

# THE IMPLEMENTATION AND PROBLEMS OF YOUTH GUARANTEE MODEL IN CROATIA

Predrag Bejaković, PhD, Institute of Public Finance, Zagreb, Smiciklasova 21, [predrag@ijf.hr](mailto:predrag@ijf.hr)  
Maja Vehovec, PhD, The Institute of Economics, Zagreb, Trg J.F. Kennedyja 7, [mvehovec@eizg.hr](mailto:mvehovec@eizg.hr)  
Željko Mrnjavac, PhD, full professor, Faculty of Economics, University of Split, Cvite Fiskovića 5, [mrnjavac@efst.hr](mailto:mrnjavac@efst.hr)

## Abstract

*For most young people unemployment is a dynamic transitional state, but for some people unemployment becomes a long-term feature of their lives. There is significant evidence that long term unemployment itself reduces yet further prospect of getting work. Many young people find themselves in this position. In the time of crisis, lack of growth affects everyone in the economy but youth are more affected because their unemployment tends to be super-cyclical and it fluctuates stronger than adult unemployment. In Croatia youth unemployment always tends to be higher than overall employment, even independently from the crisis. The casualisation of the labour market for young people and long term unemployment amongst young people are immediate issues. According to the Croatian Employment Service (CES), the largest number of unemployed young people is made up of persons with no occupation (unskilled persons) with around one third is under 30 years of age. Thus, there is a need for targeted action for young people. The Youth Guarantee in Croatia started in 2014, but real implementation has been realised since August - September 2014. The Programme has been recently adopted and having in mind that there were no scientific or official evaluations, it is almost impossible to make any reliable assessment of its impact. Without doubt there are some positive signs of recovery. The problems with the Youth Guarantee are primarily related to the numerous sub-measures so it will be very hard to follow their realisation in the conditions of almost completely lack of evaluation culture.*

Key words: long term unemployment, young people, the Youth Guarantee, Croatia

## 1. Introduction: Importance of employment and threats of unemployment

Employment plays a fundamental role in every society. People are often defined, and define themselves, through what they do for a living. Employment is called "the glue that holds our society together" (Smith, 1987). Sociological and economic studies emphasise that not only is employment a primary source of status in every country, but it is also significant in providing purpose, income, social support, structure to life and a means of participating in society. Unemployed young people on welfare are amongst the poorest people in the society. For the most part their poverty stems from their lack of paid employment. Work is widely regarded and quoted as the key to addressing poverty and the best form of welfare for people of working age; the reasons are clear - economic independence and social inclusion. So increasing the 'employment rate' has become a key objective of social policy as well as of labour market policy for mature post-industrialised societies. Of course, some of those in work will still face poverty because of low wages in relation to their personal and family needs – hence the growth of measures to ensure that people are better off in work than on benefits.

The jobs crisis has hit young people harder than other age groups (Van Gyes and Szekér, 2013). This is being felt mainly in terms of unemployment, longer job search periods, discouragement and prolonged inactivity. The long unemployment spells young people face when entering the labour market during a recession may have long lasting effects in terms of future employment and wages. This may lead to labour market detachment for some categories of youth, which in turn would aggravate the labour force participation crisis the country is facing. For most young people unemployment is a dynamic transitional state, but for some people unemployment becomes a long term feature of their lives. And there is significant evidence that long term unemployment itself reduces yet further prospect of getting work (European Commission, 2015). Many young people find themselves in this position. They become and, for the most part, stay unemployed. The key policy issues are therefore how to lessen the flow of young unemployed people into long term unemployment

and prolonged periods of welfare and how to get those who are already long term unemployed back into the labour market?

After this introduction note, follows Section 2 with the review of the literature regarding youth unemployment and youth guarantee. The situation and causes of youth unemployment in Croatia are explained in Section 3. Section 4 explains the history of measures in Croatia before and after recently accepted Youth guarantee in Croatia are presented. The text finishes with conclusion and recommendation for improvement in section 5.

## **2 The review of the literature on youth unemployment and youth guarantee**

The collapse of employment opportunities since the beginning of the 2007 crisis is of major concern for young people, communities and broader social and economic well-being (Bell and Blanchflower, 2011; Caliendo, Künn and Schmidl, 2011). Furthermore, it is suggested that employment difficulties early in life jeopardise young people's long-term career paths and future earnings prospects, i.e. scarring effects (Ellwood 1982; Furlong and Cartmel, 2007). Several explanations have been suggested why young people tend to be more unemployed than adults, for example school-to-work transition. Wolbers (2007) in the study of labour market entry in 11 European countries concludes that national institutional differences regarding employment protection legislation and the vocational specificity of the education system do indeed affect cross-national differences in labour market entry patterns. Youth face higher barriers to entry into the labour market due to their lack of experience. Shorter credit history and lack of access to business networks makes it more difficult for them to become successful entrepreneurs. In the time of crisis, lack of growth affects everyone in the economy and some groups like youth are particularly hard-hit (O'Higgins, 2001). In fact, youth are more affected because youth unemployment tends to be super-cyclical and it fluctuates stronger than adult unemployment.

Ryan (2001) finds out that the power of public policies-including labour market deregulation, labour market programmes, *vocationalization* of education, and apprenticeship are important factor in improvement of youth position on the labour market. One should not neglect the role of inappropriate education where young people are not particularly valued by potential employers (Mascherini, 2012). Finally, there is insider-outsider theory where labour regulation is more inclined to older workers than to young unemployed persons (Lindbeck and Snower, 2002). Korenman and Neumark (2000) find out the strong connection between adult and youth unemployment. They claim that "youth unemployment rates are much more responsive to general labour market improvements than to declines in cohort size" and that a return to low adult unemployment rates can improve youth labour markets.

As a consequence of mentioned negative developments in the labour market for young people, EU Member States have been actively engaged in preparing and implementing policy measures aimed at increasing the employability and overall employment participation of young people. While these policy initiatives are mainly focused on improving the employability of young people by facilitating the transition from school to work, there is common agreement across almost all Member States that timely support for young people is essential in order to ensure the integration of young people into the labour market. In this respect, policy measures such as the youth guarantee models, which aims to reduce the time young people spend while they are not in employment, education and training (NEET) have been gaining political attention in a few last years and are now the subject of debate at EU level in terms of their success in supporting young people during their entrance into the labour market.

Despite a significant amount of research we still know little about what happens in relation to change, for example economic transition and economic structural change? One way to understand change is to compare regions in different phases. Countries of South and East Europe have recently gone through an economic transition; from planned economy to market economy, while the post-industrial countries are undergoing economic structural change, for example into the new service and knowledge society. However, for both groups of countries there is a change in demand for competencies, knowledge and

skills of young persons; while these changes are more pronounced and faster than changes on the supply side of the labour force.

### **3 The situation and causes of youth unemployment in Croatia**

Youth unemployment always tends to be higher than overall employment, thus, even independently from the crisis; so there is a need for targeted action for young people. In EU28 in 2013 the youth unemployment rate reached new historic high of 23.7 % (with the slight decrease in 2014 to 22.2%, Picture 1), more than twice as high as the adult rate, with some 5.7 million young people affected. Young persons that have only completed lower secondary education (early leavers from education and training) have the highest risk of unemployment. According to Eurostat, the EU average youth unemployment rate in 2012 was 22.8 %, but reached 30.3% for low-skilled youth. The situation is above all unfavourable in some Member States and in certain regions, unfortunately also in Croatia.

According to the last census of 2011, Croatia had 739.461 young people aged 15-29 years (17.3% of the population), of which 505.835 young people aged 15-24 years (11.8% of the population). The youth unemployment rate in Croatia was high even during the prosperous years of the first decade of the new Millennium. In the period from 1998-2008 youth unemployment in Croatia has been falling both in absolute terms and relatively compared to adult unemployment. There are several possible reasons for the fall in the youth unemployment rate: one is the exit from political isolation and the economic recovery after 2000, together with active labour market policy targeting young people; the other is the size of the youth cohort, which was also decreasing and consequently reducing the number of people entering the workforce. The situation deteriorated somewhat in the period from Q4 2007 to Q4 2009, particularly for the youngest age group (15-19), among whom the unemployment rate increased from 41.5% to 47.0%, while for the age group 25-29, the unemployment rate fell from 12.3% to 12.1%. The situation changed for worse after the beginning of the economic crisis that started in Croatia in 2008 and youth persons are today most exposed to unemployment. Their rates of unemployment as measured by the Labour Force Survey grew in just four years from 21.9% in 2008 to 43.0% in 2012. The youth unemployment rate is steadily even 3.2 times higher than the unemployment rate in the 25-64 age groups, indicating a comparatively disadvantaged position of young people. Youth unemployment will be even higher if a significant part of this population is not included in regular education that usually takes a prolonged period on average up to seven years for five years programmes. Croatia's youth unemployment rate hit 51.6% in March 2015. Croatia has the highest rate of youth unemployment in the nation's history and the highest rate in comparison with other former transition countries like Poland and Bulgaria.

In Croatia age and previous working experience significantly determine the possibility for finding a job and define a position on the labour market. Even in prosperity periods young persons without working experience faced huge problems in finding a job. However in recent crisis circumstances, the employment rate for youth aged between 15 and 24 years has followed up with its previous decline due to increased participation in tertiary education. Almost the whole generation (between 85 and 90%) of the youth that finished secondary education enrolls and begins with the tertiary education. Around 60% of youth enrolls into university education, while other begins with college education. There is the possibility that the crisis reduces financial and organisational capacities for further education and forced youth to participate on the labour market. It looks like this is not the case in Croatia. Regardless of relatively bad results in the secondary education, a majority of youth enrol into the tertiary education due to low opportunity costs, primary related to the limited possibility to find a job on the labour market. Thus, till now, according to the available data, it looks like that the number of young people leaving education has not increased.

Probably the best starting point in an overview of the causes of youth unemployment are institutional obstacles linked with the labour supply and demand side. In this regard, one should particularly emphasise two important characteristics of unemployment in some (particularly South-East) European countries: pervasive unemployment rate among young people and the high share of the long-term unemployed young people. Declining production and negative GDP growth in EU after the beginning

of the economic crisis in 2008 and the consequent reduction in the number of employed were not surprising. However, it is less clear why high unemployment has remained so permanent after output increased. Therefore, given the unemployment and the consequent related poverty and social exclusion, the main concern is not so much why unemployment grew at very high rates, *but why some people find it so difficult to get out of unemployment.*

Very low rates of emerging from unemployment mean that youth unemployment is becoming increasingly permanent. Many member states have a high share of long-term unemployment, so efforts aimed at its reduction are highly important. Obviously, the suppression of unemployment (particularly long-term unemployment) is a complex and expensive task, which becomes even more expensive if these efforts are delayed. The risk of poverty and marginalisation in Croatia is directly related to exclusion from the world of work. The jobs crisis has hit young people harder than other age groups. This is being felt mainly in terms of unemployment, longer job search periods, discouragement and prolonged inactivity. The long unemployment spells young people face when entering the labour market during a recession may have long lasting effects in terms of future employment and wages. This may lead to labour market detachment for some categories of youth, which in turn would aggravate the labour force participation crisis the country is facing. Active labour market programmes in Croatia are still limited in scope, range and coverage. The youth are in a more unfavourable position in using the limited possibilities of employment. They often do not have adequate and needed skills sought in the labour market and/or do not have appropriate working experience. Some of them did not have entered the labour market, or if they had entered it was mostly on precarious and fix-term contract jobs. Once excluded from the world of work, the youth unemployed and the economically inactive have limited possibilities to break the circle of poverty and social exclusion. Many youth unemployed are long-term unemployed, so an analysis of flows on the labour market indicates that the unemployed and the economically inactive youth persons have a low probability of finding a new job. According to the Croatian Employment Service (CES) database, the largest number of unemployed young people is made up of persons with no occupation (unskilled persons). From the total number of unskilled persons, around one third is under 30 years of age. In the last few years, the occupations with the highest unemployment frequency were mostly the same, from which one can conclude that there is a constant structural mismatch between labour supply and demand. The early school leaver (18-24 years) rate in Croatia is relatively low (3.9 %) in comparison with the situation in the EU-25 (15.0 %), but it is nonetheless a significant problem for part of the youth population (Eurostat, 2014). Mostly it is caused by a lack of a network of 'second chance' schools, aimed at young people who have either been excluded from education or are on the verge of exclusion.

In time when country is facing high unemployment rates very often there has been a polarisation in society: relatively securely employed (older) persons (*insiders*) and the (mostly young) unemployed (*outsiders*), of whom a considerable number are the long-term unemployed, with very slim chances of finding a job. This is related to the rigidity of the labour market and labour legislation, reflected in a long-lasting, complex and expensive dismissal system (including termination of employment contracts, statutory notice period, severance payments, mass lay-offs, etc.). The rigidities of the labour market curb entry to and exit from employment, which, in addition to the relatively high cost of labour, also hinders employment and investments. All this serves for the protection of people who have jobs, but excludes those who are jobless, that are mostly young. Labour market flexibility was unfavourable in Croatia prior to new Act in 2003. This was primarily because employment protection regulation in Croatia was among the strictest in Europe. Inflexibility of the Croatian labour market was particularly reflected in the high value of the composite index of the strictness of employment protection legislation (EPL) as developed by the OECD. After a long and intense public discussion, in second-half of the year 2003, the Parliament accepted a new Labour Act. More flexibility was introduced in all three major components of EPL index - permanent employment, temporary employment and collective dismissals - yet the introduction of temporary work agencies had the strongest influence on overall change of the Croatian EPL index. This Law has detached Croatia from the group of countries with the most protective EPL index because it decreased from 3.6 to 2.8. After some small changes during the meantime, the new Labour Act (OG 93/14) improved further the

labour market flexibility so composite EPL index decreased from 2.32 to 2.23 (Vlada, 2014). Thus, the situation has been improved in Croatia with amendments to the labour legislation, but still it has a proportionately high index of legal protection of employment, what negatively reflects on the position of youth on the labour market.

There are also other limitations in the labour market related to the relatively small difference and security of income between the lowest salaries and the various benefits in the social welfare system (which does not sufficiently encourage active job seeking) and the widespread hidden economy. Persons who, because of their education, are outside the world of work and paid employment are also in danger of transferring limited possibilities to their children. The position of the unemployed is difficult, especially bearing in mind the mentioned *scarring effect*, according to which longer-term unemployment usually leaves an indelible mark on a person's chances of employment, professional development and promotion. It is more difficult for long-term unemployed persons to find a job, and even when they do, they are at greater risk of losing it, so that they become unemployed again, or accept work in insecure or poorly paid jobs.

The relatively high level of long-term youth unemployment is often the consequence of more limited labour flows, or a lower number of newly employed together with a slight reduction in the number of those quitting their jobs. Long-term unemployment particularly affects women; almost a half of them had been unemployed for over 2 years (Gotovac, 2011). The destruction of jobs caused by the winding up and bankruptcy of a large number of employers was not matched by sufficient job creation in the private sector. Unemployment and low activity rates are mainly the consequence of insufficient demand for labour and the mismatch in labour supply and demand. Relatively high real wages, institutional rigidities and wide-spread skills mismatches appear to be major impediments for a more dynamic labour market performance.

The labour market is, most often, not perfect, so that at the same time there is both unemployment and a high demand for workers. This means that, particularly in countries with high youth unemployment, there is room to improve the activities of the labour market by approximating unemployment to the minimum labour supply and demand, thus diminishing evident unemployment. As an important measure for improving the functioning of the labour market and improve the position of youth people, EU and Croatia as its member accepted the model of the Youth Guarantee.

#### **4. History of employment measures in Croatia before and after the acceptance of the Youth Guarantee**

Even before the Youth Guarantee, Croatia had specific measures for helping youth on the labour market. The provisions of the Contributions Act, which entered into force on the 1<sup>st</sup> January 2009, as a measure to encourage the employment of people with no work experience, employers who enter into a contract with the person who is employed for the first time obtained incentives in the form of non-calculation of the contributions on the basis of newly employed persons. From 1<sup>st</sup> June 2012, as a measure to encourage the employment of youth persons, an employers who concludes an employment contract with the young person without working experience in the field of his or her education and/or long-term unemployed youth person, obtained incentives in the form of non-calculation of the contributions on the basis of newly employed person(s).

In cooperation with youth representatives, as well as social partners, with the beginning of 2013 active labour market policy measures were aligned to focus on beneficiaries and "Young and Creative" package was created, adding firstly 11 new measures and better suiting them to the needs of individual and current labour market situation. This package in 2014 counted 23 measures under employment and self-employment subsidies, training and specialization subsidies, occupational training, public works with emphases on added value (new social services in community, green jobs, EU projects support, etc.) and job preservation. Croatian Employment Service (CES) started planning on further developing, focusing and strengthening their activities directed at youth and building capacity. This is why during 2013 new organisation with specialization of counselling services commenced – youth

employment counsellors started to work firstly in Zagreb and specialised Centres for Youth Employment started with work in some CES branch offices, lifelong learning counsellors started with training and couple of Career Guidance Centres (CISOK) started with work. Also, further development of services aimed at strengthening cooperation with schools and employers commenced. Number of CES services and capacity building is planned through European Social Fund (ESF) 2007-2013 and specialized services for youth are planned for development through ESF 2014-2020. Most of capacity building is envisaged for 2014 and 2015, and during 2016 it should be possible for CES to offer a high quality support to young job-seekers.

Following the Council's recommendation<sup>1</sup>, Croatia submitted its Youth Guarantee Implementation Plan (YGIP) to the Commission in December 2013. The implementation plan makes a detailed diagnosis of the situation and underlines some very significant issues regarding youth employment. It points to the intervention needs: next to the need for a general economic recovery which would allow for faster labour market inclusion, there is an imperative need for a different approach in education among others aimed at: modernising approaches and curricula, as well as qualifications standards based on learning outcomes, especially in vocational education, in line with labour market needs, giving more hands-on experience and strengthening entrepreneurial skills; bringing vocational and career guidance and employers closer to schools and intervening at the earliest possible stage of education, providing specially tailored support to those who most need to stay in education; creating a systematic approach to follow-up youth school drop-outs as well as the checkout from the CES register in order to prevent such young people falling into NEET status; and building up the capacity of schools and the CES for quality work with youth and strengthening cooperation and partnerships between the educational and employment sectors.

The Youth Guarantee in Croatia started in 2014, but real implementation has been realised since August - September 2014. Croatia has at its disposal a total of € million 133 for the period 2014-2020 € million 66.36 from the European Social Fund (ESF) for the realisation of structural reforms and support systems and € million 66.18 from Youth Employment Initiative (YEI) for the period 2014-2015 for education, contributing to employment, compensation for education or training for the very young people. YEI funds will be available to persons under 30 years. During the first period 2014-2015 Croatia will allocate YEI funds to active employment policy measures aimed at young people aged 15-29 years (co-employment and self-employment, financial assistance for education and vocational training and public works) and partly on education and entrepreneurship (financing of continuing education for pupils who completed the two-year and three-year vocational programs, transportation and textbooks for socially disadvantaged students and scholarships in vocational education and apprenticeships).

Particular attention is given to provision of assistants for pupils with disabilities in primary and secondary schools and educational institutions, primarily to enable equal access to education by providing support in line with specific needs of pupils with disabilities. Furthermore, envisaged is financing continuation of education for students who have completed two-year and three-year vocational programmes through support continuation of education as well as through transition in vocational education from three years to four years educational programme. In terms of support to systems, structures and capacity building, actions to be financed include the development of Job clubs for youth and provision of specific and targeted Job club activities, as well as the establishment and elaboration of specialised public employment services for youth. Job clubs are intensive short-term targeted programmes for small groups of youth, guided and managed by Job club leaders, that include training of job search skills, goal-setting, motivational workshops etc. Job clubs are fully adapted for provision of tailor-made support and individualised service, according to precise needs of the participant group. Specialised CES services for youth include one-stop shops for youth, where they can find all important information and get support and guidance by specialised youth counsellors, irrespective of whether they are registered with CES or not. This set of activities targets at improving

---

<sup>1</sup> Council Recommendation of 22 April 2013 on establishing a Youth Guarantee, OJ C 120, 26.4.2013, p. 1 – 6.

the accessibility and quality of services in terms of adjusting to the particularities of young people, as a precondition for realising improvements in youth employability and employment levels.

With the purpose of build capacity and prepare employers for providing quality apprenticeships but also provide good traineeships and internships, it is vital to set up a system of support to employers and to build quality mentorships. This scheme provides possibilities to set up seminars, workshops and prepare literature for master craftsmen for apprenticeships. It also provides testing for different models of work-based learning which provide a person with relevant work experience or (in case of apprenticeship schemes) to actually gain a qualification by working with a qualified certified mentor. As for mentors themselves, proper conditions for mentorships and for quality work-based learning are identified, proper support to mentor and to schools (financial, organizational, etc.) identified, employers' capacities to carry out work-based learning assessed and possibility of an "outsourced mentor" for small businesses tested. This scheme is a grant scheme by which a set of stakeholders partners up to propose their own vision of best schemes which provide end youth beneficiaries with relevant work-experience after which they would be independent in their work. After the testing period, best practice will be analysed and best way of mainstreaming the policy proposed. Setting up support to employers and education providers in organising quality work-based learning schemes (internships, traineeships, apprenticeships) include support mentoring in work-based learning within upper secondary vocational education and higher education; to support mentoring in traineeship schemes; to pilot systems of support to conducting work-based learning within educational system and after completing formal education (traineeships on open market or within active labour market measures); and to conduct survey on employers' capacities to carry out work-based learning.

Further promotion of better inclusion of youth into active labour market measures includes following: Activity 1) Subsidies and compensations for scheme beneficiaries and the co-financing of employment targeted at persons under the age of 30 years who are registered as unemployed; Activity 2) Public work programmes for youth with the goal to activate young people in community services through public work programmes and to provide skills by short-term employment and/or placement up to 12 months; Activity 3) Support for acquiring first work experience of young people in their respective occupations, support for a person who has no work-experience and no experience related to his/her profession to enter the labour market; occupational training is conducted at the employer's premises, employer provides a mentor for the participant and receives reimbursement of contributions they must pay each month, while the participant receives financial aid from Croatian Employment Service; and Activity 4) Employment and training subsidies including labour-market-oriented training that will help increase the level of young person qualification, particularly when it comes to young high-school dropouts and young people with low and inadequate education attainment.

As the Youth Guarantee in Croatia has been recently adopted and having in mind that there were no scientific or official evaluation, it is almost impossible to make any reliable assessment of its impact. Without doubt there are some positive signs of recovery. If compared December 2014 to the same month 2013, there was a decrease of unemployment in most age groups but the sharpest decrease was evident with the age groups: 20 to 24 (by 20.2%), 25 to 29 (by 18.5%) and 15 to 19 (by 17.5%) (Croatian Employment Service, 2015). There is no evidence to conclude that decrease of youth unemployment is a direct consequence of youth guarantee measures implementation but there is an assumption for most probably direct causality which should be yet proofed.

## **6 Conclusion and recommendation for improvement**

The youth unemployment situation in Croatia is very serious. Young people without higher education and without work experience face the biggest obstacles when seeking their first job. A particularly problem is the long-term unemployed young. Less educated people face the risk of becoming long-term unemployed. Indeed, about 34% of long-term unemployed young people had no high school education, a further 28 % had followed a three-year course of vocational education and only 13 % of were highly educated. Thus, it is vital to ensure that Croatia's Youth Guarantee covers all unemployed

people aged till 30 years of age, having in mind that there a large number of people in the 25-30 age group is out of work and/or facing serious employment challenges.

Regarding the time frame in which young people had to receive an offer for a job, traineeship, apprenticeship or continued education, the probably stipulated four months was too ambitious, having in mind the lack of dynamism of the Croatian labour market. Ten or twelve months would be more realistic. As the measures are ambitious, some delay in their implementation and adaptation could be expected.

Encouraging is that a multi-sector body for the preparation of the implementation plan – the Council for the Implementation of the Youth Guarantee had been established, although only after repeated calls from the social partners and youth organisations. It brought together 17 different stakeholders, including representatives of the relevant ministries, the social partners, the Croatian Youth Network and the Centre for Education, Counselling and Research with an emphasis on young women. In addition, to ensure coordination between ministries, the Youth Guarantee Task Force was put in place in 2014.

The problems with the Youth Guarantee are primarily related to the numerous sub-measures that will be very hard to follow their realisation and almost completely lack of evaluation culture. Many measures even in previous times were realised but very often without adequate evaluation. There is already a concern that the implementation of the national plan could be slowed down because of insufficient cooperation between the relevant ministries. The introduction of the Youth Guarantee represents a great opportunity to strengthen synergies between the various stakeholders, and this could serve as an example in other areas. However, there was still plenty of room for improvement during subsequent stages, i.e. the implementation, monitoring and evaluation of the Youth Guarantee. A side effect of the Youth Guarantee is the fact that a whole generation of people in the 30-40 age group, the most active on the labour market, has disappeared from the focus although they lack the relevant skills. The Youth Guarantee can be significant step forward for improvement in the labour market, but without dedication and persistence of all stakeholders there is no assurance that it will be successful *per se*. However, this should be confirmed with an adequate evaluation ex-post analysis that should be realised as a part of the programme.

## References

- Bell, David; Blanchflower, David (2011) Young People and the Great Recession, *IZA Discussion Paper Series 5674*, Bonn: The Institute for the Study of Labor (IZA), <http://ftp.iza.org/dp5674.pdf>
- Caliendo, Marko, Künn, Steffen, Schmidl, Ricarda (2011) Fighting youth unemployment: The effects of active labor market policies, *IZA Discussion Paper Series 6222*, Bonn: The Institute for the Study of Labor (IZA), <http://ftp.iza.org/dp6222.pdf>
- Croatian Bureau of Statistics, (2013) Labour Force in the Republic of Croatia, First Quarter of 2013, *First Release 9.2.7.1/1*, Zagreb: Croatia Bureau of Statistics.
- Croatian Employment Service, (2010) Analytical Report - Youth Unemployment Republic of Croatia Youth in the Labour Market (No. EuropeAid/127761/D/SER/HR). Zagreb: Croatian Employment Service and GOPA worldwide consultants.
- Croatian Employment Service (2015) *Monthly Statistics Bulletin*, 28 (1) pp. 8. Zagreb: Croatian Employment Service.
- Croatian Employment Service, various years. *Yearly Report by Croatian Employment Service*. Zagreb: Croatian Employment Service.
- Ellwood, David (1982) "Teenage Unemployment: Permanent Scars or Temporary Blemishes?," in *The Youth Labour Market Problem: Its Nature, Causes, and Consequences*, Richard B. Freeman and David A. Wise, (eds.), <http://www.nber.org/chapters/c7878.pdf>
- European Commission (2008a) *New Skills for New Jobs: Anticipating and matching labour market and skills needs*, Brussels: Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - adopted on 16 December 2008 made more proactive and participatory.



European Commission (2008b) *Commission Staff Working Document, New Skills for New Jobs Anticipating and Matching Labour Market and Skills Needs*, Brussels: Communication from the European Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions, Brussels: The European Commission [http://ec.europa.eu/education/lifelong-learning-policy/doc/sec3058\\_en.pdf](http://ec.europa.eu/education/lifelong-learning-policy/doc/sec3058_en.pdf)

European Commission (2012) *Commission Staff Working Document, Accompanying the document, Proposal for a Council Recommendation on Establishing a Youth Guarantee*, {COM(2012) 729 final}, Brussels: European Commission.

European Commission (2013) *Background paper – Workshop 2 – Early intervention and activation*. Brussels: ICF GHK.

European Commission (2015) *European Semester Thematic Fiche Youth Unemployment* European Commission: Brussels. [http://ec.europa.eu/europe2020/pdf/themes/2015/youth\\_unemployment.pdf](http://ec.europa.eu/europe2020/pdf/themes/2015/youth_unemployment.pdf)

European Parliamentary Research Service (2012) *Youth Employment Package*, European Parliamentary Research Service: Brussels. <http://epthinktank.eu/2012/12/17/youth-employment-package>

Eurostat (2014) *Education statistics at regional level*, Luxembourg: Eurostat, [http://ec.europa.eu/eurostat/statistics-explained/index.php/Education\\_statistics\\_at\\_regional\\_level#Early\\_leavers\\_from\\_education\\_and\\_training](http://ec.europa.eu/eurostat/statistics-explained/index.php/Education_statistics_at_regional_level#Early_leavers_from_education_and_training)

Franičević, Vojo (2011) Croatia: Prolonged crisis with an uncertain ending. In Vaughan-Whitehead, Daniel (Ed.), *Inequalities in the world of work: The effects of the crisis* (pp. 139-208). Geneva: International Labour Organization.

Furlong, Andy, Cartmel, Fred (2007) *Young People and Social Change: New Perspectives*, Open University Press: Buckingham.

GHK (2012), *Recent policy developments related to those Not in Employment, Education and Training (NEETs)*. Dublin: European Foundation for the Improvement of Living and Working Conditions. <http://www.eurofound.europa.eu/pubdocs/2011/72/en/2/EF1172EN.pdf>

Gotovac, Viktor (2011) *Supporting Strategies to Recover from the Crisis in South Eastern Europe, Country Assessment Report: Croatia*, Budapest: International Labour Organisation, <http://www.ilo.org>

ILO (2012) *Global trends for youth*. Geneva: International Labour Organisation. [http://www.ilo.org/empelm/pubs/WCMS\\_143349/lang--en/index.htm](http://www.ilo.org/empelm/pubs/WCMS_143349/lang--en/index.htm)

ILO (2013) *Youth guarantees: a response to the youth employment crisis*. Geneva: International Labour Organisation. [http://www.ilo.org/wcmsp5/groups/public/---ed\\_emp/documents/publication/wcms\\_209468.pdf](http://www.ilo.org/wcmsp5/groups/public/---ed_emp/documents/publication/wcms_209468.pdf)

ILO, (2010) *Global employment trends for youth: Special issue on the impact of the global economic crisis on youth*. Geneva: International Labour Organisation.

Korenman, Sanders, Neumark, David (2000) Cohort Crowding and Youth Labour Markets (A Cross-National Analysis).” In *Youth Employment and Joblessness in Advanced Countries*, Blanchflower, David G. and Freeman, Richard B. (eds.) 57–106. Chicago, IL: University of Chicago Press. Volume ISBN: 0-226-05658-9. <http://www.nber.org/chapters/c6802>

Lindbeck, Assar; Snower, Dennis J. (2002) The Insider-Outsider Theory: A Survey. *IZA Discussion Paper No. 534*. <http://ftp.iza.org/dp534.pdf>

Mascherini, Massimiliano (2012) *Experiences from Finland and Sweden*, Dublin: European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/publications/htmlfiles/ef1242.htm>

Matković, Teo (2013). Flexicurity through normalization? Changes in scope, composition, and conditions in temporary employment in Croatia, in *Non-standard Employment in Europe: Paradigms, Prevalence and Policy Responses*, Max, Koch; Fritz, Martin (eds.), (pp. 84-102). Basingstoke: Palgrave Macmillan.

Matkovic, Teo, Biondic, Iva (2003) Reforma zakona o radu i promjena EPL indeksa [Reform of the Labour Law and Change of the Employment Protection Legislation Index]. *Financijska teorija i praksa*, 27 (4) pp. 515-528.

O’Higgins, Niall (2010) The impact of the economic and financial crisis on youth employment: Measures for labour market recovery in the European Union, Canada and the United States.

*Employment Working Paper 70*. Geneva: ILO. [http://www.ilo.org/wcmsp5/groups/public/—ed\\_emp/documents/publication/wcms\\_154365.pdf](http://www.ilo.org/wcmsp5/groups/public/—ed_emp/documents/publication/wcms_154365.pdf).

O'Higgins, Niall (2001). Youth unemployment and employment policy: a global perspective. *MPRA Paper 23698*, Munich: University Library of Munich. [http://mpra.ub.uni-muenchen.de/23698/1/MPRA\\_paper\\_23698.pdf](http://mpra.ub.uni-muenchen.de/23698/1/MPRA_paper_23698.pdf).

O'Higgins, Niall (2007) Trends in the Youth Labour Market in Developing and Transition Countries. *International Security Review* 50 (4): 63–93.

O'Higgins, Niall (2012). This Time It's Different? Youth Labour Markets During 'The Great Recession. IZA Discussion Paper 6434, Bonn; IZA, <http://ftp.iza.org/dp6434.pdf>

Organisation for Economic Co-operation and Development (2010.a) *Off to a good start? Jobs for youth*. Paris: OECD.

Organisation for Economic Co-operation and Development (2010.b) *Learning for jobs*. Paris: OECD.

Republic of Croatia: Ministry of Economy, Labour and Entrepreneurship, (2010) *Report on the Implementation of the Joint Assessment of the Employment Policy Priorities of the Republic of Croatia for 2009*. Zagreb: Ministry of Economy, Labour and Entrepreneurship.

Republic of Croatia: Ministry of Health and Social Welfare, (2009) *Report on the Implementation of the Joint Inclusion Memorandum of the Republic of Croatia for the Period from January 2008 to March 2009*, Zagreb: Republic of Croatia: Ministry of Health and Social Welfare

Republic of Croatia: Ministry of Health and Social Welfare, (2010) *Report on the Implementation of the Joint Inclusion Memorandum (JIM) of the Republic of Croatia in 2009*, Zagreb: Zagreb: Republic of Croatia: Ministry of Health and Social Welfare.

Republic of Croatia: Ministry of the Economy, Labour and Entrepreneurship, 2009. *Report on the Implementation of the Joint Assessment of the Employment Policy Priorities of the Republic of Croatia, for the Period May 2008 - May 2009*, Zagreb: Ministry of the Economy, Labour and Entrepreneurship.

Ryan, Paul (2001) The School-to-Work Transition: A Cross-National Perspective. *Journal of Economic Literature* 39 (1): 34–92.

Scharle, Ágota. and Weber, Tina (2011), *Youth guarantees: PES approaches and measures for low skilled young people*, Thematic Synthesis Paper, The European Commission Mutual Learning Programme for Public Employment Services, DG Employment, Social Affairs and Inclusion, Brussels.

Smith, Richard (1987) *Unemployment and health: a disaster and a challenge*, Oxford: Oxford University Press.

The Ministry of Labour and Pension System Republic of Croatia (2014) *Youth Guarantee Implementation Plan*, Zagreb: Ministry of Labour and Pension System Republic of Croatia, <http://www.mrms.hr/wp-content/uploads/2014/04/implementation-plan-yg.pdf>

Van Gyes, Guy, Szekér, Lise (2013) *Impact of the crisis on working conditions in Europe*, Dublin: European Foundation for the Improvement of Living and Working Conditions, <http://www.eurofound.europa.eu/observatories/eurwork/comparative-information/impact-of-the-crisis-on-working-conditions-in-europe>

Vehovec, Maja (2008) *The Magnitude and Trends of Youth Unemployment within the Region: How Croatia Is Ranked?* Praha: CERGE, [www.cerge-ei.cz/pdf/gdn/RRCIV\\_87\\_summary.pdf](http://www.cerge-ei.cz/pdf/gdn/RRCIV_87_summary.pdf)

Vlada RH (The Government of Croatia), (2014) Report on Realisation of Specific Recommendation for the Member States for the Period August 1 – September 30, 2014, Zagreb: Vlada RH, on line available on <https://vlada.gov.hr/userDocsimages//Sjednice/2014/186%20sjednica//186%20-%202.pdf>

Wolbers, Maarten (2007) Patterns of Labour Market Entry: A Comparative Perspective on School-to-Work Transitions in 11 European Countries, *Acta Sociologica*, 50 (3): 189-210.