CROATIA

Where are we since the COVID-19 outbreak?

June 2021

THE WORLD BANK
### COVID-19 Rapid Response Household Surveys

**Survey representing Croatian households**

| **Timing** |  
| --- | --- |
| • Round 1: June 2020 (completed) | 
| • Round 2: December 2020 (completed) | 
| • Round 3: March 2021 (completed) | 
| • Round 4: June 2021 (completed) | 
| • Round 5: September 2021 (planned) | 

| **Sample size** |  
| --- | --- |
| • 1500 households | 
| • containing 4,288 individuals (3,614 adults and 674 children) | 

| **Geographic coverage** |  
| --- | --- |
| • Representative of rural and urban areas | 

| **Survey content** |  
| --- | --- |
| • Demographic indicators | 
| • Pre- and during- COVID-19 (employment, income, savings, opinions, children’s education and health) | 

| **Similar surveys in other countries** |  
| --- | --- |
| • Bulgaria, Romania, Poland | 
| • The survey design is also linked to the World Bank global rapid assessment monitoring framework |
KEY FINDINGS

Employment and financial outlook

June 2021 shows early signs of recovery of employment, but low-wage workers and women still fall behind.

- By June, 18% of pre-crisis workers were still out of work, down from 30% during the first wave of the pandemic.
- But the level of work stoppage among low-wage workers is double the one among top-income earners, at 22% and 12% respectively.
- Similarly, 20% of pre-crisis female workers have not been back to the labor market, compared to 15% of men.
- Both low-wage workers and women were also more concerned with the economic conditions and the job market.

Work disruption continues to lead to households’ deteriorating financial wellbeing. Financial outlook of 2021 is not good.

- 19% of Croatian households reported a decline in income.
- 73% of Croatian households have no or insufficient savings to weather the prolonged crisis.
- Looking ahead, nearly 70% of the population believed their financial situation in 2021 would not be better than 2020.
- Similar trend is observed when looking at consumer confidence.
KEY FINDINGS
Government’s policies and vaccine hesitancy

**Despite hardship, more Croatians agree with the government’s policies as the crisis progresses.**

- 65% of respondents agreed with the government’s reopening plan in June 2021 – a significant increase from December 2020.
- There is also an uptick in citizen’s approval of government’s policies on supporting households and businesses.
- 67% of respondents approved the government’s implementation of COVID-19 vaccination program, a surge from March 2021.
- Richer people are more likely to agree with the government’s economic plans.

**Croatia is on track of COVID-19 vaccines rollout. To further increase uptake, vaccination campaigns can focus on information of long-term risks and integrity of pharmaceutical companies.**

- 54% of Croatian adults have had at least one dose of COVID-19 vaccines. Among the remaining, 40% indicated they would take the vaccines.
- But the uptake is lower among people in rural areas, in low-income group, and people who are not working.
- The main reasons behind vaccine hesitancy are concerns about vaccines-associated long-term risks and lack of trust of pharmaceutical companies.

- Over 80% of Croatian students reported that their schools applied sanitation measures such as hand washing, daily temperature measurement, and rescheduling classes to avoid mixing too many students.
- But 40% of students, especially high school students, students in rural areas, and students from top-income families, perceived teaching quality this year was worse than the level in a normal school year.
- 24% of students struggled to keep up with schoolwork. High school students, students in rural areas, and students from low-income families, faced more challenges.
COVID-19 impacts as of June 2021:

1. Employment
2. Income, financial wellbeing and financial outlook
3. Opinions on government’s responses
4. COVID-19 vaccination
5. Education
The 2\textsuperscript{nd} quarter of 2021 shows some early signs of the recovery of employment reflecting the adaptation of firm and employment modalities to less severe COVID-19 restrictions.

In June 2021, 18 percent of pre-crisis workers were out of jobs, down from nearly 30 percent during the first wave of the pandemic.
But low-wage workers still bear the brunt of the crisis.

By June 2021, the level of work-stoppage among low-wage workers is still almost double the level among top-income earners, at 22 percent and 12 percent respectively.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Women start to fall behind in employment recovery since the 2\textsuperscript{nd} quarter of 2021.

Although gender gaps in employment disappeared during the second wave of the pandemic (Oct 2020 – March 2021), women were not doing as well as men during the recovery period: in June 2021, 20 percent of pre-crisis female workers were out of jobs compared to 15 percent of men.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Moreover, both low-wage workers and women are more worried about losing their jobs or not finding a new one.

In June 2021, 40 percent of women were still worried about jobs compared to 29 percent of men. Nearly half of low-wage workers reported the same concern, more than double the level of top-income workers.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Low-wage workers and women are also more concerned about the impacts of the crisis on the overall economy.

In June 2021, 79 percent of low-wage workers were worried about the current conditions of the economy compared to 63 percent of top-income workers. Similarly, 76 percent of women expressed this anxiety compared to 69 percent of men.

Source: Croatia COVID-19 Rapid Response Survey (2021)
COVID-19 impacts as of June 2021:

1. Employment
2. Income, financial wellbeing and financial outlook
3. Opinions on government’s responses
4. COVID-19 vaccination
5. Education
Work disruption continues to lead to a decline in household income, but the 2\textsuperscript{nd} quarter signals a slight improvement.

19 percent of households reported income drops in June 2021 compared to pre-crisis level

<table>
<thead>
<tr>
<th>Location</th>
<th>June 2021</th>
<th>March 2021</th>
<th>December 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Urban</td>
<td>4</td>
<td>6</td>
<td>5</td>
</tr>
<tr>
<td>Rural</td>
<td>8</td>
<td>7</td>
<td>8</td>
</tr>
</tbody>
</table>

Working families and urban households suffered more.

Source: Croatia COVID-19 Rapid Response Survey (2021)
With income declining steadily over the past months, households deplete their savings. The situation is getting more difficult as the crisis prolongs more than anyone would have expected.

73 percent of households reported no savings or insufficient savings in June 2021 compared to 71 percent in March.

The lack of financial means to weather the crisis is particularly severe for low-income households, women, households in rural areas, and households with no working member.

Source: Croatia COVID-19 Rapid Response Survey (2021)
By June 2021, about 30 percent of Croatian households cut back overall spending because of reasons directly related to the crisis, a small decline from the level in March.

The employment channel is clear: working households are more likely to scale back spending than non-working households.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Alarmingly, there has been little improvement in the extent to which families coped with the effects of the crisis. By now, as many Croatian families relied on savings and reduced food spending as in March 2021 and December 2020.

Low-income families continued to experience arrears of utility, phone bills, credit payments, and mortgages.
By now, as many Croatian families reported difficulties meeting their expenses as in earlier periods.

56 percent of Croatian households reported difficulties meeting their expenses in June 2021.

The challenge is more noticeable for women, low-income families, rural residents, and families with no working members.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Looking ahead, Croatians are quite pessimistic about their financial situation in 2021. Nearly 70 percent of respondents believed 2021 would not be better than 2020.

Richer people and people not working are more pessimistic

Source: Croatia COVID-19 Rapid Response Survey (2021)
The outlook for Croatian consumer confidence is still not good: 73 percent of respondents reported they would not spend more on durable goods in 2021 than in 2020. Another 84 percent indicated the same message regarding spending on restaurants.

Low-income and rural residents are more likely not to spend more on durable goods in 2021.

Similarly, low-income and not-working people are more likely not to spend more on restaurants in 2021.

Source: Croatia COVID-19 Rapid Response Survey (2021)
COVID-19 impacts as of June 2021:

1. Employment
2. Income, financial wellbeing and financial outlook
3. Opinions on government’s responses
4. COVID-19 vaccination
5. Education
As the crisis progresses, more Croatians agree with the government’s policies.

65 percent of respondents agreed with reopening economy plan in June 2021 – a significant increase from December 2020. There is also an uptick in citizens’ approval of government’s policies on supporting households and businesses.

Top-income earners are more likely to approve the government’s reopening plan, reflecting the fast recovery in employment in this group relatively to their lower-income peers.

More firms reported to receive or expect COVID-19 pandemic-related government support.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Between March and June 2021, there has been a surge of citizens’ approval of the government’s implementation of the COVID-19 vaccination program.

In June 2021, 67 percent of respondents believed the government did a good job in the rollout of the COVID-19 vaccination program compared to 42 percent in March. The increase in approval rating is observed across all demographic groups.

Source: Croatia COVID-19 Rapid Response Survey (2021)
COVID-19 impacts as of June 2021:

1. Employment
2. Income, financial wellbeing and financial outlook
3. Opinions on government’s responses
4. COVID-19 vaccination
5. Education
By June 2021, Croatia is in a good track of COVID-19 vaccines uptake: 54 percent of Croatian adult population have received at least one dose of the vaccines. Among the remaining, 40 percent would take the vaccines.

But the take-up rate is lower among people in low-income bracket, people in rural areas, and people who are not working, suggesting the vaccination campaign can target better these demographic groups.

Among those not yet vaccinated, 47 percent indicated they would not take the vaccines. Another 13 percent have not decided.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Nearly 30 percent of Croatian adults do not believe or are not sure that most of their families and friends would take the vaccines.

People residing in rural areas, in low-income brackets, and people who were not working were more likely to share this view.

Source: Croatia COVID-19 Rapid Response Survey (2021)
The constraint to vaccines uptake is not on the supply side. Among people stating either they would not take the vaccines or have not decided, nearly 90 percent knew that the COVID-19 vaccines were available where they lived.

89 percent of people who would not take the vaccines or have not yet decided knew that COVID-19 vaccines were available where they lived. The level is high across all population groups.

Source: Croatia COVID-19 Rapid Response Survey (2021)
The main reasons behind COVID-19 vaccines hesitancy are concerns about vaccines-associated long-term risks and lack of trust of pharmaceutical companies.

34 percent of people indicating they either would not take the vaccines or have not decided were concerned about the long-termed effects of the vaccines. Another 20 percent expressed the lack of trust to pharmaceutical companies.

Women and people in rural areas were more worried about vaccines-associated health risks while men and urban residents showed more distrust of pharmaceutical companies.

This signals that vaccination campaign could formulate campaign messages on the safety of the vaccines and the rigorous and integrity of COVID-19 vaccines producers. The campaigns can also target different population groups by geographical location and gender.
To boost vaccines uptake, the campaign can bring in doctors, health authorities, and scientists to spread the messages, as well as promoting people to display their vaccination status.

16 percent of people who would not take COVID-19 vaccines or have not yet decided said they would consider the vaccines if doctors and health authorities received the vaccines themselves or recommended the vaccines.

Another 7 percent would consider to get vaccinated if scientists spread the messages.

Another 6 percent would do if people they know (such as families and friends) already got the vaccines and recommended it.

Source: Croatia COVID-19 Rapid Response Survey (2021)
COVID-19 impacts as of June 2021:

1. Employment
2. Income, financial wellbeing and financial outlook
3. Opinions on government’s responses
4. COVID-19 vaccination
5. Education
By June 2021, most schools in Croatia implemented strong sanitation measures, such as hand-washing, disinfecting, masks requirements, etc.

![Bar Chart]

- Reduced hours: 66%
- Temperature measure: 66%
- Social distancing: 71%
- Changed schedule: 79%
- Limited access: 80%
- Masks: 83%
- Disinfect: 89%
- Handwashing: 91%

**Primary schools were more likely to enforce handwashing, daily temperature measurement and access prohibition to outsiders.**

**Meanwhile, high schools were more likely to schedule classes to avoid mixing different classes, and enforce mask wearing.**

Source: Croatia COVID-19 Rapid Response Survey (2021)
With this unprecedented year of schooling, nearly 40 percent of students perceived teaching quality this year was worse than the level in a normal school year.

The dissatisfaction level in teaching quality was higher among high school students, students in rural areas, and students from top-income families.

Source: Croatia COVID-19 Rapid Response Survey (2021)
Nearly a quarter of Croatian students struggled to keep up with schoolwork this year.

High school students, boys, students in rural areas and students from low-income families faced more challenges.

<table>
<thead>
<tr>
<th>School level</th>
<th>High school</th>
<th>Primary</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Girls</td>
<td>5</td>
<td>16</td>
<td></td>
</tr>
<tr>
<td>Boys</td>
<td>4</td>
<td>23</td>
<td></td>
</tr>
<tr>
<td>Location</td>
<td>Urban</td>
<td>15</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Rural</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td>Income</td>
<td>Top 20</td>
<td>11</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Middle 40</td>
<td>18</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Bottom 40</td>
<td>24</td>
<td></td>
</tr>
<tr>
<td></td>
<td>National</td>
<td>19</td>
<td></td>
</tr>
</tbody>
</table>

Source: Croatia COVID-19 Rapid Response Survey (2021)
Policy recommendations
Jobs and social protection

Provide unemployment benefits and create jobs, especially for low-wage workers and women

- Continue to provide unemployment benefits to pre-crisis workers who have not found new jobs.
- Create incentives for firms to hire low-wage workers and women (e.g., tax exemption, wage subsidies, waiver of certain employer contributions, etc.)

Enhance social assistance program for people who are not working

- Continue cash support to people who are not working (elderly, women, disabled people, children, etc.)
- Consider a one-time increase of benefit amounts of programs targeting poor families (e.g., guaranteed minimum income), to ensure vulnerable families can weather the prolonged crisis.
- Assist poor families who fall behind payments to key services (e.g., utility bills) by extending the deadlines to bill payment, and/or providing discounts.
KEY FINDINGS
COVID-19 vaccines and education

Boost COVID-19 vaccines uptake

• Focus the campaign messages on long-term risks associated with the vaccines, and integrity of vaccines producers.
• Target the messages to low-income group, women, and people in rural areas.
• Bring in doctors, health authorities, and scientist to spread the messages.
• Promote people to display their vaccination status (stickers, arm bands, etc.) to encourage their families and friends to take the vaccines.

Help students to catch up with lost learnings

• Provide additional learning opportunities such as free summer school, enhanced learning after-school, helps with homework.
• Target high school students, students in rural areas, and students from low-income families.
• Provide training and incentives (cash, bonuses, recognition, etc.) to teacher so they can spend more time and effort with students.
Contact:
Nga Thi Viet Nguyen
nnguyen3@worldbank.org

CROATIA

THE WORLD BANK
IBRD • IDA | WORLD BANK GROUP