

CROATIAN WOMEN AND THE COVID-19 PANDEMIC

The Coronavirus is not gender-blind



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Abbreviations

EBRD	European Bank for Reconstruction and Development
ECEC	Early Childhood Education and Care
EU	European Union
EU-MIDIS II	Second European Union Minorities and Discrimination Survey
FRA	European Union Agency for Fundamental Rights
GDP	Gross Domestic Product
HRK	Croatian kuna
IMF	International Monetary Fund
LFS	Labor Force Survey
LGBTI	Lesbian, Gay, Bisexual, Transgender, and Intersex
MFF	Multi-Annual Financial Framework
NGOs	Non-Governmental Organizations
NRRP	National Recovery and Resilience Plan
OECD	Organisation for Economic Cooperation and Development
UNECE	United Nations Economic Commission for Europe
VAW	Violence Against Women and Girls

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Summary

This note reviews how the COVID-19 pandemic is affecting the endowments, economic opportunities, and agency of women in Croatia.¹ The *Croatia Country Gender Assessment* that was published by the World Bank in 2019, provides the backdrop to this note, which uses the same theoretical framework. The purpose of the note is to provide a preliminary assessment of the impacts on women caused by the pandemic, with a special focus on vulnerable groups based on new quantitative and qualitative data. Based on the findings, the note provides recommendations on how the Government of Croatia could address the most pressing vulnerabilities and underlying structural reform gaps during the economic recovery process.

The COVID-19 pandemic has exacerbated existing gender gaps and made life harder for women in Croatia. Differences in how men and women have been affected by the crisis are driven by: (i) occupational sex segregation in the labor market, with women more likely to be engaged in frontline sectors;² (ii) the greater burden shouldered by women in caring for children and older family members, which increased during the lockdown period; and (iii) preexisting gender gaps in economic opportunities, especially among women from vulnerable backgrounds.

Women are more likely than men to work in highly exposed sectors. Croatian women are disproportionately engaged in jobs that are being hit hardest by the COVID-19 outbreak. 52 percent of women are engaged in essential sectors, in education, and in sectors mandated to close down.³ In comparison, only 18 percent of Croatian men work in highly exposed sectors, predominantly in retail and health. Croatian women dominate in frontline sectors that must remain operative during the lockdown or expose them to the virus, such as health, caregiving, cleaning, and essential retail.

The pandemic has exacerbated existing gaps in women's economic opportunities

¹ The 2019 Croatia Country Gender Assessment reviewed the state of equality between men and women in Croatia by reviewing gender outcomes in three dimensions: (i) Human endowments, notably health and education; (ii) economic opportunity, as measured by participation in economic activities, and access to and control of key productive assets; and (iii) voice and agency, as expressed in political participation, freedom from gender-based violence, and the ability to exercise control over key decisions. The Country Gender Assessment found that overall, the country has made progress on including gender equality both institutionally and legally into its policy agenda. Certain indicators of gender equality remain strong, such as equitable primary and secondary school enrollment for boys and girls. A closer look reveals areas that need to be improved, such as equality in the labor market, women's entrepreneurship and role in politics and business, the situation of Roma women, rural and urban disparities, care work distribution between men and women, and the inclusion of lesbian, gay, bisexual, transgender, and intersex (LGBTI) people.

² Frontline sectors include health, caregiving, cleaning, and essential retail

³ E.g. hospitality

Women's work is also more insecure, leaving them economically vulnerable. Women are more likely than men to be engaged in informal or part-time work, self-employment, domestic work, or helping out with agricultural work, often without receiving remuneration. These forms of employment lead to lower income security. Women with low levels of education and those living in remote rural areas were less likely to be able to economically cope with the lockdown.

Women or overrepresented in jobs that cannot be carried out remotely which led to greater work stoppage, particularly among rural and less educated women. Working from home is often not an option, especially for those with less education: women with a tertiary education were almost nine times as likely as women with less than an upper secondary education to be able to work from home (62 percent for tertiary-educated women vs 7 percent for women with less than an upper-secondary education). The key reason is that the jobs of less-educated women cannot be carried out remotely. Similarly, 42 percent of urban women could work from home, while only 31 percent of rural women could (World Bank COVID-19 quantitative survey 2020).

7%

women with less than an upper-secondary education were able to work from home



62%

women with tertiary education were able to work from home



Moreover, the impacts of COVID-19 of work stoppage are more severe for women (World Bank Croatia Rapid Assessment Survey 2020).

In April 2020, 60 percent of women who were no longer working reported the reason was business bankruptcy or temporary closure due to COVID-19. Meanwhile, this rate is significantly lower among men, at only 44 percent.

A large number of women went into the crisis lacking basic formal social protections, such as unemployment insurance, pension contributions, and health insurance.

Data from 2015 shows that women in Croatia receive, on average, 23 percent lower levels of pension or old-age safety net payments than men (Eurostat 2017). Registered unemployed women are much less likely to receive unemployment benefits; depending on the duration of unemployment, at least 40 percent of men receive unemployment benefits, while at most 30 percent of women receive unemployment benefits. These women are also less likely to be covered by the COVID-19 stimulus packages targeted at working adults.

23%

lower levels of pension or old-age safety net payments than men



40%

men receive unemployment benefits

30%

women receive unemployment benefits



The lockdown has put pressure on women's time. Women traditionally carry out caregiving roles in Croatia and faced an increased burden in the wake of school closures. Women report that household chores took up the lion's share of their time during lockdown. The World Bank COVID-19 survey revealed that 76 percent of women were mostly or solely responsible for household chores. Less-educated women were disproportionately hit by the unequal division of chores within families: while 31 percent of tertiary-educated women were solely responsible for household chores, 54 percent of women with less than an upper-secondary education had to take care of everything on their own. Less-educated women thus face mutually reinforcing barriers, with low labor force participation, limited social protection coverage, and more stringent traditional gender norms.

The level of stress from economic worries because of the pandemic is much higher among women than men. In June 2020, 84 percent women reported being worried about the economic wellbeing of themselves and their family members, compared to 75 percent of men. Moreover, women had more stress in multiple dimensions, from worrying about health to anxiety about the current situation (World Bank Croatia Rapid Assessment Survey 2020).

76%

women were mostly or solely responsible for household chores



84%

women reported being worried about the economic wellbeing of themselves and their family members

compared to

75%

of men



Women in Croatia have worse financial and digital literacy than men. On average, only 50 percent of women have basic or above basic digital skills, which is 7 percentage points lower than men. The differences become starker at lower levels of education: 12 percent of women with low formal education have basic or above basic digital skills, as compared to 23 percent of men, while the rates reach respectively 86 and 90 percent among women and men with high formal education (Eurostat 2019).

Traditional social norms define women as caretakers and homemakers and men as breadwinners. This—along with women earning less than men—has traditionally meant that if both partners in a household do paid work, women are more likely to be expected to work less or leave their jobs to care for dependent family members. 8 percent of women reported to have stopped working during the crisis due to care responsibilities as opposed to 4 percent of men (World Bank Croatia Rapid Assessment Survey 2020).

Gaps in skills make women less prepared to find alternative options for earning income

The unequal impact of the COVID-19 outbreak on men and women in Croatia has been intensified by persistent patriarchal social norms

8%

women reported to have stopped working during the crisis due to care responsibilities

as opposed to

4%

of men

22%

women believe that women should do most of the household chores

31%

men share this view



Women who stay at home, work the land, or help the family business are often invisible to the social protection system. As invisible auxiliary workers these women lack access to health insurance, sick leave, unemployment insurance, a pension. Gender norms are important determinants: 31 percent of men and 22 percent of women believe that women should do most of the household chores. Nearly one in two men believes it is better for everyone involved if the man earns the money and the woman stays at home, and 38 percent of women share this view (EBRD 2016).

NGOs report an increase in the severity and frequency of gender-based violence.⁴ Access to safe houses has become even more restricted due to the limited capacity of shelters, most of which already operate at full capacity. The incidence of domestic violence is likely to be higher than reported, given that women living with their abusers may find it difficult to seek help.⁵ The stretched capacity of response services risks reducing the protection and support available, contributing to a heightened perception of impunity among perpetrators.

A woman's education is an important predictor of economic independence and resilience. Education significantly increases the chance that a woman will find a well-paying job, with better working conditions, better possibility of development, additional lifelong education, and advancement. It also provides women with a wider skill set, flexibility, and the potential to better adapt to times of crisis and new demands.

Living in urban areas also provides women with many sources of resilience to life's adversities. These include a wider range of employment opportunities and usually better care service infrastructure. In addition, families living in urban areas usually have reduced family support, and thus rely mostly on out-of-home care services. Women report that this enables household chores and childcare to be divided in a more egalitarian way (World Bank COVID-19 quantitative survey 2020).

The social protection measures taken by the government to protect people in the wake of COVID-19 are targeted at working adults – leaving out the most vulnerable population groups. Government measures for the COVID-19 pandemic are mainly focused on the economy. There is a relative lack of COVID-19-related social policy measures aimed at mitigating the impacts of the crisis on the most vulnerable groups, such as informal workers, the elderly, and families and children living in poverty, who face the risk of lower education quality due to

Education and location are key sources of resilience for Croatian women

The Government response to COVID-19 risks leaving out the most vulnerable population groups among which women are overrepresented

⁴ Croatian media outlets have comprehensively reported on this issue. One example can be found here: <https://www.total-croatia-news.com/news/46753-domestic-violence>

⁵ Anecdotal evidence points to fewer calls being made during the lockdown, as women in “family isolation” were less able to call because of the close presence of the perpetrator in the house (Mirjana Kučer, Domine association in Split).

poor living conditions and even the risk of the inability to meet basic needs. This is particularly the case for women, who represent 55 per cent of the population at risk of poverty (Eurostat 2019).

Vulnerable women are concerned that they are at a high risk to lose access to social service programs as a result of the economic crisis, cutting them off from much-needed resources. Key informants shared their concern that some of the current and planned social service programs not to survive the pandemic. Pausing or stopping social service programs may particularly impact women living in rural areas, middle-aged women, those with low education levels, and ethnic minorities.

The focus on Croatia's economic recovery provides an important opportunity to address gender gaps in a systematic manner. In doing so, the country will benefit from unlocking the economic potential of Croatian women. For Croatia to benefit from an inclusive COVID recovery, the policy emphasis should be on removing the barriers to women's economic opportunities, investing in women's access to assets, improving women's agency; and ensuring gender-disaggregated data collection to support evidence-based policies.

The response to the COVID-19 crisis presents an opportunity to improve gender equality

Making gender equality a substantial part of Croatia's National Recovery and Resilience Plan (NRRP) provides the opportunity to invest in an inclusive economic recovery. The NRRP should be used to tackle the most pressing vulnerabilities of Croatian women and support critical actions to improve women's economic participation. Actions would need to be taken in four priority areas:

- (i) Provide active labor market services that cater to the needs of women and youth (including young women, single mothers, inactive women, youth neither in employment nor training, youth with disabilities)
- (ii) Remove constraints for women's employability
- (iii) Improve opportunities for youth/female self-employment and support women and youth to start or re-start their businesses or business collectives; and
- (iv) Improve the prevention of gender-based violence.

Developing and implementing the gender dimensions of the NRRP requires a whole-of-society approach. While the Government will be in the drivers' seat in terms of formulating the NRRP, the success of the development and implementation of high-impact actions will depend on the ability to mobilize and ensure the continued active involvement of a broad range of non-governmental stakeholders, including from the private sector and financial institutions. Civil society organizations, including NGOs and women's groups, can be important allies in gathering

information about the potential or actual impact of government policies, and they should be consulted regularly. In addition, building public servants' awareness and expertise through capacity building trainings and support is also important.

Finally, gender-differentiated data and information must be available for policy makers to be able to assess the situation and develop appropriate responses. Supporting gender analysis and sex-disaggregated data is an integral part of a strong COVID-19 response. The rapid assessment of the impact of COVID-19 on women showed that regular and nationally-representative gender-disaggregated data is available, but limited: the LFS can shed light on differences in labor force participation based on traditional definitions of labor, but not on intrahousehold allocation of time for different activities. Similarly, the Household Budget Survey can shed light on household poverty status, but not on individual lack of access to money and assets (it doesn't record individual access to technology, such as cellphones, tablets, computers, cars, or collateral and money).

This note is accompanied by a policy matrix that provides a first set of recommendations to inform the NRRP. The matrix is meant to serve as an actionable input into the development of the NRRP and as a point of departure for a broader stakeholder process around the gender dimensions of Croatia's economic recovery.

1 Introduction

This note reviews how the COVID-19 pandemic is affecting the endowments, economic opportunities, and agency of women in Croatia.⁶ The *Croatia Country Gender Assessment* that was published by the World Bank in 2019, provides the backdrop to this note, which uses the same theoretical framework. The purpose of the note is to provide a preliminary assessment of the impacts on women caused by the pandemic, with a special focus on vulnerable groups based on new quantitative and qualitative data. Based on the findings, the note provides recommendations on how the Government of Croatia could address the most pressing vulnerabilities and underlying structural reform gaps during the economic recovery process.

1.1 The COVID-19 pandemic is a crisis of unprecedented magnitude

“In 2008 it was an economic crisis, while this one has a terrible aspect where you are forced to close down. It is not your incompetence, inability to adapt, your mistake but the health situation that dictates whether you will work or not. I feel the consequences for Croatia will be greater than in 2008 if this goes on for much longer.”

– Istria county, business-level key informant

The COVID-19 pandemic is projected to result in Croatia having one of the sharpest economic contractions in Europe and Central Asia. Since the escalation of the COVID-19 crisis in Croatia in early 2020, the measures introduced by public health authorities to limit the contagion’s spread have led to a rapid decline in economic activity. Gross domestic product (GDP) is currently forecast to decline by close to 9 percent in 2020 (GEP 2021). Uncertainties surrounding the global—and the country’s—outlook are substantial, and risks are tilted to the downside.

⁶ The 2019 Croatia Country Gender Assessment reviewed the state of equality between men and women in Croatia by reviewing gender outcomes in three dimensions: (i) Human endowments, notably health and education; (ii) economic opportunity, as measured by participation in economic activities, and access to and control of key productive assets; and (iii) voice and agency, as expressed in political participation, freedom from gender-based violence, and the ability to exercise control over key decisions. The Country Gender Assessment found that overall, the country has made progress on including gender equality both institutionally and legally into its policy agenda. Certain indicators of gender equality remain strong, such as equitable primary and secondary school enrollment for boys and girls. A closer look reveals areas that need to be improved, such as equality in the labor market, women’s entrepreneurship and role in politics and business, the situation of Roma women, rural and urban disparities, care work distribution between men and women, and the inclusion of lesbian, gay, bisexual, transgender, and intersex (LGBTI) people.

A further adverse effect on world trade and on Croatia's GDP are to be expected if Croatia experiences a second wave and trade restriction measures continue over a long period of time.

Lengthy disruptions in global supply chains and falling demand, especially for travel and tourism—the single most important sector in the Croatian economy—could contribute to an even stronger economic recession. This would also result in a further widening of the fiscal deficit, requiring substantial borrowing and leading to a large increase in public debt. The social and economic impact of the coronavirus pandemic is further exacerbated by the damaging earthquake that struck the Croatian capital and its surroundings on March 22, 2020. While the final results of the damage assessment are still pending, the economic impact is expected to be severe: reconstruction may take an entire decade.

However, the pandemic is unlikely to affect all sociodemographic groups equally, especially men and women. There is a high risk that already existing gender inequalities will widen: while men are more likely to die from COVID-19,⁷ gains in women's and girls' economic empowerment, accumulation of human capital, ownership of assets, and voice and agency may be reversed if no action is taken. The differential impact between men and women is driven by: (i) choices regarding labor market participation, as women are more likely to be engaged in frontline sectors but also more likely to work in the public sector with higher levels of protection;⁸ (ii) care responsibilities, for which women were already carrying the bulk of the load before the pandemic and which are likely to put even more pressure on women during a lockdown; and (iii) preexisting gender gaps particular in economic opportunities, especially among women from vulnerable backgrounds, which may widen further.

1.2 International evidence suggests that women may be disproportionately affected by the COVID-19 pandemic

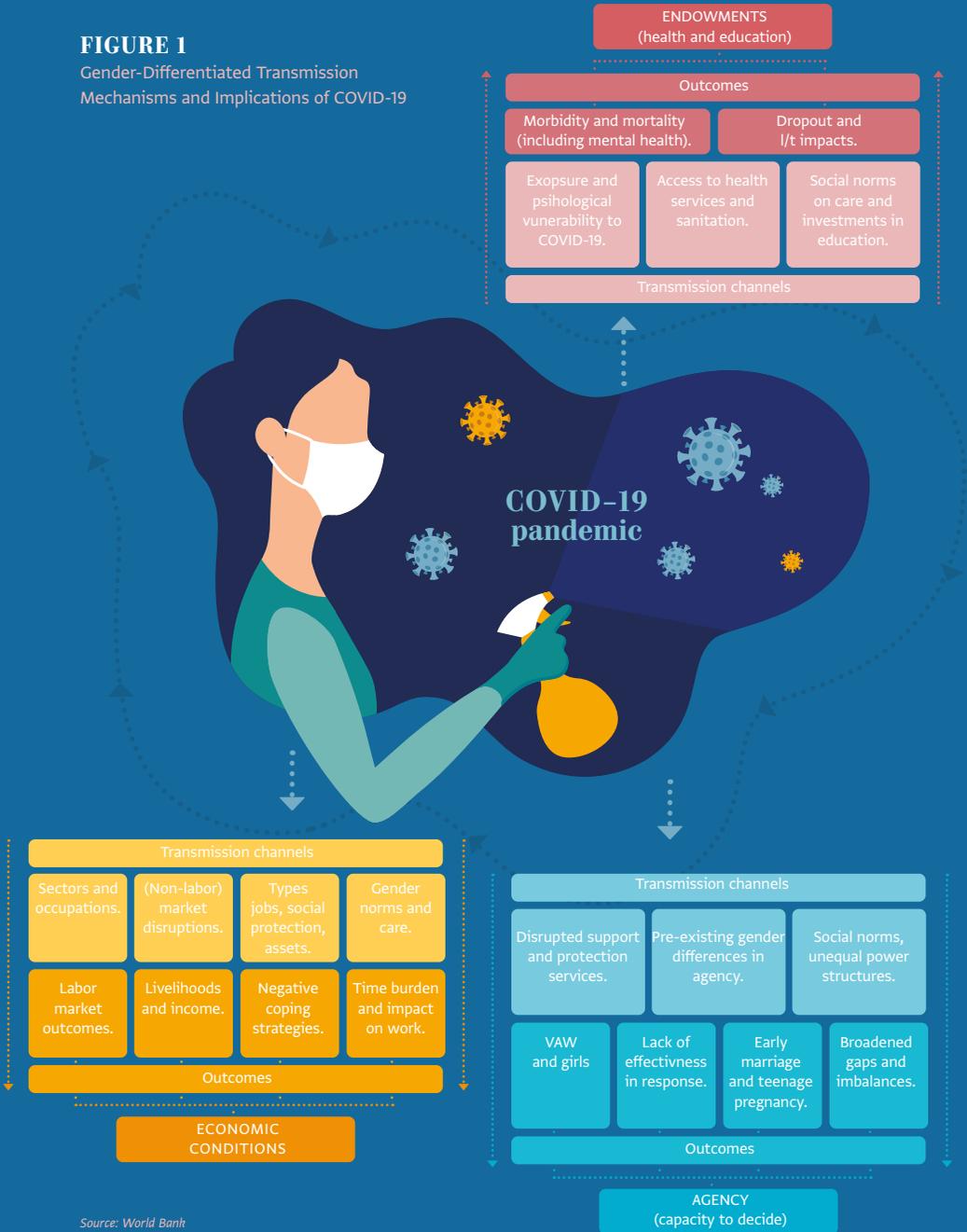
The international evidence suggests four main channels by which women are more exposed to the economic impacts of the COVID-19 outbreak. The first of these is gender segregation in the labor market (see Figure 1). Across the world, women and men work predominantly in different sectors, with women disproportionately engaged in jobs that are being hit the hardest by the crisis. They make up a large portion of workers

⁷ Data gathered in more than 20 countries by the research initiative Global Health 50/50 confirms that women are infected with the virus as frequently as men. But men are more likely to contract severe forms of COVID-19 and die from the infection. The ratio of mortality according to sex is about one-third to two-thirds. The exact reasons for higher mortality among men are still being researched.

⁸ Frontline sectors include health, caregiving, cleaning, and essential retail. For more details see section 2.1.1.

FIGURE 1

Gender-Differentiated Transmission Mechanisms and Implications of COVID-19



Source: World Bank

in frontline sectors, which must remain operative, such as healthcare, caregiving, cleaning services, and essential retail, where they are at a higher risk of being exposed to the virus.⁹ They also dominate in sectors mandated to close down completely, i.e. those that cannot be carried out remotely, such as non-essential retail, food and accommodation, leisure and culture, where they are at higher risk of being dismissed or experiencing income loss. Finally, they are often engaged in less secure types of jobs: part-time employment, informal work, self-employment in subsistence businesses, or unpaid family work, where they often experience a large gender pay gap, and where they are less likely to be covered by social benefits.¹⁰

The second is that women have shouldered a majority of the increase in household and care responsibilities. During normal times, women in OECD countries spend on average twice as much time on unpaid work as men (OECD 2020a). Thus, women have taken on the increased care demands brought about by the closure of schools, the confinement of elderly people, and the growing numbers of ill family members. Not only does taking care of the ill expose women further to the virus, but the resulting lack of time to carry out work-related activities increases the probability that many women will leave their jobs or reduce their hours, especially for jobs that cannot be performed remotely.

The third is that women's health and educational outcomes may be harder hit by the COVID-19 outbreak. Women are more likely to be exposed to the virus due to gender segregation in the labor market and unequal distribution of caregiving activities within the household. In addition, the shift of public resources toward the public health emergency can also pose a risk to sexual, reproductive, and maternal health services, particularly where a health system's resources are highly constrained: limits on access to reproductive health for example might increase unwanted pregnancies. In addition, a traditional preference for educating boys may increase the possibility that school closures and limited access to distance learning will lead girls to fall behind on learning activities and drop out of school. This is particularly likely to affect girls from minority backgrounds whose educational outcomes are already not on a par with those of boys: in Croatia, 78 percent of Roma girls leave school early, as compared to 60 percent of boys (FRA (European Union Agency for Fundamental Rights) 2016).

Finally, women's agency is likely to suffer. One particularly egregious example is violence against women. Patriarchal norms, economic uncertainty, and stress combined with confinement measures and

⁹ Women make up the majority of health and social care workers around the world: 70 percent in 104 countries (World Bank, 2020b).

¹⁰ Globally, nearly 40 percent of women in wage employment are estimated to lack access to social protection (World Bank, 2020b).

disruptions in services have already triggered disturbing increases in domestic violence across countries affected by COVID-19: EU Member States reported up to a 60 percent increase in emergency calls by women subjected to violence by their intimate partners in April 2020, compared to April 2019.¹¹

1.3 Methodology and data sources

This note uses quantitative and qualitative data to shed light on how the COVID-19 pandemic has affected and will continue to affect women in Croatia. The theoretical framework used to unravel the different mechanisms and channels of transmission is summarized in Figure 1, and is in line with the main gender gaps identified in the *2019 Croatia Country Gender Assessment*: barriers to access to economic opportunities (low female labor force participation, high gender wage gap, women’s entrepreneurship often chosen as a last-resort option, limited availability of care structures forcing women to take up the bulk of household chores and caring for children and the elderly); gaps in assets (financial assets, financial and digital literacy); and constrained agency (pervasive traditional gender norms and patriarchal society, especially for Roma and rural women) (World Bank 2019).

This note uses the most recent available data sources from Eurostat, the Croatian Employment Services and the European Bank for Reconstruction and Development (EBRD) to understand the impact of the pandemic on gender gaps in Croatia. It combines those tertiary data with the findings of rapid qualitative and quantitative research conducted by the World Bank during the lockdown in April/May 2020 (described in further detail below) to delve deeper into the mechanisms of gender disadvantage and better understand the realities of life for women in Croatia during the pandemic.

The note uses the most recent data available from the Eurostat Labor Force Surveys (LFS) to construct a 2019 pre-COVID baseline of Croatian women’s participation in the labor market. These data complement and update the information gathered for two reports published by the World Bank in 2019 and early 2020: the gender assessment (*Croatia Country Gender Assessment*), and the determinants of Croatian women’s labor force participation (*Encouraging Women’s Economic Opportunities in Croatia: Empirical Evidence of Determinants and Policy Advice*).

¹¹ <https://unric.org/en/who-warns-of-surge-of-domestic-violence-as-covid-19-cases-decrease-in-europe/>.

In addition, the note uses the most recent data from the Croatian Employment Services, which records monthly information on registered jobseekers, thereby allowing trends in labor market participation to be tracked through the lockdown and after it was lifted in June 2020.

Finally, the note draws on rapid qualitative and quantitative surveys fielded during the lockdown in April/May 2020. The objective of these two surveys was to identify the key determinants of economic empowerment and identify the barriers explaining low labor force participation among women in Croatia in relation to the COVID-19 crisis. The surveys focused on women alone. The reason for this exclusive focus on women was a desire to go beyond the identification of gender gaps—the data from the CBS, Eurostat, and the Bank’s rapid household surveys were utilized for that. The women-only surveys, in contrast, provide a more in-depth understanding of which barriers Croatian women have experienced during the pandemic and how this impacts their lives.

- The quantitative survey interviewed a nationally representative sample of 500 women, and consisted of questions relating to labor force participation, the impact of COVID-19 on earnings and job security, as well as a section on social norms and behavioral changes within the household during the lockdown.^{12 13}
- The qualitative analysis was based on 20 in-depth interviews with key informants from the public sector (municipal governments, regional development agencies, entrepreneurship centers, schools, kindergartens, etc.), private sector (firm representatives, human resources managers, women’s business networks) and civil society working in the area of economic empowerment of women, including trade unions.

When relevant, data from EBRD’s Life in Transition Survey-III (LiTS-III) are used.

¹² The quantitative survey was implemented by IPSOS over the phone. Although nationally representative, the sample is biased towards more educated and more urban women since it is using IPSOS sampling framework, and not the latest Croatian census (as do the LFS and other surveys implemented by the central bureau of statistics).

Women of working age in survey	COVID-19	LFS 2019
Less than upper-secondary	21.8	16.5
Upper-secondary	35.8	54.6
Tertiary	42.4	28.9

¹³ Due to the small sample size, the report presents few disaggregated statistics (mostly by 3 education groups). In addition, due to the limited number of individual and local covariates, the report refrained from presenting multivariate analysis, and focused on descriptive statistics (which are only displayed when statistically significantly different from one group to another).

2 Gender gaps in Croatia are exacerbated by the COVID-19 crisis

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2 Gender gaps in Croatia are exacerbated by the COVID-19 crisis¹⁴

“Parents who were forced to be at home and work from home had to practically educate their children. I emphasize, I think that the burden primarily fell on the mothers, which means that they were in a more difficult situation again because they certainly worked from home, for who knows how many hours. And then they were with the children and cooking.”

– Zagreb, school system key informant

2.1 Impact on women’s economic opportunities

2.1.1 Women are hit harder because of occupational segregation in the labor market

Croatian women are disproportionately engaged in jobs that are being hit the hardest by the COVID-19 outbreak (see Figure 2) 52 percent of women are engaged in essential sectors, education, and sectors mandated to close down,¹⁵ compared to 18 percent of men, predominantly in retail and health (respectively 15 and 9 percent, compared to 6 and 2 percent) (Eurostat 2019, lfsa_egan22d). Gender segregation in sectors and occupations will lead to different impacts depending on whether the jobs are sustained as is (health, essential retail), if they allow for telecommuting, if they are in counter-cyclical industries (government, education), or if they are at higher risk of being lost. The European Institute of Gender Equality (2020) has stated that the closure

¹⁴ References to women in the following section always refer to Croatian women if not stated otherwise.

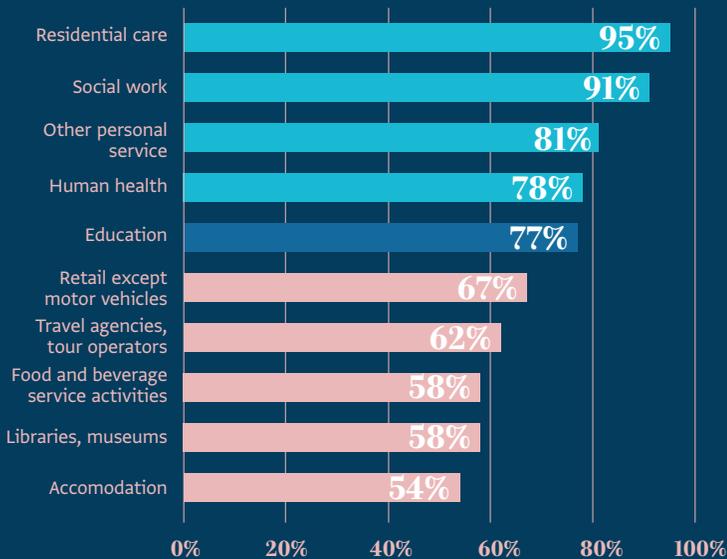
¹⁵ Essential sectors consist here of residential care, social work, other personal services, human health. Sectors mandated to close down consist of retail except motor vehicles, travel agencies and tour operators, food and beverage, libraries and museums, accommodation (NACE Rev. 2 classification, 2-digit levels).

or near closure of businesses could have a particularly severe effect on women-dominated professions (such as flight attendants, hairdressers, and tour operators), and unpaid care work will continue to increase.

Croatian women dominate in frontline sectors that must remain operative, such as health, caregiving, cleaning, and essential retail, where they have been especially exposed to the virus during the course of the pandemic (see blue bars in Figure 2). Women make up 95 percent of residential care workers, 91 percent of social workers, and 78 percent of health workers (Eurostat 2019). Even within the health sector, women and men are unequal, with women under-represented among higher positions, such as physicians, dentists and pharmacists, but over-represented among nurses, midwives, and other health workers (OECD 2020b). Fourteen percent of women taking care of the sick and the elderly were fired in the first month of the pandemic, as compared to only 3 percent of health professionals such as nurses and medical doctors (World Bank COVID-19 quantitative survey 2020).

FIGURE 2

Share of Women per Sector of Activity, 2019



Source: Eurostat LFS 2019 (lfsa_egan22d); World Bank computations.

Note: Women ages 15 to 64.

With the closure of schools, women engaged in the education sector had to adapt quickly to new ways of interacting with pupils—teaching through videoconferences, providing and correcting homework via email, checking on the most vulnerable students—which given the IT divide, may be an additional challenge: 1 in 4 households located in rural areas have no access to the internet, as compared to 1 in 5 households in cities. Similarly, 1 in 3 households in the poorest quartile are not connected to the internet, when all households in the richest quartile are (Eurostat 2019, isoc_ci_in_h). As a consequence, the most vulnerable are less likely to have appropriate digital skills: only 34 percent of individuals in the poorest quartile have basic or above basic digital skills, as compared to 90 percent of individuals in the richest quartile (Eurostat, 2019, isoc_sk_dskl_i).

Croatian women are overrepresented in the education sector, where they make up 77 percent of those working in education.

Croatian women also dominate in sectors that were mandated to close during the lockdown and were the last to reopen, where they are at higher risk of being dismissed. (see pink bars in Figure 2). Two out of three workers in the retail sector are women, while women similarly predominate in leisure and hospitality: 62 percent of travel agents and tour operators are women, 58 percent of food and beverage jobs are held by women, and 54 percent of accommodation staff (hotels, guesthouses, etc.) are women (Eurostat 2019). These findings are in line with the gender disparity reported by Facebook/OECD/World Bank (2020): in Europe, female-led businesses are 6 percentage points more likely to be closed compared to male-led ones, as they are significantly more likely to be concentrated in the sectors most affected by public health restrictions on business. Between February and April 2020, the number of newly registered unemployed women went from under 8,000 to 14,000, as opposed to an increase from 6,400 to 11,500 for men. Few additional men or women registered as newly unemployed in May, but figures went up again in June, with the increase in the number of newly registered unemployed much higher for women than for men, suggesting that immediately after the lockdown, women were more likely to return to jobs in sectors that did not go back to pre-pandemic levels of activity (such as tourism for instance) and were subsequently laid off (see Figure 3).

Similarly, Croatian women were more likely to stop working, even temporarily, than men. In March 2020, 26 percent of women with a job pre-crisis stopped working, compared to 22 percent of men. Moreover, the impacts of COVID-19 on work stoppage are more severe for women (World Bank Croatia Rapid Assessment Survey 2020). In April 2020, 60 percent of women who were no longer working reported the reason was business bankruptcy or temporary closure due to COVID-19. Meanwhile, this rate is significantly lower among men, at only 44 percent (Figure 4).

FIGURE 3

Registered Unemployment Entries and Exits by Gender, 2020



Source: Croatian Employment Services, October 2020.

FIGURE 4

Reasons to Stop Working



Business went bankrupt or temporarily closed due to COVID-19



Needed to take care of kids at home



■ March ■ April

Source: Croatia Rapid Assessment Survey 2020.

Croatian women engaged in the hospitality sector were particularly vulnerable. According to the World Bank COVID-19 quantitative survey, 9 percent were laid off immediately at the outset of the lockdown in the two months prior to the survey and an additional 27 percent were expecting to be fired (compared to 1 and 5 percent, respectively, in non-essential sectors).¹⁶ In addition, 53 percent of women in hospitality and 47 percent of women in retail had to use their vacation days during the lockdown, compared to 25 percent in non-essential sectors. Indeed, the policies of some employers—such as prohibiting remote and part-time work or use of vacation days—make it difficult for women to continue to work while staying at home and caring for small children.

“We are receiving a series of complaints from women employees that had a working obligation during lockdown with children under the age of 12, where the employer did not enable work from home. These women received threats for job termination, so we went with a public appeal to companies. We also asked for the engagement of the state labor inspectorate to prevent such direct discrimination of women because they were de facto threatened and blackmailed with the termination of employment.”

- Zagreb, national-level key informant

2.1.2 Women are engaged in less secure forms of employment

Because of their much greater engagement in vulnerable forms of employment, women are at greater risk of being affected by the crisis than men. Women are more likely than men to be engaged in informal or part-time work, self-employment, domestic work, or helping out with agricultural work, often without receiving remuneration.

Part-time work represents 6.7 percent of total female employment, or more than twice that of men’s at 3.1 percent (Eurostat 2019). This may reflect higher flexibility for women, but data suggest that it also could not be out of choice and out of necessity that women are engaged in part-time work, suggesting hiring discrimination: 17.1 percent of female employees cannot find a full-time or permanent job, as compared to 14.6 percent of male employees (Eurostat 2019). The OECD (2017), as well as the more recent qualitative interviews with key informants,¹⁷ also highlight that women’s self-employment is often driven by necessity: female entrepreneurship is often a passive choice motivated by a lack of better options (salaried jobs are not available), rather than by an active

Working women have lower income security due to their work arrangements.

¹⁶ Here, essential sectors include essential retail, hospitality, childcare, care for the elderly and sick, cleaning services, and health, and non-essential sectors refer to all other sectors of activity that were not on the frontline

preference for self-employment.¹⁸ This lack of better options is why older women (and men) are more likely to revert to entrepreneurship: 1 in 5 active women over the age of 55 are self-employed, as compared to less than 1 in 20 among women below the age of 34 (World Bank 2020a).¹⁹ Female entrepreneurs often run subsistence-level activities and micro craft-businesses: 59 percent of female-owned businesses have no employees, as compared to 52 percent of male-owned businesses (Eurostat 2019). Finally, women are more likely than men to be engaged in low-quality employment (6.4 percent vs 5.8 percent)²⁰ (Eurostat 2019). This is in line with the higher share of working women engaged in informal work compared to men²¹ (21 percent vs 19 percent) (LFS 2017).

As a consequence of being more likely engaged in informal employment, a large number of women lack basic formal social protections, such as unemployment insurance, pension contributions, and health insurance. Indeed, registered unemployed women are much less likely to receive unemployment benefits; depending on the duration of unemployment, at least 40 percent of men receive unemployment benefits, while at most 30 percent of women receive unemployment benefits (Eurostat 2019).

Mobility restrictions (including the closure of borders and the slow-down of transborder economic activity) may have disproportionately affected the livelihoods of domestic workers and the small-scale self-employed, areas in which women are overrepresented. According to qualitative data, women make a higher proportion of trips on foot and by public transport across Croatian regions and European countries (which also exposes them more to the virus), while men make more trips by car and motorcycle.

Women may have also lacked simple options to continue carrying out their work due to the lockdown measures.

Employment opportunities are less favorable for women, who are then more likely to be the first ones to exit the labor market. Women are paid less²² and are less likely to advance to leadership positions; in times of crises, they are the most likely to be sacrificed, from both

¹⁷ See Annex for more details.

¹⁸ Croatia has one of the lowest entrepreneurship rates — both male and female — within the EU (Eurostat 2017).

¹⁹ Notably, younger men are much less likely to be entrepreneurs than their older counterparts: only 3 percent of active men ages 25-29 are entrepreneurs, compared to 23.4 percent of men ages 60-64. For women, the percentage is low in both age groups, with 3 percent for the younger age group, and 8.5 percent for the older. Older males are more likely to become entrepreneurs, while women's entrepreneurship is low to begin with and gets slightly better with age.

²⁰ The “Quality of Employment” framework developed under the lead of the United Nations Economic Commission for Europe (UNECE) represents a neutral and comprehensive approach to assess quality of employment in its multiple facets. It defines 68 indicators on seven dimensions that address employment quality from the perspective of the employed person.

²¹ Informal work is defined as unpaid family workers, self-employed/owner of small firm (5 or fewer employees), self-employed workers in nonprofessional occupations, employees in small firms (5 or fewer employees).

²² The Croatian gender-pay gap is 10.5 percent (Eurostat 2018, sdg_05_20).

the supply and demand sides. First, women are more likely to be laid off because they are less likely to be in positions where they can decide who stays and who leaves. Second, women who have a partner are more likely to step down from their job to take on additional responsibilities at home, as they generally earn less. This is mainly the consequence of gender discrimination related to the expectation that family comes first for women, and of women's poorer negotiation skills.

“If we scratch a little below the surface, we will see that women compete in operational positions, in positions where shift work is done, etc. This pyramid is still very present and very rarely we find women in the highest management positions. This is not a glass ceiling, but barriers at every step of progress. The further we go up the hierarchy, the smaller the number of women. Very often women save energy at work because they know what awaits them at home, so then this level of ambition is not as pronounced in women as in men. Men can afford to give a lot more of themselves to work than women can. Declaratively, everyone is committed to this gender equality, and in reality, women continue to lose the battle in the labor market if we look at equality.”

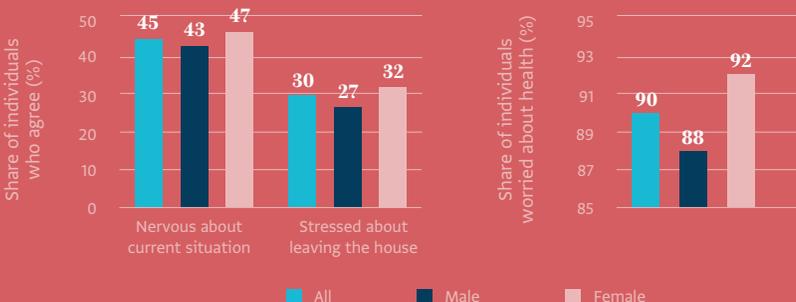
- Zagreb, business-level key informant

In June 2020, 84 percent women reported being worried about the economic wellbeing of themselves and their family members, compared to 75 percent of men. Moreover, women had more stress in multiple dimensions, from worrying about health to anxiety about the current situation (Figure 5).

The level of stress from economic worries because of the pandemic is much higher among women than men.

FIGURE 5

Mental Health



2.1.3 Women display low levels of labor force participation

More generally, Croatia displays a large gender gap in labor force participation—for certain demographic groups—which limits women’s income sources. Despite recent improvements, Croatia’s gender gap in labor force participation rates remains at 10 percentage points, with 72 percent of men engaged in the labor market, and only 62 percent of women (see Figure 6). Differences across sociodemographic characteristics are telling: only 25 percent of women with less than an upper-secondary education are active in the labor market. Women are 30 times more likely than men to attribute this to care responsibilities: indeed, 6.2 percent of women who are not looking for a job say it is because they must care for another family member, compared to just 0.2 percent of men (Eurostat 2017). Older women and Roma women are also less likely to participate in the labor market (49 and 56 percent, respectively).

As a consequence, women are less likely to be covered by the COVID-19 stimulus packages targeted at working adults. Since the onset of the outbreak, the Government of Croatia has rolled out two programs targeting working adults (an HRK 4,000 wage subsidy per employee in qualifying sectors, and HRK 4,000 for entrepreneurs facing difficulties). However, there has not been any vertical or horizontal expansion of social assistance programs during the crisis, such as guaranteed minimum income, family benefits, or means-tested programs for the poor, leaving out the most vulnerable.

FIGURE 6

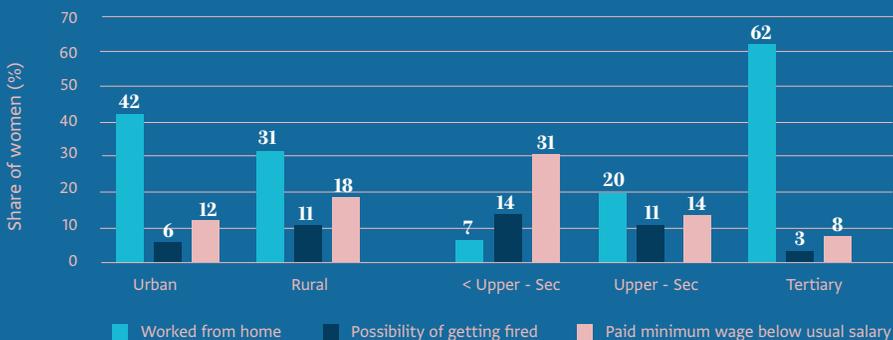
Labor Force Participation, 2019



Source: Eurostat, LFS 2019; FRA, EU-MIDIS-II 2016; World Bank computations.
Note: All groups ages 15 to 64, unless otherwise mentioned.

FIGURE 7

Ability to Adjust to COVID-19 Outbreak, Select Indicators, 2020



Source: World Bank COVID-19 quantitative survey 2020.

2.1.4 Women in rural areas or with less education are hard hit

Women with low levels of education and those living in remote rural areas were less likely to be able to economically cope with the lockdown (see Figure 7). Working from home is often not an option; while 62 percent of tertiary-educated women could work from home, only 7 percent of women with less than an upper-secondary education had that possibility. The key reason is that the jobs of less-educated women cannot be carried out remotely. Similarly, 42 percent of urban women could work from home, while only 31 percent of rural women could (World Bank COVID-19 quantitative survey 2020).

2.1.5 Women shouldered the increase in care demand and chores

“Your kids are at home all the time, all the homework. It’s not just working from home with kids; it’s working from home in a situation where your business is falling apart.”

- Zagreb, business-level key informant

Traditionally the ones to carry out caregiving roles, they faced an increased burden in the wake of school closures, with working mothers finding themselves even more stretched than usual in trying to juggle home-based work, home-schooling, childcare, and housework, especially when outside help was unavailable (e.g. extended family including grandparents,

Women experienced a significant additional pressure on their time due to the lockdown.

babysitters, cleaners, etc.). This was especially the case for single parents, the vast majority of whom are single mothers.

In about 40 percent of the households, women are likely to be shouldering most of care activities, reducing the available time to engage in work and paid activities. Prior to the onset of the pandemic, families with two adults and at least one person aged 65 and over represented 16 percent of the population, households with two adults and overdependent children, 21 percent, single parent families, 2 percent (Eurostat 2019, ilc_lvph04).

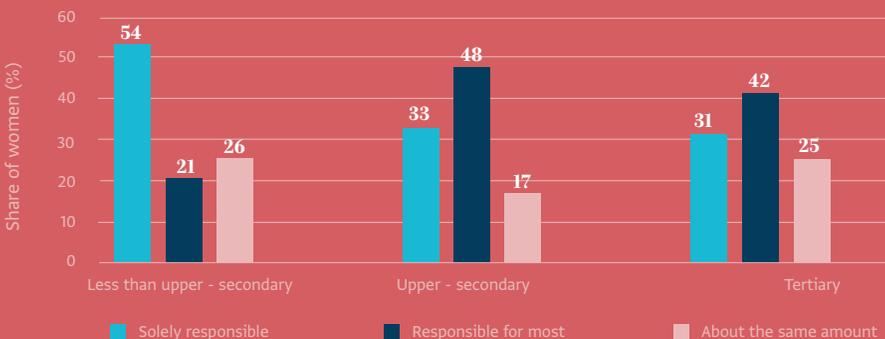
The World Bank COVID-19 survey revealed that 76 percent of women were mostly or solely responsible for household chores. Less-educated women were disproportionately hit by the unequal intrahousehold division of chores: while 31 percent of tertiary-educated women were solely responsible for household chores, 54 percent of women with less than an upper-secondary education had to take care of everything on their own (see Figure 8).²³ Less-educated women thus face mutually reinforcing barriers, with low labor force participation, limited social protection coverage, and more stringent traditional gender norms.

Women report that household chores took up the lion's share of their time during lockdown.

²³ The difference between less than upper-secondary and tertiary is significant at the 99 percent confidence interval in a multivariate regression including age, type of activity, county, urban/rural breakdown, and size of settlement.

FIGURE 8

Time Spent Doing Household Chores by Education Level, April/May 2020



Source: World Bank COVID-19 quantitative survey 2020.

Note: numbers may add up to more than 100 percent, because of rounding up. In the case of upper-secondary and tertiary, the numbers add up to 98 percent, because 2 percent of the population did not answer.

“I think this situation is very disadvantageous for women. Our society imposes that it is the woman who will primarily take care of the children and the family, even though there is now some equality. It is again up to the woman to take on the role of teacher, housewife, cleaner, and at the same time to work on her survival and family survival. Now there are multiple roles that have been imposed.”

- Brod-Posavina County, county-level key informant

The disproportionate reduction in available working time for women has a negative impact on women’s competitiveness compared to men, potentially prompting many women to leave their jobs. The prevalent social and gender norms and the bargaining power of Croatian women vis-à-vis men in the household means that in most cases, reductions in working time or decisions to prioritize one job in the household will be made to the detriment of women, especially if they earn less than their partner. Unable to cope with the surge of responsibilities, many women risk dropping off and permanently exiting the labor market. Indeed, Figure 3 shows that in the immediate aftermath of the lockdown being lifted, men were more likely to return to the labor market, although, by August 2020, gender differences seemed to have narrowed.

“And while in the countryside there are multigenerational families, traditional approach, division of responsibilities, but there are also households that need to be taken care of in terms of garden, land, domestic animals. Then there are more obligations and then somehow it is more logical to expect a woman to participate more. And then how much time there is for career development is very difficult to estimate.”

- Međimurje County, preschool system key informant

Limited availability of early childhood education and care (ECEC) and the gender pay gap are other major factors explaining gender bias. If Croatian women shoulder most of the surge in the demand for care within households because of gender norms dictated by a traditional and patriarchal society, the gender bias is being reinforced by the limited availability of ECEC and the large gender pay gap. Prior to the COVID-19 outbreak, the participation of Croatian women in the labor market was already slowing down because of difficulties in finding available and affordable kindergartens. In addition, Croatian women earn on average 88 percent of their male counterparts’ salaries (World Bank 2020a).

However, there are early signs that the pandemic may be bringing about some change in terms of intrahousehold allocation of care work in Croatia. The quantitative survey has shown that in households with children, men are more open to supporting women in shouldering the

extra work at home. As a consequence, according to the survey, women and men were equally involved in homeschooling (World Bank quantitative COVID-19 survey), and 22 percent of households were sharing household chores equally. In addition, the vast majority of women (76 percent) saw no impact from COVID-19 on their relationship with their partner.²⁴

2.2 Gaps in endowments

2.2.1 With lower digital and financial skills and social networks women are less prepared to find alternative options for earning an income

From an education perspective, women are less likely to be able to participate in adult and life-long learning, and as a consequence, have worse financial and digital literacy than men. On average, only 50 percent of women have basic or above basic digital skills, which is 7 percentage points lower than men. The differences become starker at lower levels of education: 12 percent of women with low formal education have basic or above basic digital skills, as compared to 23 percent of men, while the rates reach respectively 86 and 90 percent among women and men with high formal education (Eurostat 2019, isoc_sk_dskl_i).

The lack of a social network, social capital, and political connections (which turn out to be quintessential to succeeding in Croatia (EBRD 2016)), is a consequence of the limited time women have at their disposal to engage in activities outside the home. With the limited availability of child and elderly care, and the burden of household chores, Croatian women have little time to network.

Women have fewer social networks to realize economic returns in times of crises.

2.2.2 Women were more affected by disrupted access to healthcare

Inequality of access to healthcare during the pandemic is a concern: access to key services such as sexual and reproductive healthcare was impacted during the public health emergency, with negative consequences for women. Throughout the pandemic, it was more difficult to access abortion services in hospitals, as resources and capacity were directed toward the hospital sectors most in need, the services were not ready to follow the new safety rules, and terminations are mostly done in major cities, to which it was forbidden to travel. In addition, more restrictions were placed on pregnant women, such as not allowing partners in hospitals during delivery.

²⁴ This may reflect IPSOS' bias towards more urban and educated households.

COVID-19 impacts on budgets, i.e. the shift of public resources toward meeting the public health emergency risk, could negatively impact the availability of sexual, reproductive, and maternal health services, particularly where a health system's resources are highly constrained. Increased maternal health risks arise from reduced access to health services and fear of contagion in maternity wards, while limits on access to reproductive health might increase unwanted pregnancies.

2.3 How the COVID-19 crisis has impacted women's agency

The unequal impact of the COVID-19 outbreak on men and women in Croatia has been intensified by persistent patriarchal social norms. Traditional gender roles define women as caretakers and homemakers, while men are defined as breadwinners. Fourteen percent of men believe that women are not as competent as men to be business executives and 36 percent believe that men make better leaders than women (EBRD 2016). More worrisome is that women also tend to believe men are better placed than they are to shoulder responsibilities: 23 percent women believe that men make better leaders (EBRD 2016). As a consequence, the fact that women have taken on most of the household activities (taking care of children and household chores) during the pandemic is not surprising.

Croatian women are less likely than men to have access to services from financial institutions and loans, because of a lack of collateral, since assets are traditionally registered under men's names. With the economic downturn caused by the COVID-19 crisis, Croatian women are thus less likely to have access to collateral to request additional loans, or delays in bank payments, or to obtain funds to start up a business after being dismissed. The lack of start-up capital for women entrepreneurs is very much tied to the issue of property ownership and it is again more pronounced in rural areas, where ownership is almost exclusively in the hands of men.

Patriarchal social norms also determine access to assets, for instance, related to land ownership and use, inheritance, and finance.

“Because they don't have their own property. Because usually the property is in the man's name. In a family where a husband and wife have a cooperative relationship, the husband will mortgage the property, but in most cases the woman does not have the property to pledge independently for a line of credit.”

- Brod-Posavina county, County-level key informant

The Croatian parental leave system reinforces existing gender biases, as fathers can decide whether or not to use part of the parental leave with no obligation. The leave is split between maternity and parental leave: maternity leave lasts for the first six months of the child's life (with mandatory leave of 28 days prior to the birth and 70 days

after the birth), while the parental leave lasts for six months if used by one parent, and eight months if used by both parents. While fathers are increasingly more likely to take time off (in 2019, 8.7 percent of fathers used parental leave, as compared to only 4.5 percent in 2014), mothers still bear the bulk of the childcare burden in a child's first year of life.

As such, they are not paid, and do not have access to basic social protection rights: health insurance, sick leave, unemployment insurance, a pension. Again, gender norms are important determinants: 31 percent of men and 22 percent of women believe that women should do most of the household chores. Nearly one in two men believes it is better for everyone involved if the man earns the money and the woman stays at home, and 38 percent of women share this view (EBRD 2016).

Due to social norms, women who stay at home, work the land, or help the family business are often invisible auxiliary workers.

Finally, an increase in gender-based violence (and its severity and frequency) due to confinement was reported by NGOs. The Parliamentary Committee for Gender Equality reported a 43 percent increase in domestic violence in Croatia in 2020 compared to the same period the previous year,²⁵ which corresponds to evidence reported by NGOs.²⁶ Numbers might actually be higher than reported, as proximity within the household may make it more complicated for women to seek help.²⁷ Access to safe houses has become even more restricted due to the limited capacity of shelters, most of them already operating at full capacity. Some shelters were reported to be full during the pandemic and could not accept new users.²⁸ Six counties do not even have shelters, and in the state budget for next year, the funds for the Gender Equality Ombudsman have been reduced by one million kuna.²⁹ The stretched capacity of response services might reduce the protection and support available, contributing to a heightened perception of impunity among perpetrators.

“We record increases in violence in moments when families gather after Christmas, Easter and the like. So, we were ready for that from the very beginning. It’s something that happened. We continued to work, aiding via email and phone. But yes, we have certainly recorded a greater number of calls as far as the violence itself is concerned.”

- Zagreb, national-level NGO key informant

²⁵ <http://hr.n1info.com/Vijesti/a579713/U-Hrvatskoj-ove-godine-43-posto-vise-kaznenih-djel-obiteljskog-nasilja.html>

²⁶ Croatian media outlets have comprehensively reported on this issue. One example can be found here: <https://www.total-croatia-news.com/news/46753-domestic-violence>

²⁷ Anecdotal evidence points to fewer calls being made during the lockdown, as women in “family isolation” were less able to call because of the close presence of the perpetrator in the house (Mirjana Kučer, Domine association in Split).

²⁸ <https://www.sabor.hr/hr/press/priopcenja/odrzana-sjednica-odbora-za-ravnopravnost-spolova-o-porastu-nasilja-u-obitelji-u>

²⁹ <http://hr.n1info.com/Vijesti/a579713/U-Hrvatskoj-ove-godine-43-posto-vise-kaznenih-djel-obiteljskog-nasilja.html>

3 Gender dimensions of the economic recovery of Croatia

- 3.1 Government-led responses may not reach the most vulnerable population groups, including vulnerable women 38
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3 Gender dimensions of the economic recovery of Croatia

3.1 Government-led responses may not reach the most vulnerable population groups, including vulnerable women

Government measures for the COVID-19 pandemic are mainly focused on the economy and perceived primarily as support to businesses, without an assurance that all employers will really direct the financial help to their employees. The response by the Government of Croatia to the crisis has been swift and well organized but will push public debt close to 90 percent of GDP. In only four weeks, two emergency packages were approved aiming to: (i) secure jobs and income; and (ii) provide liquidity to firms, including small and medium enterprises, that have been hit the hardest by the crisis (see Box 1 below). These were supplemented by additional support measures. The cost of these packages is estimated at 15 percent of GDP. The measures, coupled with a steep decline in tax revenues, are expected to result in a fiscal deficit of around 7 percent of GDP in 2020 (from a small surplus over the past three years).

Social protection COVID-19 measures are targeted at working adults in the formal sector – leaving out the most vulnerable population groups. There is a visible lack of social measures responding to the COVID-19 crisis directed at most vulnerable groups, such as informal workers, the elderly and pensioners, and families and children living in poverty, who face the risk of lower education quality due to poor living conditions and even the risk of the inability to meet basic needs. This is particularly the case for women, who represent 55 percent of the population at risk of poverty (Eurostat 2019, ilc_li02).

The impact of the pandemic may reverse the process of poverty reduction. Recent progress in poverty reduction has depended largely on growth, and, in particular, on improvements in labor market conditions. Since 2013, faster growth has translated into significant

Box 1: Croatia - COVID-related Social Protection Measures in the Wake of the COVID-19 Pandemic

- **Social security contributions** - For firms that qualify for support in line with established criteria, the Government of Croatia will pay pension contributions for both the public Defined Benefit scheme and funded Defined Contribution individual accounts for three months (with a possible extension of another three months). The Government has also approved grants to support reduced working hours and grants for preservation of jobs for people with disabilities.
- **Grants** - for support of shortened working hours
- **Wage subsidies** - A net wage subsidy of HRK 4,000 (approximately US\$570) per employee is offered in sectors and establishments that qualify for the support. Entrepreneurs who faced difficulties preserving jobs or paying workers' salaries received a payment of HRK 4,000 per employee.
- **Tax deferral** - In addition, the Government of Croatia also instituted full or partial exemption from income tax, profit tax, and health and pension benefits for all COVID-19-stricken entrepreneurs, i.e. for entrepreneurs who have seen a year-over-year decline in revenue of 20 to 50 percent. So far, the benefit was requested by 66,000 entrepreneurs, for more than 400,000 employees.³⁰

poverty reduction, with poverty rates reaching pre-2008-crisis levels by 2016. Social assistance has played only a small role in supporting household income, partly due to the limited support the programs provide and the limited coverage of the poor. Any potential job losses from the crisis are likely to fall heaviest on low-wage earners: in 2016, nearly 40 percent of the bottom 20 percent of employed adults had temporary employment, compared to just 11 percent of the top 20 percent (Central Bureau of Statistics, Household Budget Survey 2016). World Bank Croatia COVID-19 Rapid Response Survey has shown that nearly one in three low-income workers stopped working between February and June 2020, while more than twice as many working households reported income drops (27%) compared with non-working households (11%).

3.2 Education and location are key sources of resilience for Croatian women

A woman's education is an important predictor of economic independence and resilience. Education significantly increases the chance that a woman will find a well-paying job, with better working conditions, better possibility of development, additional lifelong education, and advancement. It also provides women with a wider skill set, flexibility, and the potential to better adapt to times of crisis and new demands.

30 <https://vlada.gov.hr/vijesti/vlada-na-sjednici-donijela-mjere-za-pomoc-gospodarstvu/29137>

“I am also from a small town and I grew up in a relatively traditional family and all the attitudes I developed through life I developed in college. I literally didn’t even know until college that some things are possible, that some things can be done differently. Going to that bigger environment is sure to ‘open your eyes’ on that issue.”

– Zagreb, national-level NGO key informant

Living in urban areas also provides women with many sources of resilience to life’s adversities. These include a wider range of employment opportunities and usually better care service infrastructure. In addition, families living in urban areas usually have reduced family support, and as a consequence, rely mostly on out-of-home care services. This situation seems to stimulate the development of a more egalitarian division of household chores and childcare (World Bank COVID-19 quantitative survey 2020).

“But more fathers come to our kindergartens for parent-teacher meetings, more fathers bring their children, take them away, they are very engaged around the children. The children themselves talk about how Dad washed their hair; they baked a cake with Dad. We also have regional kindergartens, so I have a sample to compare, in rural areas we have 2 kindergartens and we have 2 kindergartens in the urban environment. There are differences. These changes I talked about are far more visible in city kindergartens, but there are also better opportunities for women to get jobs.”

– Međimurje County, preschool system key informant

3.3 High risk that women will cope by working less or leaving the workforce

Women are more likely to resort to coping mechanisms that will have a negative impact on their careers. Traditional gender norms and the gender pay gap in Croatia mean that if both partners in a household have paid work obligations, the woman is more likely to be expected to work less or leave her job to care for dependent family members. Women who are left without any source of income are also more likely to shift to the grey economy to make ends meet or start their own business as a survival strategy.

Vulnerable women are concerned that they are at a high risk to lose access to social service programs, cutting them off from much-needed resources. Key informants shared their concern that

some of the current and planned social service programs not to survive the pandemic given the shift in priorities to the economy and budget cuts at the state level. Pausing or stopping social service programs may particularly impact women living in rural areas, middle-aged women, those with low education levels, and ethnic minorities.

“We had already started the mentoring program, but the coronavirus stopped us. We can’t socialize, we can’t meet. Before the coronavirus we had a competition, women applied and they were supposed to pair women business mentors and mentees, but now this coronavirus has swept us all a bit so we will see how we will continue, how it will be later and when we will be able to meet again.”

- Zagreb, business- level key informant

4 Recommendations

In Croatia, the COVID-19 crisis did not create new discrepancies between men and women, but it exacerbated existing gaps and shined a brighter light on underlying structural reform priorities (see Box 3). The focus on Croatia's economic recovery provides an important opportunity to address these issues in a systematic manner. In doing so, the country will benefit from unlocking the economic potential of Croatian women, who will in turn be able to contribute to the country's economic recovery and growth.

In the context of the 2020 European Semester, the European Commission has carried out a comprehensive analysis of Croatia's economic policy and published it in the 2020 country report. The European Commission identifies the following challenges as reform priorities for improved gender outcomes:

- Due to low participation in the labor market, women face a high risk of poverty. The employment rate of both men and women in Croatia are among the lowest in the EU (70.3% and 60.1%, respectively, vs EU average 79% and 67.4%).
- Furthermore, due to short working lives, the risk of poverty for women aged 65+ is much higher than the EU average, which negatively affects Croatia's achievement of the UN Sustainable Development Goal 5 (Gender Equality).
- In view of the large gap in life expectancy between women and men, the lower standard retirement age for women relative to men does not help address the challenge of pension adequacy for women.
- The factors keeping women out of the labor market include caring responsibilities and domestic work. This is reflected in the low participation rate of children in early childhood education and care and the low take-up of paternity and parental leave by fathers.
- Family- and community-based care for children and people with disabilities remains underdeveloped.
- Data from 2015 show that one third of Croatian women provided care for older people or disabled relatives several days a week, one of the highest proportions in the EU.
- Long-term care spending made up only 3.1% of health care expenditure, much lower than the EU average of 16.3%. Only 13% of dependent people receive institutional care and 14% receive formal home care (EU average 23% and 31% respectively).

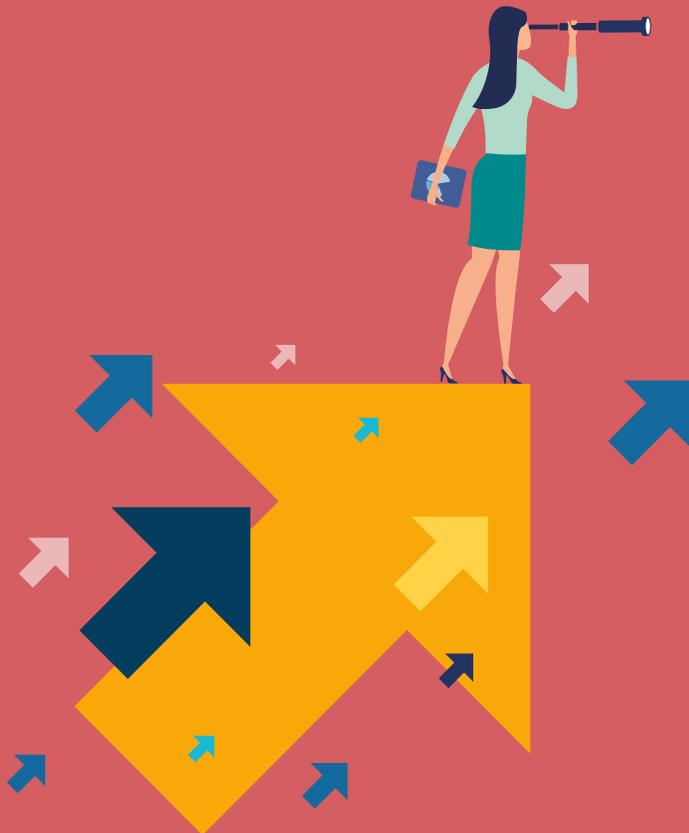
Box 2: Reform priorities identified in the European Commission Croatia Country Report 2020

- Croatia lacks a strategy for the provision of long-term care and the system is fragmented across different health and social welfare institutions.
- Participation in early childhood education and care (ECEC) has increased considerably but remains one of the lowest in the EU. In 2017, 82.8% of children aged 4 years until compulsory school age participated in ECEC, well below the EU average of 95.4%. For children under the age of three, the participation rate was particularly low at 17.8% in 2018 (EU average 35.1%, Barcelona target 33%). The ECEC participation rate for children at risk of poverty or social exclusion (from 3 years onwards) is four times lower than for children not at risk. Factors influencing the low ECEC participation rates include insufficient number of places, teacher shortages and the low activity rate of women
- Bringing more women into the labor market will require developing efficient services providing care to children and older people.

Box 2: Reform priorities identified in the European Commission Croatia Country Report 2020

Improving gender equality is smart economics and can accelerate Croatia's economic recovery. Investing in improved gender outcomes enhances economic efficiency, improves productivity, enhances development outcomes, and contributes to inclusive institutions. The IMF finds that higher gender equality—in particular by allocating female labor to more productive use—contributes to economic growth (IMF 2020).

European funds provide a strategic opportunity for Croatia to include a systematic gender lens to programming. In November 2020, the EU adopted a revamped long-term EU budget, the multi-annual financial framework (MFF) for 2021-2027 and the Next Generation EU, an emergency temporary recovery instrument, to help repair the immediate economic and social damage brought on by the COVID-19 pandemic, to kickstart the recovery. The MFF provides Croatia with an important opportunity to gender-inform investments in human development (European Social Fund Plus - ESF+), infrastructure and territorial cohesion (Cohesion Fund and European Regional and Development Fund - ERDF) and agriculture and rural development (European Fund for Agriculture and Rural Development). Next Generation EU envisages €10 billion for Croatia, €7.3 billion in the form of a grant and €2.7 billion in possible loans.



Making gender equality a substantial part of Croatia's National Recovery and Resilience Plan (NRRP) provides the opportunity to invest in an inclusive economic recovery through accessing the EU Recovery and Resilience Fund. The NRRP should be used to tackle the most pressing vulnerabilities of Croatian women and support critical actions to improve women's economic participation. Actions would need to be taken in four priority areas:

- (i) Provide active labor market services that cater to the needs of women and youth (including young women, single mothers, inactive women, youth neither in employment or training, youth with disabilities)
- (ii) Remove constraints for women's employability
- (iii) Improve opportunities for youth/female self-employment and support women and youth to start or re-start their businesses or business collectives; and
- (iv) Improve the prevention of gender-based violence.

Developing and implementing the gender dimensions of the NRRP requires a whole-of-society approach.

While the Government will be in the drivers' seat in terms of formulating the NRRP, the success of the development and implementation of high-impact actions will depend on the ability to mobilize and ensure the continued active involvement of a broad range of non-governmental stakeholders, including from the private sector and financial institutions. Civil society organizations, including NGOs and women's groups, can be important allies in gathering information about the potential or actual impact of government policies, and they should be consulted regularly. In addition, building public servants' awareness and expertise through capacity building trainings and support is also important.

Finally, gender-differentiated data and information must be available for policy makers to be able to assess the situation and develop appropriate responses.

Supporting gender analysis and sex-disaggregated data is an integral part of a strong COVID-19 response. The rapid assessment of the impact of COVID-19 on women showed that regular and nationally-representative gender-disaggregated data is available, but limited: the LFS can shed light on differences in labor force participation based on traditional definitions of labor, but not on intrahousehold allocation of time for different activities. Similarly, the Household Budget Survey can shed light on household poverty status, but not on individual lack of access to money and assets (it doesn't record individual access to technology, such as cellphones, tablets, computers, cars, or collateral and money).

This note is accompanied by a policy matrix that provides a first set of recommendations to inform the NRRP.

The matrix is meant to serve as an actionable input into the development of the NRRP and as a point of departure for a broader stakeholder process around the gender dimensions of Croatia's economic recovery.

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ANNEX:
Methodological Notes
on the World Bank
COVID-19 Qualitative
and Quantitative
Surveys

Annex: Methodological Notes on the World Bank COVID-19 Qualitative and Quantitative Surveys

Qualitative Survey

Objective

The objective of the qualitative assignment was to identify the key determinants of economic empowerment by further analyzing its barriers and specific reasons for inactivity among women in Croatia. A focus was placed on women in their reproductive years and beyond (25 years plus).

The survey was conducted in April/May of 2020, in a period when Croatia was facing social distancing and movement restriction due to the outbreak of COVID-19 in Europe. Insights about the COVID-19 crisis were also implemented as one of the survey goals.

A guiding question for this research was determining the perceived barriers, which women (25 years plus) face regarding economic empowerment (i.e. labor market participation and self-employment), including the following areas:

- **COVID-19:** Influence on existing jobs and job opportunities
- **Skills:** Lack of specific skills (with a focus on IT) that could facilitate the labor market inclusion of women and their reentry after taking time off to care for children or elderly relatives

- **Services:** Lack of long-term care options in the community/municipality (kindergarten, day nurseries, babysitters, “hired grandmothers”, in-home daycare providers, 24-hour care, care retirement home, etc.); prevalent care responsibilities (for children and/ or elderly family members)
- **Mobility and infrastructure:** Lack of transport/connectivity to care option
- **Entrepreneurship opportunities:** Hesitance to use existing entrepreneurship support programs
- **Norms:** Traditional norms about who needs to be responsible for care in the family; gender norms in the public and private sector (e.g. role of unions protecting employees and opposing flex and telework; discriminatory behavior during job interviews with women, etc.)
- **Networking:** Hesitance to utilize networks; lack of job-share options

Target group, data collection method and sample

The qualitative analysis was based on 20 in-depth interviews with key informants from the public sector (municipal governments, regional development agencies, entrepreneurship centers, schools, kindergartens, etc.) and private sector (firm representatives, human resources managers, women’s business networks) and civil society working in the area of economic empowerment of women, including trade unions.

The most important criteria in choosing key informants was their competency with the theme. An additional criterion was regional dispersion with one to two in-depth interviews conducted per specified county of interest (Istria, Brod-Posavina, Sisak-Moslavina, Šibenik-Knin, and Međimurje counties).

The rest of the key informant interviews were conducted with relevant stakeholders regardless of their location.

The interviewed key informants disaggregated by type and level of organization are as follows:

- **National Stakeholders**
 - Central government/independent agencies - Office of Gender Equality, Ombudswoman (N=2)
 - Private sector - Associations, successful women entrepreneurs (N=4)
 - Civil Society/NGOs (N=1)
 - Academia (N=3)
 - Preschool system (N=1)
 - School system (N=1)

- **Local Stakeholders**

- Local government - County prefects, Regional Development Advisors, mayors (N=7)
- Civil society - NGOs working on entrepreneurship, women's issues, minority organizations (N=1)

Quantitative Survey

For the quantitative survey, a nationally representative sample of 500 women were interviewed on questions relating to labor force participation, the impact of COVID-19 on earnings and job security, as well as on social norms and behavioral changes within the household during the lockdown. The interviews were carried out by IPSOS in April/May 2020 and interviewees were reached by phone.



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