Croatia social briefing:
THE ROLE OF THE EDUCATIONAL SYSTEM FOR THE CROATIAN ECONOMIC DEVELOPMENT
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Summary

The educational system is one of the main pillars of every society because it affects its development in a comprehensive way: politics, economy, demography, technology... Educational needs are not the same in every country. To contribute to economic, social, cultural and political development, education has to reflect the legacy of the past and vision of the future of the country in question. Croatia has been grappling with educational reforms since its independence. Numerous governments attempted and to some extent implemented reforms, only to have a next government stop ongoing implementation and start a new reform. As a result, and because of the comprehensive character of the role of education as already explained, different challenges have emerged for the Croatian educational system. To confront them, and to ensure the best education for the current and the generations to come, Croatia would need to fairly assess its capacities, identify its goals and generate educational reform process that would be understood as a strategic national goal above politics and short-terms interests.

1. Introduction

With the end of an academic year, it is time to make a pause and ask a question: is the Croatian educational system working? It is true that after joining the European Union, growth opportunities emerged for the Croatian economy. However, the competition with other Member States is also fierce and it is key to Croatia to find its place within. That´s why it is more important than ever to provide the best education possible to all Croatians, ensuring the training of high-skilled workers who are willing to stay in the country and contribute to its economic and other developments.

In this regard, is Croatia taking steps forward or steps back? Correlation between the level of education and the economic growth of a country is scientifically proven. This correlation is a key to understand the current challenges that Croatia is facing in terms of reforming its education to be able to stimulate economic development. Is Croatian educational system oriented to the labour market needs? Is the government investing enough in the education of the Croatian citizens? What´s the role of the EU in this topic? But, even more important, what´s happening in the country so that young workers are leaving?
2. **Challenges**

**Structural disconnection with market needs**

Nowadays, one of the main needs of the Croatian economy is to carry out a process of reindustrialization. A shift towards quality-based industry is necessary to ensure the development of the economy. And the role of education in this process, as well as the one of innovation and scientific research, is key.

Management aptitudes, openness towards other employees, self-initiative or self-motivation are some of the soft skills more asked by Human Resources Managers. At first sight, it seems that the Croatian educational system is able to train its student in them. However, when it comes to the technical skills required for the jobs, problems emerge. The problem is not that Croatian workers are not highly educated, but that they are not directly linked to the jobs required. In other words, education is not oriented to the needs of a modern reindustrialised economy. As a result, despite the significant decline in the share of unqualified employees, there is still a long road to make the system efficient. Increasing flexibility to lower the drop-out rate, emphasising the internal differentiation of students, reinforcing informal methods of acquiring knowledge and skills, improving the knowledge of foreign languages or promoting courses on critical thinking are some of the measures that should be taken.

The Ministry of Education launched last November several proposals such as the curricular reform, vocational education and training (VET) reform and higher education funding agreements. It had been highly demanded in the last years, but when it comes to implementation it wasn’t free of controversy. Finally, it is planned to be implemented next autumn.

**The perception of the population: politicization and distrust**

Three years ago, 50,000 people filled the streets protesting against the political meddling into education and asking for progressive and independent education. They claimed a free-of-politics educational system. The same happened the year after. “It is very difficult to divide politics and education in Croatia” a Croatian professor says, “as everything seems interconnected with politics, which is sometimes really absurd”. This atmosphere of distrust doesn’t favour a transition that everybody recognizes necessary. When it comes to education, it doesn’t matter the political party that governs Croatia, as what people need is to believe that a new comprehensive reform will be done, free of ideology, guaranteeing an educational system updated and at the level of the western democracies. With the new reforms to be implemented
for the next academic year, time will tell us if finally, those are the right measures and if will favour the creation of a trust environment in the country.

**Out-migration and brain drain**

Maybe when we talk about trust we don’t see it as a real challenge, as it is something really intangible. However, it is actually one of the most important factors that influence human behaviour. Since the entrance of Croatia in the European Union, and with the facilities it gave for working abroad, young people increasingly started to leave looking for a brighter future beyond Croatian frontiers (see figure 1). But the reasons were not merely economic, there were also strong social ones: “negative perception of the future in Croatia, widespread clientelism and corruption and a feeling that it is impossible to realise one’s goals and wishes in Croatia”, a young Croatian emigrant says. Indeed, Croatian people no longer trust their country, and that’s a wound that comes from the past and will take time to heal.

![Figure 1. Net migration balance of Croatia between 2001 and 2016](image)

Off course, the economic problems also posed a threat to young graduates that saw emigration as the only solution. Low salaries, lack of high-quality employment opportunities and poor working conditions are some of the reasons that made them prepare their luggage and go abroad. Germany, Austria and increasingly Ireland are their favourite destinations.

**Poor investment**

Education should be a priority in every country, but even more in those that are experiencing a transition, either political or economic, as Croatia is doing. However, if we observe some data about the investment the government makes in education, we realize that
clearly it isn’t enough. The public expenditure on education as a proportion of GDP, despite being at EU average (4.8%) and having increased slightly a 0.1% in 2016 going back to pre-crisis levels, is not efficient. This investment was not reflected in the annual expenditure on educational institutions per student. In 2014, Croatia invested among the smallest amounts in the EU, at purchasing power standard, into pre-tertiary education. Besides, there is more evidence about this inefficiency: according to the European Commission, it ranks among the three EU Member States with the highest number of tertiary education institutions per citizen. Plus, the huge demographic crisis that hits the country only aggravates the problem. As a result, it is clear that these two defies should be fought together trying, then, to reform the tertiary educational system as a first step to increase the efficiency of the investments.

3. Performance in comparison to EU

We have already seen some comparative data of Croatia with the EU. However, it is also interesting to have the whole picture and to compare the global performance when it comes to education. Which are the strengths and weaknesses of Croatian educational system?

**Figure 2. Position in relation to strongest (outer ring) ad weakest performers (center)**

First, we should highlight that Croatia remains the EU leader in preventing early leaving from education and training, with a rate of 3.1 % leavers in the 18-24 age group compared to the EU level of 10.6 %. Underachievement in reading and in science are other indicators in which Croatia performs well. However, among the worst ones, we find: adult participation in learning, early childhood education and care (which is also other significant challenge for the system) and, again, tertiary education attainment. This chart proves that there are indeed
significant fields of improvement, as we had already seen through the paper, but also that it is also a top performer in some aspects and that the EU can learn from Croatia.

4. Conclusion

We have reflected about the main challenges that the educational system is facing, hindering then the economic development of the country. The question now is, how to address them? It is true, for example, that people are leaving the country because, despite being highly-qualified, they don’t meet the needs of the Croatian Labour Market: there are no opportunities for them. Paradoxically, this brain drain is causing a lack of prepared professional in Croatia as well as aggravating the demographic crisis. It is an extremely complex problem because of the interconnectedness among different realities that, unavoidably, affect each other.

To solve it, it is necessary to go to the roots. Maybe, if the Croatian Government gains again the trust of the citizens by making the educational system more efficient and labour market-oriented, offering incentives to entrepreneurship, scholarships to research and innovation, or encouraging national talent to stay in Croatia; in the long run positive effects might be seen not only in the educational field, but also in the economy and demography of the country.