

## SOCIAL INNOVATION IN CROATIA

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### What is the history of social innovation in your country - what has been happening in the last 10 years?

After the war (1991 – 1995), Croatia had to deal with the ramifications of war and any development challenges were mostly reactionary and there was no application of an integrated approach towards regeneration, innovation and sustainable development. Even 20 years after the war ended, poor policies and lack of political will have tended to reinforce rather than abate continuing negative trends - high depopulation rates and high unemployment, low levels of investment and economic activity, unduly expensive public services coupled with poor quality and limited access in some areas contribute to worsening poverty and social exclusion.

Social innovation was an unknown concept outside the academic community until 2011, when Social Innovation Laboratory was established and started to work in the Western Balkans. SIL took **pioneering steps** and developed an initial set of criteria for mapping and evaluating social innovations in Croatia. Cases identified include several policy fields including education, employment, poverty reduction and sustainable development, health, ICT etc. The innovations identified include: new products and services; new forms of organizations; new funding models or ways of mobilizing resources, and new methodologies, strategies and tools, new business models. Most innovations identified in Croatia are in the phase of implementation and are thriving and competing. While one sixth of these innovations do have potential for global value, the majority is of national or local relevance, which is a step forward for a post conflict developing country like Croatia.

This situation has positively changed in the period 2013-2014 when the Ministry of Regional Development and EU Funds and the Ministry of Labour and Pension Reform, boosted by Social Innovation Lab's continuing efforts to increase awareness on the importance of social innovation, accepted the EC's recommendations and included social innovation into the Partnership Programme and the Operating Programme on Human Resource Development, (OPHRD 2014-2020). There was also an increase of activities and initiatives on social innovation and social entrepreneurship, accompanied by both national and (mostly) European competitions on social innovation. The increase of social innovations is in part due to the global financial crisis, which, despite its negative economic impact, acted as a driver for innovations. The largest increase of innovations, starting from 2013, is due to availability of funds designated for innovative practices as well as the rise of global trends in economic models, which support new and innovative solutions for societal problems. As funding opportunities continue going forward, the overall outlook for 2015/2016 and beyond are fairly positive for Croatia and the region.

However, it should be noted, recent developments in Croatia have tempered this positive outlook. Following a contentious parliamentary election and extensive negotiation process to form a government in the most recent elections (November 2015), an ultra-conservative theocratic coalition has emerged that has already indicated its intent to reduce the role of civil society thereby putting the potential for innovative practices and policy development at risk. While the government has just finalized its formulation, meaning it is too early to know for sure what will actually take place, early indications based on rhetoric are not favorable.

### What challenges are being addressed by social innovation?

Key challenges that are being addressed are high unemployment, education, renewable energy sources, environment protection, improving social inclusion of marginalized groups <sup>1</sup>, and poverty reduction.

High unemployment is certainly one of the biggest challenges in Croatia, with youth unemployment rates around 49%<sup>2</sup> and average unemployment rates around 17%<sup>3</sup> (**EU's third-highest unemployment rates**<sup>4</sup>).

When it comes to **education**, inefficient, slow and often politicized reforms and low investments have resulted in a non-inclusive education system and education programs that are poorly adjusted to market needs. Educational curricula are outdated, featuring a lack of practical, empirically based educational content.

As far as **renewable energy sources and environmental protection** is concerned, Croatia has many initiatives that address this issue, however, most would not be considered socially innovative. However, one example of social innovation that addresses this challenge is the first energy independent school in the world, '[Ostrog](#)'. This school uses a solar PV system, energy efficient lighting (reducing energy consumption by 60%), educates its students and others about energy efficiency and includes them in taking care of the botanical garden that surrounds the school.

Another big issue is **inclusion of marginalized groups**. In the Strategy for the fight against poverty and social exclusion in Republic of Croatia (2014 – 2020), the analysis of Croatia's context covers all three stands of active inclusion – adequate income support, labor market activation and access to enabling services. A good example of social innovation that addresses this challenge is a social cooperative "[Taste of home](#)", which is run by refugees, migrants and volunteers. This is a program that helps refugees and migrants earn a living, better integrate socially and become settled in Croatia.

**Who is promoting social innovation? Who are the key actors? - What kind of businesses, what parts/levels of government, which sectors support social innovation if anything? What other organisations are involved in doing social innovation? What about citizens or local communities?**

Today there is a Strategy on the development of social entrepreneurship 2014-2020 and a recently adopted Innovation Strategy, both of which specifically mention social innovation. The **Ministry of Labour and Pension Reform** was until December 2015 in charge of developing and implementing projects that will have social innovation as selection criteria, (it is still unknown if this will continue with the new government). It was responsible for monitoring those projects and aiding in mainstreaming of successful examples. It also provided recommendations on the inclusion of positive practices into the wider system.

In accordance with the partnership principle, relevant **civil society organisations**, working in the area of sustainable development, social inclusion, education etc. were to some extent involved in the consultation process on the development of strategic progress reports and participation in thematic sub-committees. Unfortunately, it is not sure what their involvement

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<sup>1</sup> WP10 Policy field report FINAL 29-3-15; SI Drive\_Report\_MK(1)

<sup>2</sup> <http://www.tradingeconomics.com/croatia/youth-unemployment-rate>

<sup>3</sup> <http://www.tradingeconomics.com/croatia/unemployment-rate>; <http://www.poslovni.hr/hrvatska/stopa-nezaposlenosti-porasla-cetvrti-mjesec-zaredom-307661>

<sup>4</sup> [http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment\\_statistics](http://ec.europa.eu/eurostat/statistics-explained/index.php/Unemployment_statistics); <http://www.poslovni-info.eu/sadrzaj/gospodarstvo-rh/zaposlenost-i-nezaposlenost-u-hrvatskoj-i-europskoj-uniji/>; <http://www.aljazeera.com/indepth/features/2014/02/europe-jobless-youth-crisis-hits-croatia-201422581849915221.html>; <http://www.statista.com/statistics/268830/unemployment-rate-in-eu-countries/>

will be given the new government's statements about pulling away from support to CSO's and their lack of knowledge, understanding and potential interest in the area of social innovation. That said, the implementation of social entrepreneurship projects will continue based on the defined priorities in the European Social Fund and the adopted Strategy on social entrepreneurship. However, given new appointments to program administration positions (many of which will be politically motivated), low levels of understanding may become a problem such that there are questions as to how effective they will be.

There are also other non-state actors including a growing sector of **social entrepreneurs, social cooperatives, start-ups and a growing sector of independent professionals**. Universities have joined with companies and financial agencies, and have created new models of funding such as the "**Ethical**" **Bank** that is in the process of registration. However, the driving forces for innovation have been non-governmental organizations and a practitioners' community, which are facing potential marginalization, (an example of this is a recently stated policy position to provide every family with a newborn child 1000 euro which will be funded from budget lines currently supporting CSOs). They are devoted innovators and can be considered change agents since they are aware of key challenges and issues and are active in implementing numerous innovative pilot projects.

Policies dealing with poverty reduction and sustainable development, education, employment, health and social care are primarily developed at the national government level with the involvement of other stakeholders including **private sector, civil society organizations, universities and institutes**. While public administration is involved in public service provision, civil society is active in looking for innovative approaches to service delivery and cooperation with other sectors.

When it comes to Social Innovation Networks, a very important network is led by the **Social Innovation Laboratory** and consists of partners based in 7 countries from the Western Balkans. There are groups of civil society representatives organized around social entrepreneurship, which in the long run might further evolve into social innovation networks. There are sector-specific networks (employment, education, social inclusion, local governance etc.), but these are tangentially connected with social innovation and have not fully come to see it as a central part of their overall approaches. These networks consist mostly of the civil society representatives and their role is to share the experience and initiate joint collaboration between and among the involved countries.

### **Please show a few of the key projects that illustrate social innovation in your country**

- **Ja, Projektoplovac** – an education project for children and young people who gain unique knowledge and experience, develop self-confidence, key skills and talents such as leadership, self-guidance, career selection, communication skills, teamwork, project management, time management, finances, resources, etc. This project was launched by the Healthy City Association - a non-profit, developmental civil society organization which, according to the Croatian and international best practices, for many years systematically gathers and connects people and organizations who are willing to work together to improve the quality of life, even outside the Croatian borders.
- **Serwantess** - an electronic system that makes life easier for people with multiple sclerosis, muscular dystrophy, cerebral palsy, tetraplegia and paraplegia. One voice command is sufficient in order to open the door, turn on and off the lights, manage air conditioning, control television, dial a phone number and much more. Serwantess can also be used in tourism for people with disabilities, where it will enable them to control all devices in apartment or room with their own voice. Serwantess was made by E-glas Ltd., a company that uses its expertise and knowledge to help all people living in difficult circumstances due to physical disability, old age, illness or disability in general.

- **JA-KOM** - an ICT portal of image communication developed in the Association AmoReVera. Its structure is primarily intended for people with intellectual and communication difficulties, however, parents and professionals can also use it as a source of software applications, materials and links to interesting portals related to augmentative and alternative communication. JA-KOM 'Speaker' tries to compensate temporary or permanent reduction of communication abilities of persons with severe and expressive communication disorders in autism, cerebral paralysis, Down syndrome, disability, apraxia, stroke or traumatic brain injury. Augmentative "Images that speak" establishes alternative communication with mentioned persons. AMOREVERA is an association that provides support for people with intellectual, communication and other difficulties associated with the difficulties of self-representation, as well as their parents.
- **Children creative house (DOKKICA)** – prevention program that includes working with children and youth through various activities (help with learning and quality organization of spare time, offering psychological and emotional help and support to children and young people with various disabilities, creative workshops, playgroups, assistance in family education ...). Children creative house is a project that is in accordance with Draft of National Strategy for prevention of behavior disorders among children and adolescents (2008-2012). Purpose of the project is to provide the minimum conditions necessary for a quality, successful, healthy growth and development of new generations and to prevent anti-social behavior among children and youth and encourage them to spend their spare time in a quality way.