author's preparation according to HZZ Statistics (downloaded on June 21, 2024)

Table 6. Unemployment of “NEETs” in 2023

Year 2023	15-19	20-24	25-29	TOTAL
NORTHWESTERN CROATIA				
Krapinsko - zagorska	474	868	935	2.277
Koprivničko - križevačka	112	191	213	516
Varaždinska	129	232	263	624
Međimurska	140	258	242	640
TOTAL	855	1.549	1.653	4.057
CENTRAL CROATIA				
Zagreb City	258	811	1.447	2.516
Karlovačka	106	201	214	521
Sisačko - moslavačka	345	585	583	1.513
Bjelovarsko - bilogorska	220	385	339	944
TOTAL	929	1.982	2.583	5.494
EASTERN CROATIA				
Virovitičko - podravska	239	403	404	1.046
Osječko - baranjska	683	1.352	1.441	3.476
Vukovarsko - srijemska	355	637	661	1.653
Brodsko - posavska	329	566	578	1.473
Požeško - slavonska	137	277	263	677
TOTAL	1.743	3.235	3.347	8.325
NORTHERN ADRIATIC AND LIKA				
Primorsko - goranska	152	430	604	1.186
Istarska	79	224	286	589
Ličko - senjska	64	107	150	321
TOTAL	295	761	1.040	2.096
CENTRAL AND SOUTH ADRIATIC				
Zadarska	92	282	436	810
Šibensko - kninska	117	298	420	835
Splitsko - dalmatinska	590	1.582	2.120	4.292
Dubrovačko - neretvanska	100	365	522	987
TOTAL	899	2.527	3.498	6.924

Source: Author’s preparation according to HZZ Statistics (downloaded on June 21, 2024)

education, whereas the ones aged 25-29 are the oldest group of the NEET population (i.e. after university degree).

To make it easier to see the trend of unemployment among NEETs, in a table, due to summarizing the data, a comparison of regions over five

years, i.e. in the period from 2019-2023 is presented, which included the COVID-19 pandemic, which had a great impact on the increase of the unemployment.

From the presented, it can be concluded that the highest unemployment among young people

Table 7. Unemployment of “NEETs” in the period from 2019-2023 year

ZAGREB COUNTRY	15-19	20-24	25-29	TOTAL
2019	273	606	631	1.510
2020	325	783	843	1.951
2021	303	699	751	1.753
2022	228	490	578	1.296
2023	245	460	541	1.246
TOTAL	1.374	3.038	3.344	7.756

Source: Author’s preparation according to HZZ Statistics (downloaded on June 21, 2024)

aged 15-29 was at the time when the COVID-19 pandemic began, and the lowest, depending on the region, varies in 2022 and 2023.

Generally speaking, the highest unemployment is in Eastern Croatia, which includes the counties of Virovitica-Podravska, Osijek-Baranja, Vukovar-Srijem, Brod-Posavina and Požega-Slavonia, which belong to the groups of less developed counties, while North-western Croatia, which includes Krapina-Zagorje, Koprivnica-Križevačka, Varaždin and Međimurje counties have the lowest unemployment, but they are also considered a economically highly developed regions in Croatia.

Graph 3 shows the NEET population in Zagreb County in the period from 2019 to 2023 year.

As previously mentioned, Zagreb County does not have too great a deviation either. It also had the highest unemployment during the reign of the pandemic in 2020 and counted 1,951 unemployed young people, followed by 2021 with 1,753 people, 2019 with 1,510 people, 2022 with 1,296 people and 2023 with 1,246 people, when the end of the pandemic was officially declared.

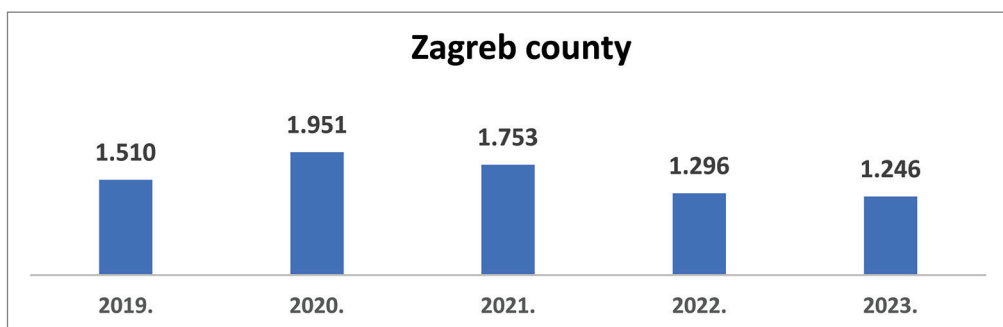
5.1. Employment measures against youth unemployment in Croatia

In most of the new member states of the European Union, as well as in the Republic of Croatia, the measures of active employment policy lag behind

Table 8. Trends in unemployment of the NEET group by region from 2019 to 2023

	Northwestern Croatia	Central Croatia	Eastern Croatia	Northern Adriatic and Lika	Central and South Adriatic
2019	2.649	7.524	10.373	2.701	8.948
2020	5.640	9.433	12.060	3.841	11.846
2021	2.709	7.826	10.808	3.239	10.308
2022	2.053	5.713	8.506	2.220	7.677
2023	4.057	5.494	8.325	2.096	6.924

Source: Author’s preparation according to HZZ Statistics (downloaded on June 21, 2024)



Source: Author’s preparation according to HZZ Statistics (downloaded on June 21, 2024)

Graph 3. Trends in unemployment of the NEET group in Zagreb Country from 2019 to 2023

the standards of the old EU members. “Active employment policy measures in 2015 were implemented based on the Guidelines for the development and implementation of active employment policy in the Republic of Croatia in the period from 2015 to 2017, which were adopted by the Government of the Republic of Croatia in December 2014. The guidelines were based on the priorities and goals of the active employment policy, which were defined by the analysis of the state of the labor market and strategic documents of the Republic of Croatia and the EU in the field of employment” (Obadić, 2017).

In 2015, the measures were aimed at seven target groups (Obadić, 2017):

- young people up to 29 years old,
- long-term unemployed persons,
- people over 50 years old,
- persons with disabilities,
- special groups of the unemployed,
- members of the Roma national minority,
- employers in difficulties to preserve jobs.

There is a general consensus that all EU members should agree on a limited number of main goals for 2020. As part of the Europe 2020 strategy, the Youth on the Move initiative was launched in 2010, with its main goal of successfully integrating young people into the labor market and increasing mobility. This initiative is focused on education and aims to reduce early school leaving to 10%, promotes lifelong learning, non-formal education, vocational education and quality apprenticeships.

After becoming an EU member state on July 1, 2013, Croatia started implementing activities within the so-called Youth Guarantee. The youth guarantee does not guarantee a job but represents a structural reform that enables the rapid activation of young job seekers in the shortest possible time. The successful development of this program requires strong cooperation between public bodies, employment offices, career guidance service providers, youth support services, educational institutions, employers, companies and trade unions.

Vocational training for work without establishing an employment relationship is one of the measures to encourage employment. Although this measure was initially the target of criticism, during the COVID-19 crisis it started being positively observed, especially among young people who are its main beneficiaries. The goal of the measure was to enable young people to gain work experience in the profession for which they were

educated. “The measure can be used by persons registered as unemployed for at least 30 days, who have no more than 12 months of work experience in their profession, and it can last up to 36 months. Since 2013, when the measure was introduced, the monetary compensation amounted to HRK 1,600.00. At the beginning of 2015, by the Decision of the Government of the Republic of Croatia, the fee was increased to HRK 2,400.00. In addition, the cost of transportation can be co-financed in the amount of the actual costs of public transportation, up to a maximum of HRK 1,000.00” (Obadić, 2017).

Young people are increasingly becoming aware that they are in a so-called vicious circle, where without work experience they cannot get a job, and without a job, they cannot gain work experience. That is why they increasingly support this measure as a positive step towards solving the unemployment problem.

6. Conclusion

The analysis carried out shows that the transition from the education system to the labor market is a very complex process, which differs significantly among the EU member states.

In Croatia, a large number of young people simultaneously participate in the education system and in the labor market, which often leads to a lack of competence in job hunting. This situation especially applies to high school and higher education occupations. Employers often emphasize that one of the biggest problems is the lack of practical experience gained during education.

In some Western European countries, such as Austria, Germany, and Switzerland, high school students mainly attend vocational education, which includes a significant share of practical work in the respective companies. This practice allows students to acquire the necessary skills and experiences that will be useful to them later on in the labor market, and employers can train future employees according to their specific needs.

In contrast, in Croatia, there is a significant mismatch between the needs of the labor market and educational programs. Most companies are not interested in organizing practical classes, which makes it even more difficult for young people to acquire the necessary skills and experience. This mismatch results in young people often leaving the education system unprepared for the demands of the labor market, which makes it difficult for them to be employed.



The COVID-19 pandemic had a huge economic impact, which included a recession and a drop in GDP, disruptions in supply chains, a reduction in consumption and investments, governments and central banks around the world, including in the Republic of Croatia, had to introduce fiscal and monetary stimulus, such as various aid packages, interest rate cuts, to mitigate the economic consequences. As for the labor market, there was an increase in unemployment in branches such as hospitality, tourism, retail, and remote work was preferred and an overall adjustment had to follow. The pandemic has left various long-term consequences such as digitization and automation, economic inequality and long-term fiscal burdens.

The NEET group represents a serious social and economic problem. They are faced with multiple challenges, which include high unemployment, exclusion from the labor market and lack of skills needed for employment. What can help reduce the NEET rate is investment in education programs, training and employment initiatives.

By extracting statistical data, in order to analyze the unemployment of North-western Croatia, and the other four regions: Central and Eastern Croatia, Northern Adriatic and Lika, Central and Southern Adriatic, and Zagreb County separately, it can be concluded that the highest unemployment was during the COVID-19 pandemic. In 2023, a slight increase in unemployment begins again.

By comparing the regions, and also based on general knowledge and some external data, North-western Croatia with the counties of Koprivnica - Križevačko, Krapinsko - Zagorje, Varaždin and Međimurje is among the most economically developed counties, therefore it is not surprising that it has a relatively low unemployment rate compared to the other Croatian regions.

The main goal of this paper was to shed light on the unemployment in the NEET population in Croatia by regions and therefore, this paper and its findings could be used by governments and policymakers in Croatia and other EU and regional countries.

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