

# Croatia: How to keep Talent at Home

Rafaela Tripalo

**Partner organisation:** Foundation Zaklada Znanje na djelu/ Stiftung Wissen am Werk, established in 2015, [www.znanjenadjelu.hr/en/](http://www.znanjenadjelu.hr/en/)

“Identifying high youth unemployment and brain drain to be among the most pressing problems in Croatia, a group of leading local entrepreneurs founded Stiftung Wissen am Werk. Our core mission is to bring together schools, enterprises and youngsters in order to help develop better education and skills training for young people and to provide more attractive employment opportunities at home. The different programmes are developed in partnership with schools, educational authorities and partners from businesses, institutions and social enterprises. As a member of the Transition Dialogue Network, we expanded the scope of our work, looking into defining the generation of transition and how it relates to current challenges. The refugee crisis being one of them, made us look into attitudes in comparison with other post-communist countries (Bulgaria and Ukraine)”.

Rafaela Tripalo, Project Coordinator

Croatia joined the European Union in 2012, and this is when the transition period technically ended. However, legacies from the past impede Croatia's development. Stiftung Wissen am Werk tackles the issue of brain drain and advocates for broader economic reforms

to counter the negative trends in economic growth, employment, demographics and trust in the public sector.

As part of the Transition Dialogue Network, we interviewed people from the generation of transition in Croatia in order to examine their understanding of current challenges, like the refugee crisis in Europe. We found that their worldview is marked by the traumatic experience of war, making them empathetic with others fleeing conflicts. In November 2016, we hosted a meeting of the Transition Dialogue Network, allowing our partners to get familiar with the Croatian context.

Since our work as an organisation focuses on the structural economic challenges that are faced by young people in Croatia, including the generation in transition, the following country profile is focused mainly on these issues.

## Historical Background

The transition in Croatia started with dissolution from the Socialist Federal Republic of Yugoslavia and the declaration of Croatian independence in 1990/1991. What began as a peaceful political and economic transformation was abruptly interrupted by the War of Independence with Serbia<sup>20</sup>. The war jeopardised the process of transition - resources were limited, the army was weak and under-equipped, an overwhelming number of refugees from Bosnia and Slavonia fled to Croatia, the economy de facto ceased to function, and a considerable number of Croatians had to rely on humanitarian aid from international organisations<sup>21</sup>. In addition, the grey economy grew, contraband, money laundering and stock manipulation flourished<sup>22</sup>. Peace was negotiated in 1995 and the country started to rebuild itself. However, the process was hasty, there was little strategic planning and citizens suffered from a deep

---

<sup>20</sup> T. M. I. Costa & G. P. Gustavo, *La Ex Yugoslavia. Conflictos Y Tensiones En Una Región De Encrucijada*, Huellas, Instituto Y Departamento De Geografía Facultad De Ciencias Humanas – UNLPam 15 (2011), p. 244-64.

<sup>21</sup> C. Carroll, *The Serbs: A divided nation*, in *National Geographic*, Vol.25, No. 1. (Mexico, 2009)

<sup>22</sup> G. Chaliand, *Atlas del Nuevo Orden Mundial*, (Paidós Iberica, 2004)

trauma, both from the recent war and from the communist past. Politically, the country never engaged in lustration and dealing with the past, many members of the Communist Party simply changed their party affiliation and kept high positions within the government. Interviewees identified the war of independence as the beginning of transition, while at the same time, it became in their view the main culprit for its failure.

*“The Croatian history in the last 30 years can be marked starting with the peaceful and unmoving stagnation of communism, followed by the war trauma, the confusion by the new economic and political system, and the general pessimism that was enhanced by the global recession. There is a difference in the optimism – my generation will never be able to have the optimism that was present in the older generation at the surge of independence, or even before, at the moon landing and such events. The people have lost their perspective worldwide, but Croatia is really extreme” (interview excerpt, Dina, 35).*



Annual commemoration of the fall of Vukovar  
Source: Oliver Bešić

## A Generation in Transition

For the purpose of the project, the generation in transition in Croatia was defined as the generation born between 1980 and 1992, thus including the people who formed the so-called “war generation”. This definition was made under the assumption that even though they were very young at the time, the representatives of this generation were old enough to remember parts of the war. The war was a central formative experience – the constant attacks and hiding, the impact on their families and on their post-war upbringing.

*“I had to flee Sarajevo (Bosnia and Herzegovina) in 1993. I remember having a Serbian friend there, and he was not allowed to go out and play with us on some days. On those days, there would always be people killed in our neighbourhood. Only later I found out that his father was a sniper, he was charged with the murders in Sarajevo during the war.*

*I live in Zagreb now, and I have to say that I can feel that the excitement from the independence quickly dissolved. I mean, I do not understand why democracy also means the loss of workers’ rights. The workers are not appreciated and are oppressed. Some personal freedoms have improved, and I feel much safer now.*

**“** *We are more democratic, but economically, we are still struggling. It is like we make one step forward, and then five steps back – there is so much potential, but it is not being used, rather, it is being abused” (interview excerpt, Gregor, 36).*

There is a shared understanding that transition is not over. Whereas the end of the war is defined as the end of the political transition and independence, the economic transition is far from over, and our participants see its many influences in most of the aspects of their lives. Although there are many burning issues regarding the transition, all of them together make for an unacceptable atmosphere for the young generation that was, as can be seen, left without a perspective and who feel they have no future in Croatia.

## Facing the Challenges of Transition

The interview participants spoke of Croatia's current economic and political problems as a legacy of the war and the post-war era of reconstruction. They identified a lack of trust in politicians and the institutions, high levels of corruption, a low GDP, low wages, poor post-conflict reconciliation work, the lack of a shared culture of remembrance, the rights of war veterans, and problems in regions of mixed ethnic populations as Croatia's main challenges today. These concerns were also shared by the European Commission in its annual country report<sup>23</sup>.

*"I am not supposed to be complaining, there are so many people that have it much worse – I have a steady job, I'm doing a PhD, it takes me 7 minutes to get to work – but the state of things is bad, and the people are depressed. I have an above-average salary but I do not think it is enough for the amount of work I am doing, and especially the responsibility I have. Also, all of the money I earn is still only sufficient to cover the costs of life; I am not able to save anything up.*

**“** *In the first years after the war, there was a huge excitement and optimism, but it simply vanished in the later years because we were promised so many things, and we did not get any of them. The living conditions are bad, and the nepotism is destroying us, and there are still so many people who cannot move out of their parents' houses”* (interview excerpt, Nela, 30).

## Corruption

Corrupt practices go back to the period of war, if not even further back, to former Yugoslavia, with war profiteers, ill-performed

---

<sup>23</sup> European Commission Directorate - General for Economic and Financial Affairs, Macroeconomic imbalances Country Report – Croatia 2015, European Economy, Occasional Papers 218., (2015)

privatisation and authoritarian business practices not allowing for fair competition to emerge. Among other things, corrupt practices reduce expenditure efficiency, impede productive public investment and undermine business confidence. Coupled with a continuous drop in investment and GDP, this is what is seen as the ‘new Croatia’ for the younger generation, leading to many of them wanting to leave the country due to mid to long-term concerns that nothing will change. However, there is a high level of awareness that ‘the good life’ in other countries has its downsides too – the work environment is more competitive, and social insecurity is higher. As opposed to some other countries, Croatia is a highly social state that takes care of the unemployed, provides free healthcare, and has a system of free education at all levels. Still, knowing this, our participants stated their willingness and readiness to leave the country in search of better opportunities.

*“I have two kids and my husband and I are both employed, but I still depend on my parents financially. I have changed so many jobs. I even worked as a bodyguard, but both times I got pregnant and I was instantly fired. I am tired of the politicians, I do not trust them, and I think they are here only to steal. The times are unstable, there is nepotism and political connections, I can see its influence in my office – it is obvious that most of the people fear the elections because any change could bring about mass firings” (interview excerpt, Irena, 35).*

**“** *“The young people leave the country – you and I both know so many people who have left Croatia within the last couple of years. They leave, and they are not coming back because there are better conditions for them elsewhere, even though they always complain about how much they miss the relaxed mentality and the high level of social interaction and support. My twin brother left Croatia for a semester-long Erasmus exchange seven years ago, and he is not planning on coming back” (interview excerpt, Bruno, 31).*

## Demographics

The demographic situation in Croatia is mostly influenced by the alarming ageing of the population, mixed with the recent trend of brain drain, which has caused even more problems with the labour force. Additionally, there is a large percentage of people over 50 who are already retired and who are not active in the workforce. This can be supported by the fact that the activity rates for workers above 50 are 52%, whereas the average trend in the EU-28 in 2013 was 64%.

Although Croatia witnessed a growth in its number of low-skilled workers, mainly coming from Bosnia and Herzegovina and other neighbouring countries in the early 2000s, it has been affected by a brain drain which started around 2008 at the time of the global financial crisis. This resulted in a decline in the Croatian population. By 2009, migration flows turned negative and the trend has proven stable<sup>24</sup>.

## Croatia in the European Union

When the transition started, the Croatian economy was not focused on competition and innovation. This resulted in a serious brain drain, which in the next couple of years is likely to make the quality of education worse, as many of the best young experts are moving out of Croatia to bring innovation and education to other countries, which offer better conditions. Croatia has also not paid attention to the production and usage of its natural resources, and most goods in Croatia still come to the market from international imports. Croatia entered the European Union in 2012, but the institutions still have not found the best way to make use of the European Union funds. There is a concerning lack of capability and skill in both project planning and initiation.

---

<sup>24</sup> European Commission Directorate - General for Economic and Financial Affairs, Macroeconomic imbalances Country Report – Croatia 2015, European Economy. Occasional Papers 218., (2015)

## The Public Sector

Croatia's government is highly complex, much ramified and very fragmented, and it is important to understand that the local and national government do not share the same distribution of competencies. It was recognised that this system is not compatible with the country's real needs, and it was unsuccessfully reformed twice, bringing about new problems such as economic and fiscal omissions. The changes contributed to the chaotic state of governance, further blurring the responsibilities of local and national government and their notions of accountability. The complexity of systems facilitates corruption on every level, and, since it is extremely user unfriendly, it leaves citizens and the civic sector in a grey zone without any actual influence. In this way, what is seemingly a system that has the potential to function well, becomes a smoke curtain for bad political, economic, and social management.

## What We Do

Stiftung Wissen am Werk is the first non-governmental organisation of its kind in Croatia, dealing with the problems youth are facing in the context of transition, after recognising the burning need for modernisation of the Croatian educational system. While Croatia's education is highly accessible and informative and it has a very wide range of subjects (the average pupil has learnt about more than 30 different subjects by the time they finish high school), it is also somewhat outdated and is unable to provide the students with real-life experience of workplaces. This issue continues well into university education. This is a clear problem both for the employers and the young future employees. The candidates, although excellent with their theoretical knowledge, very often are inept and incapable of working in a business environment. This problem puts further pressure on the companies to educate their candidates more, or leads to them employing people with more experience, which leaves many young experts unemployed and hopeless in their search for jobs. The Foundation started working on this problem two years ago, with two different programmes aimed at primary and secondary schools. The projects within the programmes are developed under the patronage of the Ministry of Education, with assistance from the primary and secondary schools. They are aimed at the professors, teachers, and pupils, in partnerships with a large number of Croatian

companies and institutions, but also different start-ups and non-governmental organisations. The goal of these programmes is to promote new knowledge and skills, to connect the employers with their future employees and give them a chance to directly influence the course of their education.

## **Lessons for Civic Education**

For Croatia to thoroughly change its current state of affairs, it is important to address the young generations that are still caught between the recent past and an uncertain future. It is a special transition that requires civic education in schools for younger generations to learn about politics, human rights, culture and new media. This is largely missing from the somewhat outdated education system but it is essential for young people to be the main harbingers of the real and sustainable democracy. It is important to bring about innovation in schools, either through training teachers in new educational methods, or through networking with other European schools and exchanging good practices. In this way, not only will students get an opportunity to participate in international projects, but educational institutions in Croatia would get insights in different ways of teaching, learning and funding.

It is important to use the existing strengths of Croatian society, such as its power of local communities. The community is a great place to empower citizens by increasing their awareness of political and social issues. Working with the community is intuitive, since they are already rich in social and physical infrastructure - it is only necessary to reconnect them and empower them to use their potential for civic causes and engagement. Along the same lines, civic education can and should be a tool in tackling youth unemployment and brain drain by teaching and promoting entrepreneurship and a start-up culture, and by providing the missing link between education and the market. A rethink from rescue strategies to a vision for empowerment is what the young generation of transition needs in order to find its way back to society.

## **About the author**

**Rafaela Tripalo** is a Project Coordinator at the Stiftung Wissen am Werk/Zaklada Znanje na djelu in Zagreb. She has a Master's degree in Anthropology and is currently pursuing a PhD in Public Health.