

## Inclusive entrepreneurship trends and policies in Croatia

*This profile presents self-employment and entrepreneurship activity rates for women, youth and seniors in Croatia and highlights the intensification of inclusive entrepreneurship policy, including a new major strategy for women's entrepreneurship support.*

**Key trends:** The overall self-employment rate has been declining since 2010 and fell below the European Union average in 2014. In 2016, the self-employment rate was 11.8% relative to 14.0% for the European Union. This declining trend is observed for women, youth and seniors, with the decline being the greatest for youth. However, the Total early-stage Entrepreneurial Activity (TEA) rate was above the European Union average over the 2012-16 period (8.9% vs. 6.7% for the EU), notably for youth (11.0% vs. 7.8% for the EU). However, this high rate of early-stage entrepreneurship activities was likely driven by people who did not have other employment opportunities, as more than one-third of new entrepreneurs (37.2%) reported that they started their business because they could not find a job. This was especially true for senior entrepreneurs over this period as more than half (51.3%) reported that they did not have other opportunities to work. Similarly, entrepreneurs from all social target groups in Croatia were less likely to offer new products and services than the European Union average between 2012 and 2016 (21.7% vs. 28.9% for the EU).

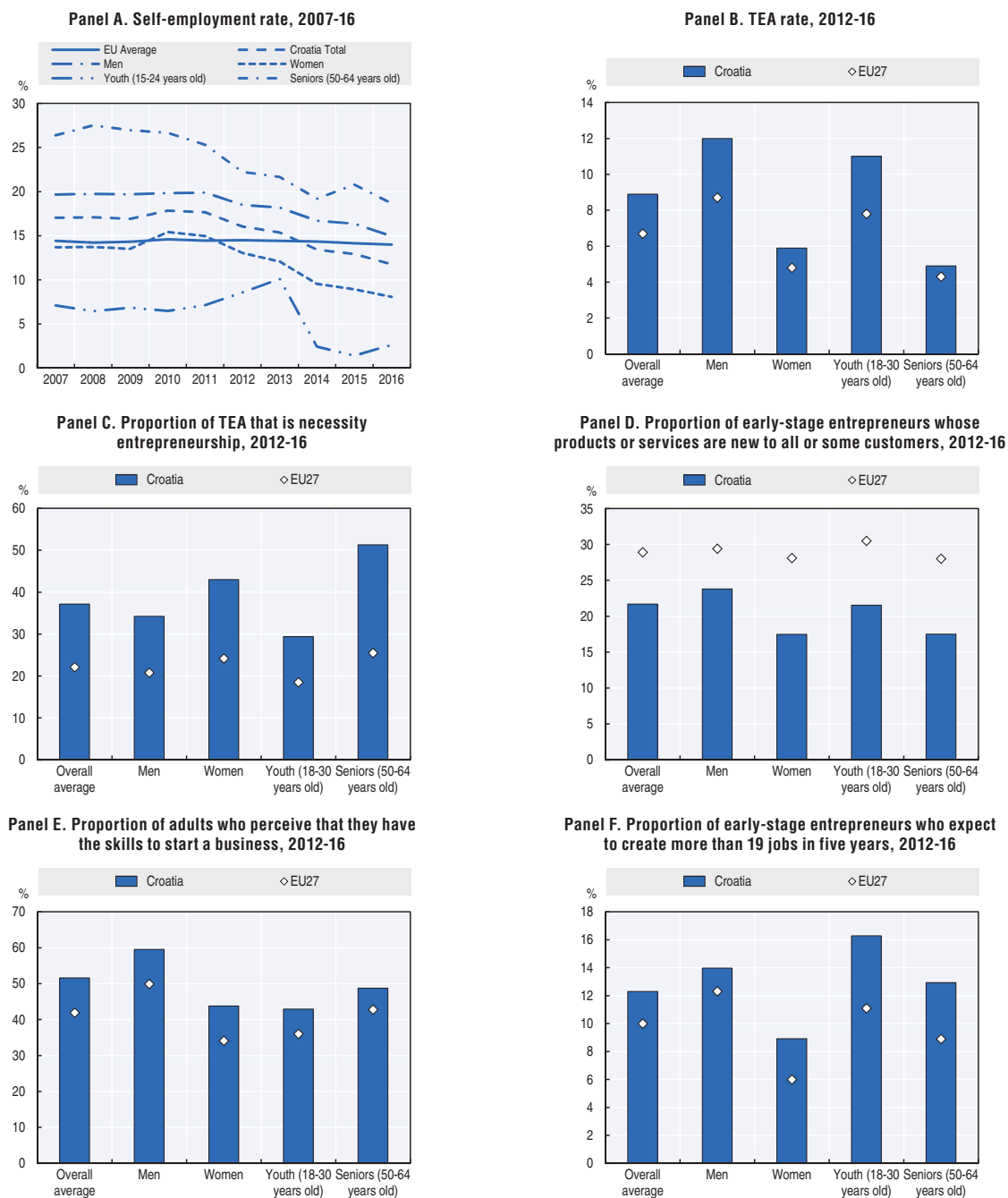
**Hot issue:** Addressing the high level of youth unemployment has been a political priority since the onset of the economic crisis and has led to the introduction of many employment initiatives. The Youth Guarantee Implementation Plan (YGIP), which started in 2014, covers a set of measures that range from improving the regulatory and institutional framework for start-ups to improving access to the job market, including self-employment. It also covers several measures related to building entrepreneurship skills for youth.

**Recent policy developments:** Entrepreneurship policy in Croatia is outlined in the Entrepreneurship Development Strategy of the Republic of Croatia 2013-2020 and the Strategy for the Development of Women Entrepreneurship in the Republic of Croatia 2014-2020. In addition to these broad strategies, several measures have been recently developed to support vulnerable groups in the labour market, including through self-employment. For example, the Guidelines for the Development and Implementation of Active Employment Policy in Croatia 2015-17 aims to improve employment outcomes for groups such as youth, women, seniors and those in danger of social exclusion. The initiative emphasises the importance of adjusting education to the needs of the labour market, as well as providing additional training for unemployed to increase their employability. Self-employment training and supports are also included.

The full Country Assessment Note can be found at: [www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm](http://www.oecd.org/cfe/leed/inclusive-entrepreneurship.htm).


## Key inclusive entrepreneurship data

Figure 12.1. **Entrepreneurship and self-employment data for Croatia**



Notes: 1. The self-employment rate is defined as the number of self-employed people (15-64 years old) divided by the number of people in employment. 2. The TEA rate is the proportion of adults (18-64 years old) involved in setting up a business or managing a business that is less than 42 months old. 3. Necessity entrepreneurship is defined as entrepreneurship activities that were launched because the individual did not have other options in the labour market. 4. Early-stage entrepreneurs are those who are in the process of setting up a business or manage a business that is less than 42 months old. 5. In Panels B, C, D, E and F, the population covered are those 18-64 years old.

Sources: Panel A: Eurostat (2017), Labour Force Survey, available at: <http://ec.europa.eu/eurostat/web/lfs/data/database>; Panels B, C, D, E, and F: GEM (2017), Special tabulations of the Global Entrepreneurship Monitor adult population survey, 2012-16.

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## Reader's guide to the country profiles

This section of the book provides a short overview of inclusive entrepreneurship trends and recent policy actions in each European Union Member State. Each Country Profile highlights recent trends for key inclusive entrepreneurship indicators, focusing on activity rates, quality and barriers to business creation for people in under-represented and disadvantaged groups, drawing on a set of charts (see below). In addition, the Country Profiles briefly describe a current policy issue relevant for inclusive entrepreneurship policy development. Finally, each Country Profile describes a recent policy action that was introduced to support the unemployed, women, youth or seniors in business creation and self-employment.

The country overviews are complemented with a common set of country-specific data that benchmark key inclusive entrepreneurship indicators against the European Union average and over time. Data are presented for men, women, youth, seniors and the overall population total. These data help to show the scale of the challenge and its recent evolution. All Country Profiles contain six figures (except for the Malta profile, which does not participate in the Global Entrepreneurship Monitor survey):

**Panel A:** Self-employment rate, 2007-16. This presents the proportion of those in employment who are self-employed.

**Panel B:** Total Early-stage Entrepreneurship Activity (TEA) rate, 2012-16. This presents the proportion of the population who is actively involved in starting a business or who is the owner-operator of a business that is less than 42 months old.

**Panel C:** Proportion of TEA that is necessity entrepreneurship, 2012-16. This presents the proportion of early-stage entrepreneurship that was launched due to a lack of other opportunities in the labour market.

**Panel D:** Proportion of early-stage entrepreneurs whose products or services are new to all or some customers, 2012-16. This presents the proportion of early-stage entrepreneurs who self-report that they offer products and/or services that are new to potential customers.

**Panel E:** Proportion of adults who perceive that they have the skills to start a business, 2012-16. This presents the proportion of the population who believe that they have the knowledge and skills needed to start a business.

**Panel F:** Proportion of early-stage entrepreneurs who expect to create more than 19 jobs in five years, 2012-16. This presents the proportion of early-stage entrepreneurs who anticipate the creation of at least 19 additional new jobs over the next five years.



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