



**Ministry of Health and
Social Welfare**

**Ministry of Economy,
Labour and Entrepreneurship**

Conference memorandum on the continuation of activities and implementation of measures stipulated in the Joint Assessment of Employment Priorities (JAP) and Joint Inclusion Memorandum (JIM) in the Republic of Croatia, regarding the subject “Impact of the Economic Crisis on the Republic of Croatia”

On 11 February 2010, the Ministry of Health and Social Welfare and the Ministry of Economy, Labour and Entrepreneurship, in association with European Commission representatives, DG Employment, Social Affairs and Equal Opportunities, aided by TAIEX, the European Commission’s technical assistance organisation, organised a joint conference on the continuation of activities and implementation of measures from the JIM and JAP processes. The Conference was held in the Four Points Sheraton-Panorama Hotel in Zagreb.

The joint Conference was held with the aim of strengthening the ties between the two processes, JIM and JAP, while the central topic was the “Impact of the Economic Crisis on the Republic of Croatia”. The purpose of the Conference was to ensure the efficient continuation of the active exchange of positions on these processes, and an emphasis was put on discussing the impact of the economic crisis. The Conference also touched upon previous achievements, as well as identified issues and plans for 2010.

The delegation of the European Commission, DG Employment, Social Affairs and Equal Opportunities consisted of: Mr Jeroen Jutte, Mrs Anette Björnsson and Mrs Nataša Kokić. On behalf of the Ministry of Economy, Labour and Entrepreneurship as the coordinator of JAP, in addition to State Secretary Mr Krešimir Rožman, the conference was attended by Mrs Inga Žic, Mrs Marina Gašpar-Lukić and Mrs Ana Puh. On behalf of the Ministry of Health and Social Welfare as the coordinator of JIM, in addition to State Secretary Mrs Dorica Nikolić, the conference was attended by Mrs Vesna Mastela Bužan and Mrs Snježana Franković.

The Conference was divided into two sessions: the plenary session and the separate JIM/JAP sessions.

The plenary session

The Conference was opened by *Mrs Dorica Nikolić* with a welcome speech on behalf of the Prime Minister and the Minister of Health and Social Welfare, Darko Milinović. She also introduced *Mr Jeroen Jutte*, the representative of the European Commission, and *Mr Krešimir Rožman*, State Secretary at the Ministry of Economy, Labour and Entrepreneurship, who chaired the conference alongside Mrs Nikolić.

In his welcoming address, the European Commission representative, *Mr Jeroen Jutte*, pointed out that this JIM/JAP conference was, in fact, the second JAP and fourth JIM conference. This year’s conference was the first one that brought together the two processes, which proved effective given that, although different, JIM and JAP issues are very similar. Furthermore, Mr Jutte pointed out that

both of these objectives were difficult to attain, even more so owing to the global economic crisis. However, both JIM and JAP are currently at an advanced stage of implementation and the reform process is under way, which is extremely important, while at the same time the administrative capacity will play a key role. Mr Jutte added that the European Commission considers creating social policies is of the utmost relevance – they are important for Croatian citizens and include relevant stakeholders and social partners. Also, in the accession context, it is important that the Republic of Croatia continue the harmonisation of its legislation with the EU *acquis*. In conclusion, Mr Jutte pointed out that the crisis additionally stressed all the challenges of JIM and JAP, making the implementation process even more important. In this year of social deprivation and growing unemployment, the Croatian government should continue implementing measures and improve the follow-up process. There are four key priorities: 1) reducing the skill imbalance on the labour market; 2) improving social inclusion of vulnerable categories; 3) anti-recession measures, lifelong learning and other key topics; and 4) ensuring sufficient funds for the planned measures despite the crisis.

In his welcoming address, *Mr Krešimir Rožman* briefly described the JAP development process. He added that JAP analysed economic and labour market conditions and determined employment challenges and priorities for action in Croatia. The key priorities are: 1) attracting and maintaining as many employed people as possible, increasing the offer of the workforce and modernising social protection systems; 2) improving employee and employer adaptability; 3) increasing investments in human resources via better education and skills; 4) promoting good management principles and thus including social partners in the implementation of JAP. Furthermore, Mr Rožman said that JIM and JAP were two relevant documents in the social policy and employment area, which is why harmonising the priority scope of action was extremely important during implementation. The reason for joining this year's conference was to focus on connecting two parallel processes, JIM and JAP, given that the Joint Assessment of Employment Priorities (JAP) and the Joint Inclusion Memorandum (JIM) share mutual aims and priorities.

In her introductory speech, *Mrs Dorica Nikolić* highlighted the importance of 2010 as the year of “European combat against poverty and social exclusion”, adding that the President of the European Commission Barroso, in his new “Political Guidelines for the Next Commission”, strongly accentuated the social dimension of Europe on all levels. Combating poverty and social exclusion thus became one of the major components of the EC Strategy 2020. The State Secretary stressed the impact of the crisis on the spreading of poverty and said that greater effort should be invested for positive changes in that direction to occur.

Mrs Nikolić continued with an overview of the progress achieved in terms of the management of the JIM process. In her opinion, the JIM process gained more visibility, while partnerships between different stakeholders in the process gained new strength as a result of regular consultations. The progress, she said, has increased the social and political importance of continuing the activities of the JIM process, which has been recognized as a useful tool for solving the social exclusion issue in Croatia. Furthermore, she highlighted the need to work on strengthening the coordination and collaboration of all the stakeholders in the sense of timely planning measures, their implementation and follow-up and reporting on the progress.

Presentations on the topic “Economic Crisis and Key Steps” followed the introductory addresses. Regarding this topic, *Mrs Tamara Obradović Mazal*, State Secretary at the Ministry of Economy, Labour and Entrepreneurship, demonstrated macroeconomic indicators for the period 2004-2009, adding that a year ago GDP growth assessment amounted to 4 per cent. However, the Republic of Croatia ended the year with a significantly lower GDP. The economic crisis also reflected on the labour market, turning the positive trend into a negative one – employment decreased and unemployment increased. Mrs Mazal presented the government's anti-recession measures and

accompanying legislative changes for 2009 and 2010, saying that these measures had an impact on the state revenue, supported employers and brought changes in the salaries of state officials and the public sector. Regarding the 2010 measures, Mrs Mazal said that all the measures were aimed at the economic sector, adding that economic recovery measures would not be possible without funds from the Croatian National Bank. In conclusion, Mrs Mazal said that the first two months of this year put many of the said measures into practice. The current measures are aimed at entrepreneurs and enterprises. The success of the synergy of these measures will have an impact on the preservation of current jobs.

Within the same topic, the Head of the Social Welfare Directorate, *Mrs Tatjana Katkić Stanić*, referred to the evaluation of the European Commission's report on the implementation of JIM measures, highlighting progress in terms of management, visibility, partnership, monitoring and evaluation. The European Commission wishes to encourage the Croatian efforts and the progress made in reform implementation. A quick and systematic reaction to the impact of the economic and financial crisis on the most vulnerable groups on the labour market is a necessity.

Furthermore, Mrs Katkić Stanić presented the data on the impact of the crisis on the fluctuation in the number of permanent welfare beneficiaries' and the government's views on the further reform of the social welfare system. The gradual elimination of monetary compensation for the employment of the above mentioned vulnerable groups was proposed.

Mrs Kristina Alerić (Croatian Employment Service) presented the topic "Employment Promotion Measures Aimed at Vulnerable Groups". Relevant to this topic, Mrs Alerić presented measures to stimulate employment from the CES's *National Plan for Employment Stimulation 2009-2010*, pointing out that they focused on: employment stimulation (co-financing employment), funding and co-funding education and funding and co-funding employment in the public work programme. Mrs Alerić elaborated each measure and showed the data on their realisation in 2009 and projections for 2010. In conclusion, Mrs Alerić highlighted the measures' positive impact on the unemployed, especially the long-term unemployed and other vulnerable groups, through education and participation in public works. The positive results are visible from the fact that later employability of those individuals who participated in the educational measures was more than 50 per cent.

Mr Orhan Memedi (on behalf of the Association of Roma Women in Croatia "Better Future") presented the results of the survey "The Life of Roma Women in Croatia and Approach to Education". Mr Memedi presented the data on the education and employment of Roma people in Croatia, i.e. survey results, showing that the number of female interviewees with no education is almost three times smaller than in the case of their mothers; that there are significant educational differences between male and female interviewees; and that, in addition to a very small share of the Roma population in employment figures, there are signs of gender inequality. Mr Memedi added that the interviewees listed the following priorities as the measures the government and schools should undertake: free textbooks, extra school classes, better cooperation between schools and Roma parents, and mixed classrooms of both Roma and non-Roma children. In conclusion, Mr Memedi pointed out that the relevant data show how Roma women, aside from marginalisation and discrimination shared by all the representatives of the Roma national minority, suffer from gender discrimination.

Mrs Jasmina Papa (UNDP) gave a presentation on the position of women of the Serb national minority on the labour market. The aim of the survey was to depict the difficulties Serb women face while finding employment and in the labour market, how they cope with unemployment and which skills and knowledge they possess. The completion of the survey and its report are planned for the first trimester of 2010, therefore Mrs Papa presented preliminary findings regarding the structure of the interviewed sample according to age, education, work status and unemployment duration. She

listed the data on the participation of these women in CES programmes, their experiences and employers' discriminatory practices, their level of information about the Constitutional National Minorities Act, their views on the chances of national minorities finding employment and ways to attain employment. She suggested several potential fields of action: introduction of statistical programmes enabling the monitoring of the implementation of those laws regulating national minorities' rights and measures for their practical application, establishing trust, local cross-sector employment task forces, targeted co-financing of female entrepreneurship (national minorities) and social entrepreneurship.

The topic "Health Care Reform: Monitoring the Sustainability of the Primary Health Care System" was presented by *Mrs Sanja Predavec* from the Ministry of Health and Social Welfare. According to the National Strategy of Health Care Development 2006-2011, it is necessary to improve the functionality of the primary healthcare system and strengthen community-based healthcare institutions as the basic primary healthcare, as well as reorganize the emergency medical service as a factor of improving the efficiency of hospital and non-hospital emergency medical care throughout Croatia.

Mrs Mihaela Dubravac Šigir from the Ministry of Science, Education and Sports spoke of the lifelong learning process in the context of the global crisis and its impact on Croatia. The Ministry and competent expert bodies and institutions have been implementing education system reforms in accordance with the concept of lifelong learning, based on strategic and legislative frameworks, activities and projects. Mrs Dubravac Šigir said in conclusion that the importance of the international exchange of experiences in strategic lifelong learning processes was of the utmost importance. Harmonisation of key objectives, priorities, obligations, processes, legislation and institutions is essential, which could be consolidated in an integrated strategic document.

The lifelong learning process was the topic that *Mrs Tina Šarić*, Head of the Agency for Mobility and EU Programmes, also touched upon. She introduced the conference participants to different student exchange programmes, such as the exchange of scientific and work experiences that Croatian institutions and citizens can and already do participate in. Croatia is active in the following programmes: 'Youth in Action', 'Comenius' – for preschool and school level; 'Erasmus' – for university level, 'Leonardo da Vinci' – for vocational training, and 'Grundtvig' – for adult education. There are other programmes as well, prior to the transfer of innovations and strengthening of collaboration in this area.

Mrs Šarić concluded her presentation by presenting the possibilities that citizens and institutions will have at their disposal in 2010. An amount of €2,344,605 is envisaged for the programmes in the Agency's jurisdiction and according to their estimations there should be about 1336 beneficiaries.

In a brief discussion, professors Zoran Šućur and Siniša Zrinščak from the Department of Social Work of the Zagreb Faculty of Law expressed a need for clearer indicators in order to measure the phenomena of poverty and social exclusion and act in that direction. A comparative analysis of other countries is necessary in the context of funding active labour market measures.

JAP session of the conference

The special JAP session focused on the impact of the crisis on the Croatian labour market. The introductory presentation was given by the European Commission representative *Mrs Anette Björnsson*. *Mrs Björnsson* assessed this economic crisis as a global, and not a specific Croatian issue. In her mind, JAP identified and determined the main challenges of the Croatian labour market, including priority actions. The impact of the crisis is evident, primarily seen in the growth

of unemployment and fall of employment, and therefore the JAP process should be continued.

After Mrs Björnsson's introduction, *Mr Darko Oračić* (CES) presented an analysis of the impact of the economic crisis on registered employment and unemployment in Croatia. The presentation provided data on the employment and unemployment trend and economic growth in the pre-crisis period (2001-2008), the key indicators and sources of the economic crisis in 2009, employment and unemployment fluctuation, the unemployment curve, the impact of the crisis on employment and the number of jobs, and the expected employment and economic growth trend in 2010-2011. In conclusion, Mr Oračić highlighted several key points: after a period of employment growth and a decrease in unemployment in 2001-2008, a serious recession ensued in 2009, decreasing employment and increasing unemployment. The people worst hit by unemployment were men, those with a secondary education and youths. In the first half of 2010 unemployment is expected to grow further, whereas the expected economic growth in 2010 will have a strong impact on unemployment trends in 2011.

After Mr Oračić, *Mrs Kristina Alerić* (CES) presented mobile teams and other activities of the CES in the period of economic change and crisis. Mrs Alerić described the challenges the CES is faced with and the ways of reacting to them, such as: activities directed at employers in difficulties and those employing a new workforce, activities aimed at employees that are threatened by unemployment prospects, and activities directed at the unemployed whose employability should be increased. Among the CES activities, Mrs Alerić especially stressed the importance of mobile teams, whose duty is to provide support for workers losing their jobs and assist them in preparing for the labour market while they are still employed.

Mrs Sanja Smoljak (Croatian Employers' Association) gave a presentation "Mitigating the Negative Effects of the Crisis on the Economy through Partnership", and listed the indicators of the economic conditions (economic growth slowdown, reduced expenditure, a decrease in export, production, income and enterprise revenues...) and issues additionally deteriorated by the crisis (insolvency, funding difficulties, high non-tax excise...). She presented the CEA's recommendations for the mitigation of the crisis and its consequences, adding that the government's economy-oriented measures were inadequate, that investments in the tax system had a negative impact on the economy and potential investors, and that the application of the Act on the Grant for the Preservation of Jobs had not yielded satisfactory effects. However, the government will become actively involved in enterprise loans, i.e. subsidising those entrepreneurs who faced difficulties after 1 July 2008, through measures for economic recovery and development. In conclusion, Mrs Smoljak stressed the role of social partners in the process of making recommendations, consulting and drafting measures to combat the crisis. She also stressed the importance of establishing social councils and improving bipartisan social dialogue, as well as concluding a Social Agreement that will provide an active role and opportunity for initiatives and responsibilities for certain measures.

The closing topic of "Employment Opportunities in New Sectors" was presented by *Mrs Ana Miličević Pezelj* (Union of Autonomous Trade Unions of Croatia). Mrs Pezelj described some positive examples made by new sectors (so-called "green jobs"): new construction standards in the EU, i.e. low-energy standards including renewable energy sources, with an estimate of possible new jobs. A positive example is Germany, employing 170,000 people in the renewable energy sector, which is expected to grow further. Another positive example is the world estimate of potential jobs in the renewable energy sector. Furthermore, regarding Croatian prospects, Mrs Pezelj said that the obligations Croatia undertook (harmonisation with the EU *acquis*, Kyoto Protocol, etc.) in fact present an opportunity for employment in these new sectors, providing possible jobs. She especially pointed out that Croatia should establish adequate statistical measuring, stimulate research, ensure networking between strategies, policies and institutions, ensure timely education and continuous human resource training for new technologies, promote and implement new strategies, fulfil the

requirements towards the energy/climate package and adapt its policies in terms of industry and research. A more active government role is also necessary to ensure the environment (legislative framework, policies and incentives), as well as more active participation on the part of the social partners.

The final part of the JAP session included a discussion on the unfavourable position of youths in the labour market, the employment of persons with disabilities, the involvement of social partners and the Croatian government's anti-recession measures.

JIM session of the conference

Mrs Nataša Kokić from the EC welcomed the participants of the second part of the conference, the JIM session, and gave an overview of the entire JIM process in Croatia. In her view, certain progress was made on the level of cooperation between competent authorities and stakeholders in terms of increased visibility of the JIM process, thanks to the Ministry's website publishing information about it. She pointed out that the stakeholders were facing further challenges.

Mrs Vesna Mastela-Bužan (MHSW) presented the process of the deinstitutionalisation of social services in Croatia. Within the process of reform and harmonisation with the experiences of other European countries, the Ministry is attempting to deinstitutionalise social services. The process should gain stronger momentum when the new Social Welfare Act is put in place. In addition to that, a master plan for the transformation of institutions is necessary, and as such it should cover the needs of each beneficiary category (children without suitable parental care, children and youth with behavioural difficulties, children and adults with disabilities and adults with mental issues).

Mrs Mastela Bužan said that social planning on the local and county level strengthened the role of the local community in the process of deinstitutionalisation. While planning deinstitutionalisation it is important to achieve good coordination and harmonisation of the process of developing a network of institutional and alternative services of all providers on the national and regional (county) level. Furthermore, it is necessary to introduce new rights related to service provision within the social welfare system by broadening the scope of action of nursing homes and providing non-institutional care in families and the local community. Social contracting with clearly defined conditions and criteria for service provision also plays an important role in the deinstitutionalisation process. In that regard, the MHSW is working on the introduction of institutional quality standards.

On the same note, *Mrs Marina Škrabalo*, UNDP consultant, gave a presentation on the research regarding social services and deinstitutionalisation possibilities. In her introduction, Škrabalo said that the JIM process identified deinstitutionalisation as one of the seven key challenges, pointing out that services should be available and user-friendly. Deinstitutionalisation represents three connected, simultaneous, multiple-stakeholder processes: institution transformation, community-based priority service network development and alternative accommodation capacity. She presented the challenges related to the regulatory framework for the development of those services impeding institutionalisation, and in conclusion listed the main steps to be immediately taken at the decision-making level in order to achieve systematic and active deinstitutionalisation. Among other things, Operational Guidelines / Master Plan for institution transformation and deinstitutionalisation on the level of the Ministry should be adopted by June 2010 and funding for institution transformation for the period 2011-2013 should be aligned (within the scope of the revision of the Strategic Plan of the MHSW and accompanying budget).

Mrs Lyin Šikić Mićanović from the Institute of Social Sciences 'Ivo Pilar' presented a study of the homeless. In her view, the homeless are an extremely vulnerable category in Croatia. The Croatian Constitution does not stipulate the right to housing. Therefore, the homeless are deprived of legal

status, given that there is no law regulating their rights. The homeless have no political power or influence in advocating their interests, and there is no national housing programme to regulate the homeless' rights in that context.

According to Mrs Šikić, the capacity of homeless shelters should be greatly increased, with a special focus on the quality of required services. Furthermore, the homeless issue/phenomenon should be monitored and evaluated, and locally-based programmes should be devised to focus on the homeless' needs. Shelters should employ both professionals and managers who would also hire volunteers. The key issue is to develop preventative programmes and programmes for reintegration, adding, in conclusion, that there is a need for expert research which would shed true light on the needs of the homeless.

Mrs Sanja Madžarević-Šujster, representative of the World Bank, presented research on the impact of the economic crisis on social inclusion and social protection. The first part of Mrs Madžarević-Šujster's presentation showed the figures depicting the negative impact of the financial crisis on the poor and socially excluded. In her mind, the answer to the crisis, which is striking the most vulnerable social categories, should be sought in different programmes and by eliminating non-targeted incentives. In that regard, she added that compensation and incentives should be focused on the most endangered population levels, while there should be an increase in coverage and the level of the census, as well.

Furthermore, new protection programmes should be introduced, such as assistance given to permanent welfare beneficiaries in order to rejoin the labour market. Integrating social programmes on the local and national level is also needed, as well as linking different institutions (social welfare centres and employment services). In conclusion, according to Mrs Madžarić-Šujster, efficient and cost-effective labour market programmes, such as public works, should be stimulated.

Professor Zoran Šućur, PhD, from the Social Work Department of the Zagreb Faculty of Law, presented the second part of the research on the impact of the economic crisis on social inclusion and social protection. The focus of his presentation was the role of child bonuses and welfare in Croatia in the wake of the financial crisis. Larger households, i.e. families with more children and lower incomes, are the worst hit by the negative impacts of the crisis. According to the relevant data, citizens believe the state should get more involved in terms of healthcare and education.

During the presentation on child bonuses, professor Šućur said that the bonuses seem to be a significant part of household incomes, primarily in those with more children, and that they significantly reduce poverty. Comparing different household structures and connecting the accumulation of money transfers as a sum of welfare and child bonuses, the position of singles and households without children is more unfavourable than households with more children. Furthermore, in the context of child bonuses, the double residence issue should either be resolved or these categories' income should be more clearly identified. This refers to persons not living in Croatia but claiming Croatian social rights, thus causing an imbalance in the financially overburdened system. Children with disabilities should continue to receive the bonus, but in an altered amount, depending on household income. The income-oriented budget basis and bonus levels should be adapted to the rising cost of living. Students should also be entitled to claim bonus rights, and given that the 16-18 age group demonstrates the highest level of post-transfer poverty, age-related bonuses should be introduced.

Professor Šućur's closing remarks and recommendations included the activation of employable welfare beneficiaries and a possibility for them to continue receiving compensation for a certain period after employment. Furthermore, the current social welfare scaling should be adjusted in order to reduce the poverty deficit of singles, childless families and single parents with one child. Funds for the future categories of the unemployed, i.e. future welfare beneficiaries, should also be envisaged. Local authorities should be stimulated to plan certain programmes and funds for the

most vulnerable groups.

The final JIM presentation was given by *Mrs Vesna Sokol* (MHSW), and was on the topic of the possible corruption risks in the healthcare system and how to tackle them. The action plan for healthcare set up objectives to combat corruption. Two main directions were identified: introducing unbiased criteria and implementing strong control mechanisms. Furthermore, the action plan envisages the establishment of an agency for quality and certification in healthcare and a committee for quality control in health institutions. The aim is to introduce a unified system of quality standards in health services and clinical quality indicators, as well as the certification of health services and healthcare quality control. IT progress in primary and secondary healthcare is important in terms of the fight against system non-transparency. Among other measures for 2010, it is planned to establish a private practice registry, a registry of health professionals and standards and a statute on the right to donation-funded education. Mrs Sokol considers this a way to tackle corruption and increase the transparency of the system, which will contribute to more available health services for all population categories. In conclusion, a legal and institutional framework for effective and systematic control of corruption should be organized. Finally, there is also the need for better and more precise legal regulation to be available to medical professionals employed in state health institutions who wish to provide health services through private practice.

European Commission's conclusions on the special JIM/JAP sessions

The conclusions of the special JAP session were presented by the representative of the European Commission, *Mrs Anette Björnsson*. In her opinion, the challenges defined in JAP are still in front of us. The progress is protracted due to the financial crisis. Even though some steps were taken to resolve these challenges, the problems are still looming large, as exemplified by growing unemployment, decreasing employment, growing unemployment among youths, while the number of the permanently unemployed remains the same level. Mrs Björnsson said that even in times of crisis it was important to ensure a budget for active measures and investments in education, as the EU pointed out at the closing of Chapter 19. A budget for active employment measures is important at this particular moment since the people losing jobs due to the crisis should rejoin the labour market. The flow of funds is another important aspect. In conclusion, Mrs Björnsson assessed 2009 as the year JAP was implemented, whereas the next steps include progress analysis.

The conclusions of the special JIM session were presented by the EC representative *Mrs Nataša Kokić*. In her opinion, certain steps pointing to progress in terms of social inclusion are evident. However, the European Commission wishes to encourage Croatia to follow-up the implementation of the reform and set up the necessary regulatory framework. Special attention should be paid to the future Social Welfare Act. The EC encourages Croatia to continue exposing corruption in the health sector, explore possibilities for the homeless, ensure equal opportunities, combat discrimination against all national minorities and actively involve all the stakeholders in the JIM and JAP processes.

Joint JIM and JAP conclusions

Mr Krešimir Rožman said in conclusion that the JIM/JAP conference and accompanying presentations lend themselves to several important conclusions. After an optimistic period in 2001-2008, characterised by growing employment and reduced unemployment, 2009 brought a severe recession, followed by a decrease in employment and an increase in unemployment. The first half of 2010 will continue along the same lines. Mr Rožman pointed out that the Croatian government had launched a series of measures in the first two months of this year. The current measures are focused on entrepreneurs and their success should reflect on the preservation of jobs as well.

Furthermore, Mr Rožman highlighted the necessity of including social partners in the process of proposing and establishing measures to combat the crisis, as well as monitoring the results of JAP implementation. The social partners thus take an active role instead of a passive role, but also take on responsibility as holders of particular measures. It is important to monitor the needs of vulnerable groups in the labour market, their positions and approach to the labour market, and try to increase their employability. In conclusion, Mr Rožman accentuated the current priorities: continuous analysis of the labour market needs in order to reduce the disproportion in skills; promotion of lifelong learning; directing funds towards educational measures; ensuring sufficient means for the implementation of active measures despite the crisis and because of the crisis; strengthening institutions and administrative capacities; and connecting all institutions.

Mrs Dorica Nikolić presented the conference conclusions in different areas:

Social welfare

The new social welfare regulation should: reform the system of financial compensation to achieve a quicker and simpler procedure and better targeting in terms of rights (changing the scale of equivalence to the benefit of singles and single parents of one); activate employable welfare beneficiaries (introduce new programmes to help welfare beneficiaries return to work, public works, possibility for the beneficiaries to continue receiving compensation for a certain period after employment, subsidise the employment of the long-term unemployed); stimulate further deinstitutionalisation

Deinstitutionalisation and decentralisation process: build a master plan for the transformation of institutions according to the needs and categories of users and create a three-year budget plan for the transformation; stimulate the planning of social services on the county level; develop a social service network based on the bottom-up assessment of priorities; draw up social contracts with clear conditions and criteria for service provision, introducing and encouraging a new approach and the implementation of social service standards; establish intense coordination between the Ministry of Health and Social Welfare, Ministry of Family, Veterans' Affairs and Intergenerational Solidarity and Ministry of Science, Education and Sports in order to harmonise strategic objectives in the transformation and deinstitutionalisation process (priority services); integrate all components resulting from past MHSW reforms for a better legislative and institutional framework

Homelessness: conduct detailed research of the phenomenon and its underlying reasons in transitional countries, making it a relatively 'new' occurrence; conduct further qualitative research (based on the homeless experience, their needs and ways of attaining them)

Child bonus: it is necessary to resolve the issue of double residence and/or identify these beneficiaries' income source; all children with severe disabilities should receive the bonus, but in a different amount, depending on the household income; the budget basis related to income census or bonus amount should be harmonised with the growing cost of living; return students their right to bonuses and introduce age-based bonuses

Healthcare

Primary healthcare: based on the National Strategy of Health Care Development 2006-2011, it is necessary to improve the functionality of the primary healthcare system and strengthen the role of community-based healthcare as the basic primary institution; reorganise emergency medical service and thus improve its efficiency

Identification of potential areas for corruption in the health system: it is necessary to improve legal and institutional frameworks for an efficient and systematic battle against corruption in the health sector; strengthen the capacity of the health system by renovating obsolete equipment and space; enable permanent training and education of health professionals; additionally increase the transparency of the waiting list and the transparency of the overall system; work on improving and making more precise the legal regulations that are followed by government-employed doctors so that doctors who provide health services in their own private practices can apply them.

Education and lifelong learning Reforms to the education system should be implemented in accordance with the lifelong learning concept, based on strategic and legislative frameworks; apply international experiences – lifelong learning strategies; similarities between the Republic of Croatia and other countries in terms of strategic objectives and priorities, undertake the obligations of harmonisation, and the processes should be unified in an integrated strategic document.

National minorities In terms of improving the measures aimed at national minorities, statistical programmes enabling the monitoring of the implementation of those laws regulating minorities' rights and measures for their practical application should be introduced; it is necessary to work on the establishment of trust; stimulate local cross-sector action groups for employment which would prepare curricula and employment plans in accordance with the needs of the economy and population structure; target funding of female entrepreneurship for national minorities and development of social entrepreneurship. Joint planning is needed, as well as the development of those sectors guaranteeing employment. According to the educational structure of the population, educational institutions should train the workforce for these particular sectors, with a focus on the ratio of women, minorities and persons with disabilities.

After the conclusions were presented, *Mrs Dorica Nikolić* thanked all the participants, presenters and organisers. All the presentations, she said, as well as other conference materials will be uploaded on the website of the Ministry of Health and Social Welfare and Ministry of Economy, Labour and Entrepreneurship. The conference was closed with best regards going out to all the participants and a wish to continue good collaboration between the stakeholders.

Conference minutes by: Vesna Mastela Bužan, MWSW, and Ana Puh, MELE.

On behalf of the Ministry of Health
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