



SOCIAL PROTECTION IN REPUBLIC OF CROATIA, 2022 (ESSPROS METHODOLOGY)

In 2022, the share of social protection in the GDP of the Republic of Croatia amounted to 20.8%, which represented a decrease of 1.6 percentage points compared to 2021. The GDP in current prices increased¹⁾ by approximately 72.2 billion kuna, while total social protection expenditures increased by approximately 7.9 billion kuna.

Concerning receipts, social contributions were the most frequent ones (59.5% of all social protection receipts in 2022). General government contributions followed with 36.7%.

Social protection benefits accounted for 98.3% of total social protection expenditures in 2022. By type of social benefits, those in cash were the most frequent ones (61.5%). By characteristics, non-means-tested social protection benefits (both in cash and in kind) were the most frequent ones (95.2%).

Comparing the data by social protection functions, the largest share of social benefits was spent on Sickness/Health care function (36.9% of all social protection benefits), followed by the Old age function (33.9%). The least resources were spent on the Housing function (0.0%).

Comparing the data on the share of costs for the social protection in the national GDP with the EU Member States, the Republic of Croatia fell behind the EU-27 average by 7.5 percentage points in 2021. Observing the shares of social protection functions in GDP in 2021, the Old age function fell behind the EU-27 average by 3.9 percentage points, the Unemployment function by 1.1 percentage points, the Sickness/Health care function by 0.6 percentage points, the Housing and the Family/Children functions by 0.4 percentage points each and the Social exclusion function by 0.3 percentage points, while the Survivors function exceeded the EU-27 average by 0.1 percentage points. The Disability function remained at the same level.

Comparing the data on social protection expenditures per inhabitant with EU Member States, calculated in the purchasing power standard (PPS), the Republic of Croatia fell behind the EU-27 average by 50% in 2021. According to this indicator, all social protection functions in the Republic of Croatia were below the EU average, and in absolute terms, the Old age function fell behind the most.

1) The data on [the gross domestic product](#) used in this First Release have been taken over from the official web page of the [Croatian Bureau of Statistics](#).

1 TOTAL SOCIAL PROTECTION EXPENDITURES AND EXPENDITURES ON SOCIAL PROTECTION BENEFITS, BY FUNCTION AND ESSPROS SCHEMES

Mln kuna

	2020	2021	2022
Total social protection expenditures	91 517,1 ¹⁾	98 558,2 ¹⁾	106 498,1
Total expenditures on social protection benefits, by function	89 924,8 ¹⁾	96 899,9 ¹⁾	104 710,4
Sickness/Health care	29 572,2 ¹⁾	34 698,6 ¹⁾	38 667,7
Disability	8 571,5	8 631,3	9 126,7
Old age	31 344,3 ¹⁾	32 903,4 ¹⁾	35 516,3
Survivors	7 194,7	7 369,8	7 871,0
Family/Children	8 292,9 ¹⁾	8 766,6 ¹⁾	9 531,3
Unemployment	3 706,1 ¹⁾	2 684,6 ¹⁾	1 955,2
Housing ²⁾	18,9	18,9	17,7
Social exclusion not elsewhere classified	1 224,3 ¹⁾	1 826,7 ¹⁾	2 024,6
Administrative costs	1 451,4	1 523,9	1 647,8
Other expenditures	141,0	134,4 ¹⁾	139,9
By ESSPROS schemes			
Total expenditures on social protection benefits, by ESSPROS schemes	89 924,8 ¹⁾	96 899,9 ¹⁾	104 710,4
Job mediation and unemployment rights	2 734,1	1 747,6	1 216,0
Pension insurance, first pillar	42 150,3	43 544,8	46 916,7
Pension insurance, second pillar	121,8	165,0	196,4
Basic health insurance	25 949,6 ¹⁾	30 342,1 ¹⁾	33 349,8
Supplemental health insurance	1 580,9	1 704,8	1 864,7
Health protection at work	270,7	285,8	290,8
Employers' social protection ²⁾	4 592,6	5 245,7	6 031,4
Social welfare rights	3 352,3	3 619,4	4 191,1
Assistance in settling of housing costs	57,9	57,8	53,6
Assistance in settling of heating costs	29,2	27,0	26,0
Family benefits	3 046,8	3 099,0	3 291,6
Social welfare in City of Zagreb	1 658,7	1 784,9	1 829,0
Rights of Croatian Homeland war defenders and members of their families	740,7	777,4	734,9
Rights of civilian victims disabled during war and members of their families	23,8	25,6	39,0
Rights of military personnel disabled during war or peace-time period and members of their families	46,7	41,8	36,8
Other social assistance at the local level ²⁾	2 567,6	2 779,0	3 015,2
Social protection provided by non-profit institutions ²⁾	971,6	1 431,0 ¹⁾	1 232,7
Social protection in case of natural disasters	29,5	221,3	394,6

1) Revised data.

2) Estimated data.

Pension insurance, first pillar

The increase in total expenditures in this scheme in 2022, as compared to 2021, was mainly caused by an increase in expenditures in the Old age function due to the growth of the old-age pensions, lump-sum cash benefit and anticipated old-age pensions. The increase in expenditure was also recorded in the Survivors function due to the growth of survivors' pensions and lump-sum cash benefit and in the Disability function due to the growth of lump-sum cash benefit.

Basic health insurance

The main reason for the increase in scheme expenditures in 2022, as compared to 2021, was an increase in expenditures in Sickness/Health care function on in-patient medical care, out-patient medical care and medicine expenditures. The increase was also recorded in Family/Children function for salary compensation during maternity leave.

Employers' social protection

The increase in total expenditures in this scheme in 2022, as compared to 2021, was mainly caused by an increase in expenditures in the Sickness/Health care function. In 2022, as compared to 2021, the number of days spent on sick leave paid by the employer (up to 42 days of sick leave) increased, which was the main cause of the increase in expenditures on salary compensation during sick leave. The increase was also recorded in Family/Children function for other cash lump-sum benefits.

Social welfare

The main cause of the increase in the scheme expenditures in 2022, as compared to 2021, was the increase in expenditures in the Disability function that refer to personal disability benefit and accommodation service. The increase in expenditure was also recorded in the Social exclusion function due to the growth of benefit for users with difficulties in settling energy products expenditures and lump-sum cash benefit.

Other social assistance at the local level

The main cause of the increase in the scheme expenditures in 2022, as compared to 2021, was the increase in expenditures in the Family/Children function that refer to the expenditures on pre-school institutions.

Family benefits

The main cause of the increase in the scheme expenditures in 2022, as compared to 2021, was the increase in expenditures in the Family/Children function that refer to salary compensation during parental leave and other maternity and parental supports.

Social protection in case of natural disasters

The main cause of the increase in the scheme expenditures in 2022, as compared to 2021, was the increase in expenditures in the Social exclusion function that refer to other benefits in kind and accommodation.

Supplemental health insurance (Croatian health insurance fund)

The main cause of the increase in the scheme expenditures in 2022, as compared to 2021, was the increase in expenditures in the Sickness/Health care function that refer to hospital health care and primary health care.

2 SHARE OF EACH FUNCTION IN TOTAL AMOUNT OF SOCIAL PROTECTION BENEFITS

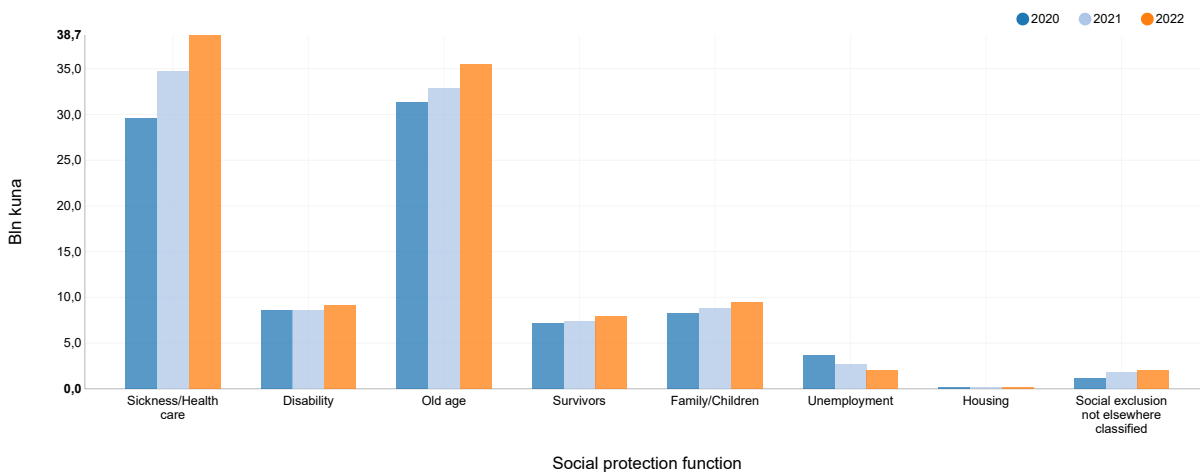
%

	2020 ¹⁾	2021 ¹⁾	2022	EU-27, 2021 ²⁾
Total expenditures on social protection benefits	100,0	100,0	100,0	100,0
Sickness/Health care	32,9	35,8	36,9	29,7
Disability	9,5	8,9	8,7	6,9
Old age	34,9	34,0	33,9	39,8
Survivors	8,0	7,6	7,5	5,6
Family/Children	9,2	9,0	9,1	8,3
Unemployment	4,1	2,8	1,9	5,9
Housing	0,0	0,0	0,0	1,3
Social exclusion not elsewhere classified	1,4	1,9	1,9	2,6

1) Revised data.

2) Data for the EU-27 were taken over from the table Expenditure on social protection, available on Eurostat's official web page <https://ec.europa.eu/eurostat/web/social-protection/database> on 13 February 2024. Data for the Republic of Croatia, indicated in this table, have been revised in the meantime (revised data are used in this First Release) and they will be updated in accordance with the standard Eurostat's procedure.

G-1 EXPENDITURES ON SOCIAL PROTECTION BENEFITS, BY FUNCTION



3 SHARE OF SOCIAL PROTECTION EXPENDITURES AND EXPENDITURES ON SOCIAL PROTECTION BENEFITS IN GDP

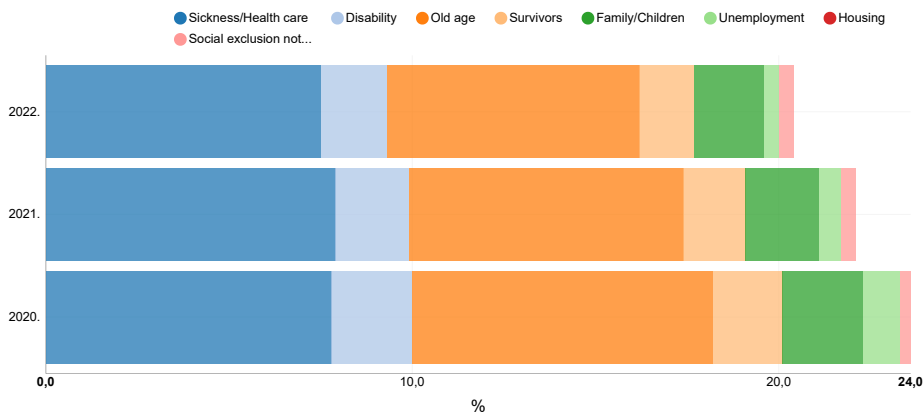
%

	2020 ¹⁾	2021 ¹⁾	2022	EU-27, 2021 ²⁾
Total social protection expenditures	24,0	22,4	20,8	29,9
Total expenditures on social protection benefits, by function	23,6	22,0	20,4	28,7
Sickness/Health care	7,8	7,9	7,5	8,5
Disability	2,2	2,0	1,8	2,0
Old age	8,2	7,5	6,9	11,4
Survivors	1,9	1,7	1,5	1,6
Family/Children	2,2	2,0	1,9	2,4
Unemployment	1,0	0,6	0,4	1,7
Housing	0,0	0,0	0,0	0,4
Social exclusion not elsewhere classified	0,3	0,4	0,4	0,7

1) Revised data.

2) Data for the EU-27 were taken over from the table Expenditure on social protection, available on Eurostat's official web page <https://ec.europa.eu/eurostat/web/social-protection/database> on 13 February 2024. Data for the Republic of Croatia, indicated in this table, have been revised in the meantime (revised data are used in this First Release) and they will be updated in accordance with the standard Eurostat's procedure.

G-2 SHARE OF SOCIAL PROTECTION EXPENDITURES AND EXPENDITURES ON SOCIAL PROTECTION BENEFITS IN GDP

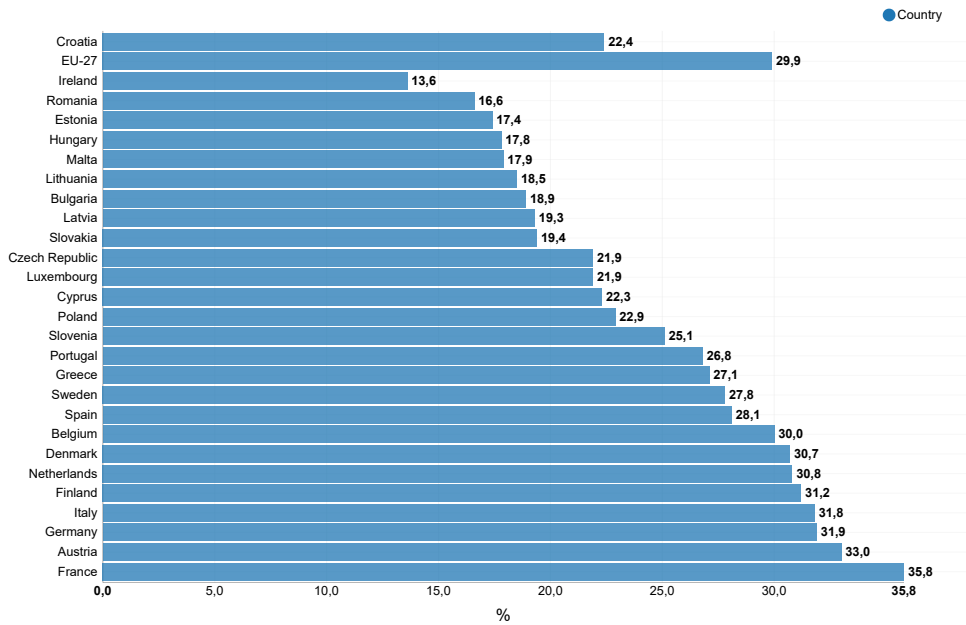


4 SOCIAL PROTECTION EXPENDITURES AS SHARE IN GDP, EU-27 AND REPUBLIC OF CROATIA, 2021¹⁾

	%
	Social protection expenditures as share in GDP
Croatia	22,4
EU-27	29,9
Ireland	13,6
Romania	16,6
Estonia	17,4
Hungary	17,8
Malta	17,9
Lithuania	18,5
Bulgaria	18,9
Latvia	19,3
Slovakia	19,4
Czech Republic	21,9
Luxembourg	21,9
Cyprus	22,3
Poland	22,9
Slovenia	25,1
Portugal	26,8
Greece	27,1
Sweden	27,8
Spain	28,1
Belgium	30,0
Denmark	30,7
Netherlands	30,8
Finland	31,2
Italy	31,8
Germany	31,9
Austria	33,0
France	35,8

1) Data for the EU-27 were taken over from the table Expenditure on social protection, available on Eurostat's official web page <https://ec.europa.eu/eurostat/web/social-protection/database> on 13 February 2024. Data for the Republic of Croatia, indicated in this table, have been revised in the meantime (revised data are used in this First Release) and they will be updated in accordance with the standard Eurostat's procedure.

G-3 SHARE OF SOCIAL PROTECTION EXPENDITURES IN GDP, EU-27 AND REPUBLIC OF CROATIA, 2021



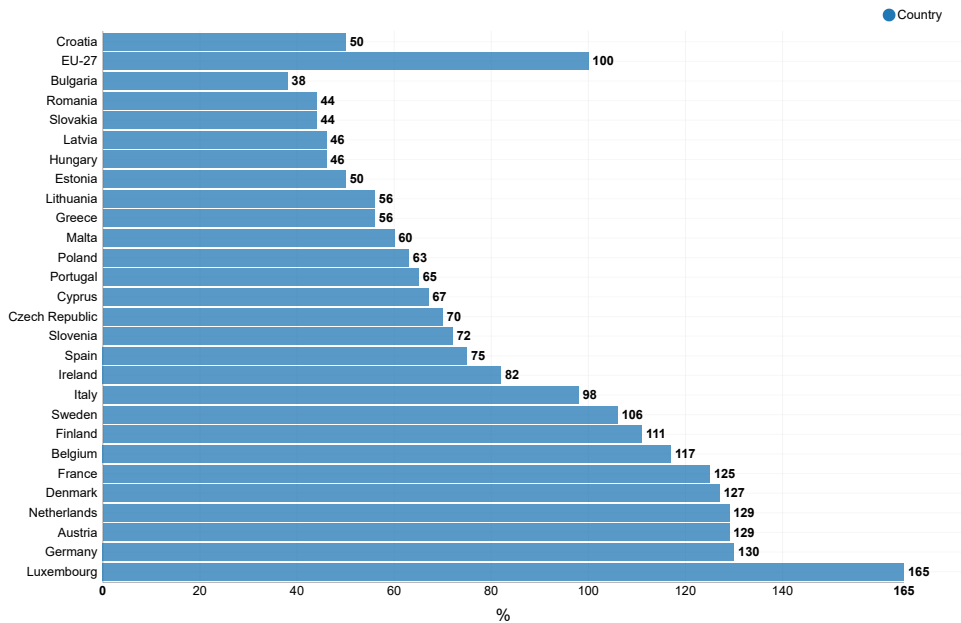
5 SOCIAL PROTECTION EXPENDITURES PER INHABITANT, CALCULATED IN PURCHASING POWER STANDARD (PPS), EU-27 AND REPUBLIC OF CROATIA, 2021¹⁾

Thousand PPS

	Social protection expenditures (PPS)	PPS per inhabitant (EU-27 = 100)
Croatia	4,9	50
EU-27	9,8	100
Bulgaria	3,8	38
Romania	4,3	44
Slovakia	4,3	44
Latvia	4,5	46
Hungary	4,5	46
Estonia	4,9	50
Lithuania	5,5	56
Greece	5,5	56
Malta	5,9	60
Poland	6,2	63
Portugal	6,4	65
Cyprus	6,6	67
Czech Republic	6,9	70
Slovenia	7,1	72
Spain	7,3	75
Ireland	8,0	82
Italy	9,6	98
Sweden	10,4	106
Finland	10,9	111
Belgium	11,4	117
France	12,2	125
Denmark	12,5	127
Netherlands	12,7	129
Austria	12,7	129
Germany	12,8	130
Luxembourg	16,2	165

1) Data were taken over from Eurostat's official web page: <https://ec.europa.eu/eurostat/web/social-protection/database> on 13 February 2024.

G-4 SOCIAL PROTECTION EXPENDITURES PER INHABITANT, CALCULATED IN PURCHASING POWER STANDARD, EU-27 AND REPUBLIC OF CROATIA, 2021



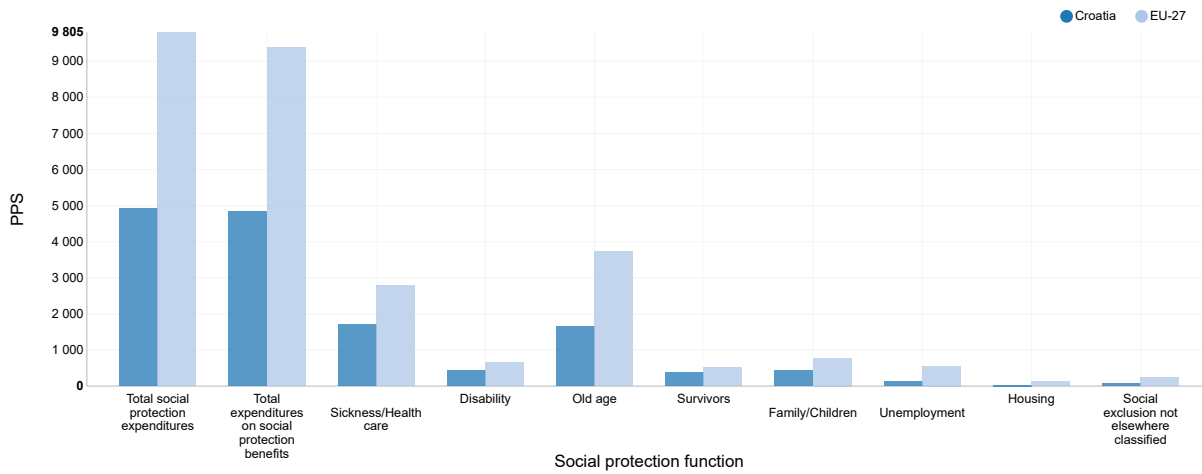
6 SOCIAL PROTECTION EXPENDITURES PER INHABITANT, EU-27 AND REPUBLIC OF CROATIA, BY SOCIAL PROTECTION FUNCTIONS, CALCULATED IN PURCHASING POWER STANDARD (PPS), 2021¹⁾

Thousand PPS

	Social protection expenditures per inhabitant in the Republic of Croatia (PPS)	Social protection expenditures per inhabitant (PPS), EU-27
Total social protection expenditures	4,9	9,8
Total expenditures on social protection benefits	4,8	9,4
Sickness/Health care	1,7	2,8
Disability	0,4	0,6
Old age	1,7	3,7
Survivors	0,4	0,5
Family/Children	0,4	0,8
Unemployment	0,1	0,6
Housing	0,0	0,1
Social exclusion not elsewhere classified	0,1	0,2

1) Data were taken over from Eurostat's official web page: <https://ec.europa.eu/eurostat/web/social-protection/database> on 13 February 2024.

G-5 SOCIAL PROTECTION EXPENDITURES PER INHABITANT, EU-27 AND REPUBLIC OF CROATIA, BY SOCIAL PROTECTION FUNCTIONS, CALCULATED IN PURCHASING POWER STANDARD (PPS), 2021



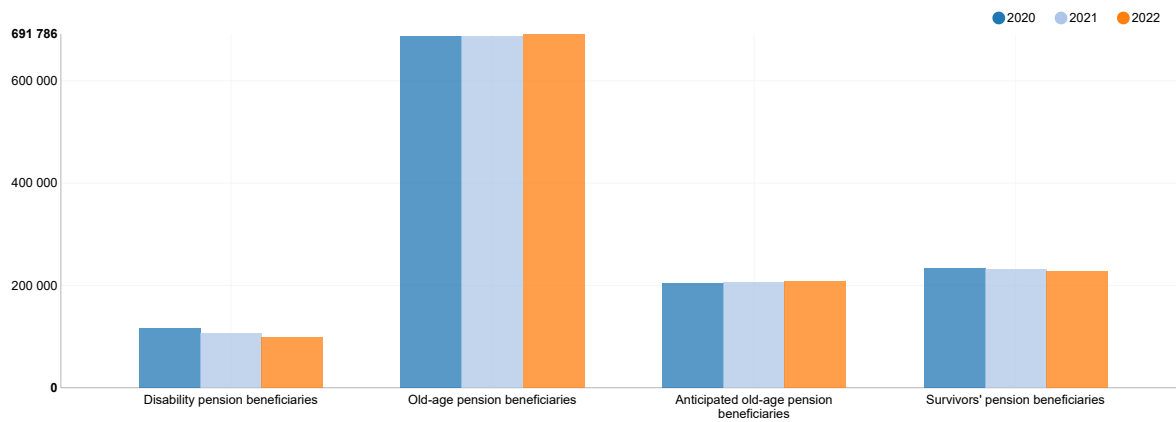
7 TOTAL NUMBER OF PENSION BENEFICIARIES, BY SOCIAL PROTECTION FUNCTIONS AND SEX

	2020			2021			2022		
	Total	Men	Women	Total	Men	Women	Total	Men	Women
Total number of pension beneficiaries	1 241 085	571 746	669 339	1 232 601	567 299	665 302	1 227 671	565 571	662 100
Total number of pension beneficiaries in Disability function	116 612	99 414	17 198	107 368	92 024	15 344	99 291	85 700	13 591
Disability pension beneficiaries ¹⁾	116 612	99 414	17 198	107 368	92 024	15 344	99 291	85 700	13 591
Total number of pension beneficiaries in Old age function	890 856	455 859	434 997	893 813	458 798	435 015	899 504	463 496	436 008
Old-age pension beneficiaries ²⁾	687 311	355 403	331 908	687 832	358 125	329 707	691 786	363 091	328 695
Anticipated old-age pension beneficiaries	203 545	100 456	103 089	205 981	100 673	105 308	207 718	100 405	107 313
Total number of pension beneficiaries in Survivors function	233 277	16 266	217 011	231 059	16 257	214 802	228 497	16 143	212 354
Survivors' pension beneficiaries	233 277	16 266	217 011	231 059	16 257	214 802	228 497	16 143	212 354
Total number of pension beneficiaries in Unemployment function	340	207	133	361	220	141	379	232	147
Beneficiaries of anticipated old-age pensions due to bankruptcy of beneficiary's employer	340	207	133	361	220	141	379	232	147

1) Covering disability pension beneficiaries below the legal retirement age (65 years for men and 60 years for women, irrespective of the transitional period). Beneficiaries above the legal retirement age are presented in line with the ESSPROS methodology, under the item Old-age pension beneficiaries.

2) Including also disability pension beneficiaries above the legal retirement age (65 years for men and 60 years for women, irrespective of the transitional period).

G-6 PENSION BENEFICIARIES, BY TYPE OF PENSION



NOTES ON METHODOLOGY

Data revisions within the ESSPROS survey come as a consequence of improvement of the survey scope, development of the ESSPROS methodology, harmonising the data with methodology, analysis of data quality and using new data sources. Revision of data for years 2020 and 2021 includes introduction of a new scheme in the ESSPROS survey – Social protection in case of natural disasters. The scheme was included in the scope after receiving Eurostat's methodological inputs on the recording of capital transfers related to earthquake restoration. This revision is related to the development of the ESSPROS methodology. In addition, within basic health insurance scheme, according to analysis of the data quality and checking all available information, data that refer to government financing of arrears made by hospitals were revised. As there is no adequate data source for those data, they have to be estimated and apportioned to several reference periods.

Sources and methods of data collection

Data on social protection in the Republic of Croatia presented in this First Release are collected by gathering administrative data from reporting units.

Coverage and comparability

The ESSPROS is a harmonised system that serves as an instrument of the analysis and comparison of financial flows of the social protection. The objectives of the ESSPROS are to provide a comprehensive and coherent description of the social protection in the EU Member States and candidate states for the membership in the European Union, financing of social benefits, and to establish a system suitable for the international comparability and harmonisation with other statistics.

The ESSPROS consists of the Core System and two modules. The Core System consists of a stable, annually collected set of data on receipts and expenditures of the social protection, while modules provide additional sets of statistical information on particular forms of the social protection.

The Core System collects, at the annual basis, data on the social protection in gross amounts (that is, before the recipient of the social protection benefit pays for them any kind of taxes, contributions or other compulsory provisions).

For the Republic of Croatia, 18 active social protection schemes have been identified and included within the ESSPROS coverage:

Active schemes

1. Job mediation and unemployment rights
2. Pension insurance – first pillar
3. Health insurance – basic
4. Health insurance – supplemental (for the time being only the Croatian Health Insurance Fund)
5. Family benefits
6. Social welfare
7. Assistance in settling of housing costs
8. Assistance in settling of heating costs
9. Social welfare in the City of Zagreb
10. Employers' social protection
11. Pension insurance – second pillar
12. Rights of Croatian Homeland War defenders and members of their families
13. Health protection at work
14. Rights of civilian victims disabled during war and members of their families
15. Rights of military personnel disabled during war or peacetime period and members of their families
16. Other social assistance at the local level
17. Social protection provided by non-profit institutions
18. Social protection in case of natural disasters.

ESSPROS Scheme 2 (General pension scheme – first pillar) encompasses all pension beneficiaries under special regulations.

The module on pension beneficiaries serves to collect information on pension beneficiaries and on characteristics of pensions.

Definitions and explanations

Social protection encompasses all interventions of public or private bodies intended to relieve households and individuals of the financial burden of the defined set of risks or needs, provided that there is neither a simultaneous reciprocal nor an individual arrangement involved (intervention where the recipient of social protection is obliged to provide simultaneously something of equivalent value in exchange).

Risks or needs expressed in the ESSPROS methodology as functions of the social protection scheme that require the social protection are listed below.

Sickness/Health care – the risk of sickness comprises the maintenance of the income and support in cash in connection with a physical or mental illness, excluding disability. The health care need covers maintenance, restoration or improvement of the health of the people protected, irrespective of the origin of the disorder.

Disability covers support in cash or kind (except health care) in connection with the inability of physically or mentally disabled people to engage in economic and social activities.

Old age includes income maintenance and support in cash or kind (except health care) in connection with old age.

Survivors imply income maintenance and support in cash or kind in connection with the death of a family member.

Family/Children include support in cash or kind (except health care) in connection with the costs of pregnancy, childbirth and adoption, bringing up children and caring for other family members.

Unemployment implies income maintenance and support in cash or kind in connection with unemployment.

Housing includes assistance in settling of housing costs.

Social exclusion not elsewhere classified covers benefits in cash or kind (except health care) specifically intended to combat social exclusion where it is not covered by one of the other functions.

The function of social protection refers to the primary purpose for which social protection is provided, irrespective of legislative or institutional provisions.

The observation unit is the social protection scheme. According to the definition, the **social protection scheme** is a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing.

The **expenditures of social protection schemes** are the following: social benefits, administration costs, transfers to other schemes and other expenditure.

Social protection benefits, as the most extensive social protection expenditure, consist of transfers, in cash or in kind, by social protection schemes to households and individuals to relieve them of the burden of the defined set of risks or needs. Social benefits refer exclusively to cash payments, reimbursements and directly provided goods and services.

Administration costs are the costs charged to the scheme for management and administration thereof.

Transfers to other schemes are unrequited payments made to other social protection schemes.

Re-routed social contributions are payments that a social protection scheme makes to another scheme in order to maintain or accrue the rights of its protected people to social protection from the recipient scheme.

Other expenditure means miscellaneous expenditure by social protection schemes.

Receipts of social protection schemes are the following: social contributions, general government contributions, transfers from other schemes and other receipts.

Social contributions are the costs incurred by employers on behalf of their employees or by protected persons to secure entitlement to social benefits.

Employers' actual social contributions are payments made by employers to insurers to secure entitlement to social benefits for their employees, former employees and their dependents.

Employers' imputed social contributions are the costs incurred by employers by granting social benefits or by promising social benefits payable in future, to their employees, former employees and their dependents, without involving an autonomous insurer, and without maintaining segregated reserves for that purpose in their balance sheets.

Social contributions paid by protected persons are payments made by individuals and households to social protection schemes in order to obtain or keep the right to receive social benefits.

General government contributions are costs to general government of running government-controlled non-contributory schemes, and financial support provided by general government to other resident social protection schemes.

Transfers from other schemes mean unrequited payments received from other social protection schemes, which primarily includes social contributions re-routed from other schemes.

Other receipts include miscellaneous current receipts of social protection schemes.

Purchasing power standard (PPS) is an artificial common currency eliminating the effect of price level differences across countries. Theoretically, one PPS can buy the same amount of goods and services in each country.

Module on pension beneficiaries

Pension beneficiaries are defined as recipients of one or more periodic cash benefits of a social protection scheme falling within seven pension categories (disability pension; early retirement benefit due to reduced capacity to work; old-age pension; anticipated old-age pension; partial pension; survivors' pension; early retirement benefit due to labour market reasons), but person who receives more than one pension is counted only once – double counting is to be avoided.

Government payments to employers (including incentives related to the COVID-19 pandemic) are included in the ESSPROS survey coverage in the following cases:

- the employer retains the employees for whom they receive incentives and whom they pay salary
- the employee for whom the incentive is requested does not work a part of the working time proportionate to the amount of the incentive.

Capital transfers are exceptionally included in the ESSPROS survey coverage in case they represent supports intended for households to rebuild or restore dwellings in case of natural disasters.

Abbreviations

bln	billion
COVID – 19	COrona Virus Disease – 19
ESSPROS	European System of Integrated Social Protection Statistics
EU-27	European Union (27 Member States)
GDP	gross domestic product
mln	million
PPS	purchasing power standard

Symbols

0.0 value not zero but less than 0.05 of the unit of measure used

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