

## Partnership for Social Inclusion in Croatia

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### Introduction

The concept of social exclusion has received substantial attention in scientific and political debate. Regardless of the fact that there is not a clear and unambiguous definition of the concept, it is generally accepted that social exclusion is a multi-dimensional phenomenon which weakens the relationship between the individual and the community. This relationship can have an economic, political, socio-cultural and even spatial dimension. The more the number of dimensions an individual is exposed to, the more vulnerable he/she becomes. Exclusion is most commonly spotted in the access to the labour market, the most essential social services, the realisation of human rights and the social net. Social exclusion is often linked to unemployment and poverty, but these are not its only causes.

United Nations Development Programme (UNDP) in Croatia conducted a research on Social Exclusion in Croatia, in 2006 (UNDP Croatia, 2006<sup>1</sup>). The research consisted of three components: a) The Quality of Life Survey (sample 8,534 respondents; representative at the county level); b) Assessment of social welfare service providers, and c) Focus group discussions with 20 social groups which are at risk of social exclusion. Focus groups included persons with physical disabilities, persons with intellectual disabilities, parents of children with disabilities, long term unemployed, the homeless, returnees, single parents, children without parental care, victims of domestic violence, Roma, sexual minorities, the elderly, people with low education levels, and youth with behavioural difficulties.

According to the three components of deprivation<sup>2</sup> used in this survey, every fifth Croatian is socially excluded (11.5%). It is interesting that about the same percent of people (11%) were found to be poor in the 2006 World Bank study on the Living Standard Assessment, which points to the tight correlation between poverty and social exclusion. In terms of self-perception, 20% of Croatians feel to be socially excluded. Self-perceptions of social exclusion are directly correlated with education, gender, and living area. People with primary education or less and even those with secondary education, feel socially excluded more frequently (61.3% and 37.1%, respectively). Women are twice as likely to feel socially excluded than men (66% as opposed to 34%), while rural dwellers are three times as likely to report feeling socially excluded (75%) than urban dwellers (25%).

As a mean for improvement of the social picture in Croatia, 10 organisations from Croatia and abroad decided to establish the consortium and begin with the project titled *Partnership for social inclusion*. Main partners are Institute of Public Finance, Zagreb – public institution; The Croatian Employment Service – public service; ZaMirNet – citizen association; The Union of Autonomous Trade Union of Croatia; Forum of European Journalism Students – NGO; Most – NGO for improving the quality of life; Shine – The Association of People with Mental Disabilities; Women's Network Croatia; The Association of Free Trade Union of Slovenia and The Austrian Trade Union Federation.

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<sup>1</sup> UNDP (2006): *Unplugged: Faces of Social Exclusion in Croatia*; UNDP (2006) Poverty, Unemployment and Social Exclusion, Zagreb: UNDP.

<sup>2</sup> In the survey, people who experience all three areas of deprivation: economic, labour and socio-cultural are considered socially excluded.

The proposed Project consists of five subcomponents that are intertwined and mutually reinforcing.

### **1 Improving coordination and co-operation of all stakeholders (horizontal and vertical)**

Croatia is on track for implementation of most of the Millennium Development Goals (MDG). The government has taken a series of steps to ensure that the MDG implementation drive be coordinated both with national priorities and with European Union (EU) accession requirements. The Republic of Croatia started the elaboration, drafting and implementation of the various documents and strategies for full participation in the open model of coordination in fighting poverty and social exclusion in the EU accession process. For this reason Croatia signed with European Commission various documents like *Joint Memorandum on Social Inclusion* (JIM) and *Joint Assessment of the Employment Policy Priorities of the Republic of Croatia* (JAP). For the purpose of preparing the JIM and JAP, working groups were formed consisting of representatives of line ministries and other state bodies, local authorities, civil society organizations, labour unions and employers' associations. JIM represents the first step in the application of EU common goals in the fight against poverty and social exclusion through national policy. An action plan for JIM's implementation is developed for period 2007-2009. JAP tackles the employment policy and the reorganisation of institutions in accordance with the European Employment Strategy and the implementing mechanisms of the European Social Fund. JAP was finalised in 2008.

Poverty and inequality have increased in Europe as a whole over the past few decades and this increase has been particularly marked during the past decade in the transition countries. According to Eurostat, the "at risk of poverty" rate in Croatia was 18% in 2005, while the EU average was 25%. Poverty in Croatia is particularly prevalent among the elderly, people with lower education and the unemployed and is usually long-term in nature.<sup>3</sup>

Regardless of significant improvement in social welfare and insurance system in Croatia one can find insufficient coordination and co-operation of social stakeholders at the various levels. It could be caused by, but also be result of the lack of empathy and/or low level of interest of community and various stakeholders for the problems of social exclusion and the needs of disadvantaged and vulnerable groups. Furthermore, there are the cases of insufficient clear division of authority and responsibility for some user group and/or provision of particular social service, what undermines the quality, coverage and accessibility to required goods and services. The management of relationships between services tends to be conducted as a series of bilateral relationships, so for example the centres for social welfare may meet with health representatives or education but there is an absence of multi-agency coordinating mechanisms for planning, implementing and monitoring services. The same is present in relationship regarding the government at the various levels: ministries, county and municipal level. All mentioned causes a situation that there are some service users who have become "lost" in the system. The problems faced by users of social care services often require a multi agency response. There are currently no mechanisms to facilitate multi agency planning at the local level. There is a need for a clearly identified lead social care agency with responsibility for planning and negotiating with other agencies to develop the network of services at the local level.

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<sup>3</sup> Republic of Croatia - *Operational Programme For Human Resources Development 2007 – 2009*, Zagreb: The Government of Croatia.

Thus, it is extremely important to develop and/or improve the cooperation between state and non-governmental organizations in both capacities - as representatives or voice of socially excluded and marginalised group, and as social care providers - in the implementation of the various programmes for preventing and reducing the social exclusion, to regularly and sufficiently finance non-governmental organizations and enable participation of non-governmental representatives in coordination bodies at national, regional and local level. As a first step, there is a need to explore the ways to enhance the relationship and co-operation between Croatian Employment Service (CES) and centres for social welfare, because current co-operation is insufficient and mostly formal. Mentioned improvement in co-ordination and co-operation should enable better employment possibilities particularly for unemployed persons - beneficiaries of social assistance and persons with disabilities that have higher level of vulnerability to social exclusion.

Regarding the coordination and co-operation of all stakeholders, the Project envisages:

- the activities oriented towards improvement of horizontal and vertical co-ordination of various social welfare policy measures and implement those measures consistently (so far often lacking),
- organisation of working groups, seminars and round table for enhancing mutual work and co-operation of all stakeholders

## **2. Improving employability (including education system and the measures of active labour market policy) as a precondition for enhancing social inclusion**

Croatia's unemployment rate (according to ILO methodology) has been constantly increasing since 1996 till 2000 when it reached its peak of 16.1%. Since then, it has been decreasing and reached 11.2% in 2006. The rate remains relatively high amongst the young between 15-24 (28.9% in 2006) and women (12.7% in 2006). Fluctuations of the unemployment rate of younger population have been very large – from 31.2 percent in 1998 to 40.1 percent in 2001 to 28.9 percent in 2006. The unemployment rate of women reached its peak of 17.9 per cent in 2001, but has been decreasing since then to 9.9 per cent till the end of 2007 (Source: LFS data; Central Bureau of Statistics, Zagreb). According to various sources – UNDP (2006), socially excluded persons in Croatia have very poor educational standards with over a third failing to complete even elementary school and over 60% without any form of secondary education. More than two thirds of welfare recipients have no qualification or have only elementary school education. It would be reasonable to assume that many do not have basic skills of literacy and numeracy; some have had no formal education whatsoever. In this group there is a long term dependency evidenced by the duration of welfare. The older and less educated recipients are more likely to remain longer in the welfare scheme. The average period of welfare scheme usage is quite long (almost 5 years). Little movement off welfare appears to occur. Generally people join welfare and stay on it for long periods and detachment of the group from the regular labour market is strongly indicated primarily because of their low employability.

Due to the destruction caused by war and transition to the market economy, many of the state-owned enterprises in industrial sectors such as textile sector have ceased to function or operate only with reduced workforces. Lacking concomitant job opportunities and linkages to opportunities, responses to job loss by workers have included among other, job search “discouragement” and participation in the informal economy. As a consequence of the war beginning in 1991, in many hinterland areas, there was a massive displacement of the population. Little is known about the actual post war skills structures in those areas. Population movements have been substantial and it still remains unclear as to whether

traditional local skills remain available or whether new skills have emerged that may have altered the competitive advantage of these areas.

Many regions are confronted with significant demographic and social problems, for example a large percentage of older persons, hidden unemployment and a large and immobile agricultural population. Many milieus and rural regions, as well as outside of them, are confronting economic and social decline, and offer greatly limited potentials for development due to the unfavourable position for labour and capital. Generally, trend is higher unemployment of women, also of older persons (over 50) and persons with completed 1-3-years vocational secondary school.

Generally, the causes of social exclusion in Croatia are very often linked with low employability, limited employment possibilities and low educational endowments. Long-term unemployed persons are very often with low employability and they are faced with higher risks of falling into penury, while a depreciation of human capital due to unemployment and a weak link with the labour market enforce the vicious circle of social exclusion and poverty.

Long-term unemployed individuals are disadvantaged in their search for jobs. Having been out of touch with the world of labour, their skills may have become outdated or forgotten, their behaviour may be too far away from the business culture, and potential employers may beware of people who have been for too long without a work experience. Furthermore, despite the difficulties of “making ends meet”, unemployed people who have been living for a long time on government welfare assistance may find the shift to work life too difficult or scary – all the more so if taking steps to look for a job adds seemingly insurmountable problems such as child care or transportation.

*Employability* is not simply the capacity for *getting a job*. It involves ensuring that people can adapt to the changing working environment, develop and build their capabilities and meet their career goals. It is a term commonly used to provide a more detailed definition of the key skills. Employability is a main outcome of education and training of high quality, as well as a range of other policies. It encompasses the skills, knowledge and competencies that enhance a worker's ability to secure and retain a job, progress at work and cope with change, secure another job if she/he so wishes or has been laid off, and enter more easily into the labour market at different periods of the life cycle. Individuals are most employable when they have broad-based education and training, basic and portable high-level skills, including teamwork, problem solving, information and communications technology (ICT) and communication and language skills, learning to learn skills, and competencies to protect themselves and their colleagues against occupational hazards and diseases. This combination of skills enables them to adapt to changes in the world of work. Employability also covers multiple skills that are essential to secure and retain decent work.

Regarding low employability and long-term unemployment – important factors that determine poverty and/or social exclusion - Croatia does not differ much from other countries in transition, but insufficient attention is given to enhance the employability of long-term unemployed people and persons exposed to social exclusion. A considerable number of youths in Croatia *drop out* of secondary and higher educational institutions, what endangered their employability and limits their possibilities of finding employment and realise professional promotion.

Particularly exposed to low employability are persons with disabilities. According to the National Programme for Employment an investigation conducted in 2001 on disability in Croatia showed that 9.7% of the total population is comprised of disabled persons, of whom 11.5% are men and 8.0% are women. The percentage of disabled persons increases with age. In the group between 45-49 years of age, 12.7% were disabled, in the group between 65-69 years of age, 19.3% were disabled and among persons older than 85 years of age 27.5%. Approximately 2.5% of the unemployed are persons with disabilities. A recently adopted law

has introduced a quota system according to which employers are required to employ 2% of persons with disabilities among their total workforce. In Europe, Croatia has nearly the smallest percentage of disabled persons of working age who are permanently employed (7.4%). The others receive assistance within the social welfare system. On the unemployment rolls of the Croatian Employment Service, 7,500 persons or 2.5% are persons with disabilities, of whom 60% are men.

Succinctly, no doubt that the best protection people could obtain against unemployment, poverty and social exclusion, is their own employability. Thus, people can with further education and acquiring new knowledge and skills improving their employability. Only when employees realize that modified competences are called for and rewarded in company routines do they receive incentives to become actively further educational scheme.

Acting locally can also open up the possibility that these new development opportunities and jobs can be more *equitably distributed* – giving better prospects for the inclusion of the young, minority ethnic groups, the unemployed, and the socially excluded generally. These local actions have to be seen as *one component* within the full package of activities that make economic development and employment possible. There is a clear role for policy intervention to initiate and support local employment development where it does not happen.

As measures for improvement in this subcomponent of the Project are planned various workshops, round tables as well as user's *The Guide for Enhancing Employability*.

### **3 Information, protection of rights and improved accessibility to the rights in the social welfare system and insurance**

Social services are intended to those individuals who are faced with life difficulties or those who, due to physical and mental handicaps, have specific needs that they cannot satisfy alone or with assistance of their family (children without appropriate parental care, children and youth with behaviour disorders, old and infirm persons, people with disabilities, addicts, former inmates, victims of violence, migrants, refugees and similar). Among the alternative forms of social services, the most widespread is foster care (primarily in the northern areas of Croatia), establishment of small housing units and centres or clubs for persons with special needs.

Social services are insufficiently developed and there is a deficit of both institutional and non-institutional services. It is necessary to develop services that will be better suited to the needs of the various user groups (including the possibility of choice) and to expand the social services network so that they better cover all areas of Croatia. Furthermore, knowledge of the available services and rights significantly varied. In some user groups and/or regions and municipalities knowledge of the available services and rights was limited to an awareness of the existence of these services and rights but there was a lack of information as to what exactly was provided by them.

Strong impetus to deinstitutionalisation was given by non-governmental organisations and associations. However, legal provisions aimed at deinstitutionalisation of social services are not sufficient; what is needed is a strong support from the state and a different social climate where a new concept of social services and their providers will be realised. For the purpose of better accessibility and quality of services, it is necessary to decentralise and deinstitutionalise social services to a more significant extent considering all *pro et contra* arguments. The goal is for the users to receive services in their homes and local communities (*community-based services*), if appropriate considering person's health problems and care needed, thus creating conditions for integration and rehabilitation within the community itself.

In order to achieve further development of social services, the state, private sector and civil society organisations will have to cooperate and establish partnerships. Equally, there should be continuing efforts toward promotion of tolerance and inclusion of people with disabilities or persons with developmental disabilities into regular social activities. Obviously, what is needed is a strong support from the state and a different social climate where a new concept of social services and their providers will be realised.

During the 1990s, the social care services system in Croatia was centralized and very few NGOs were involved in social service provision. Following legislative changes in 2001, some social service decentralization took place (primarily of services for the elderly and infirm) and opportunities opened up for the private profit and non-profit sectors to enter this area. Neither non-governmental organisations (NGOs) nor any other kind of non-state provisioning of social goods should be seen as an alternative to state provisioning of social services. Even though, they are not necessarily more effective than governmental organizations the participatory approach of NGOs can improve the quality of and play an important role in service provision. The growing popularity of the NGOs in the development field seems to be strictly associated with the emergence in the last twenty years of a so-called “New Policy” Agenda. Underlining the New Policy Agenda - an agenda which has deeply influenced both bilateral and multilateral actors - is the idea that private sector initiatives are intrinsically more efficient than public initiatives, so that private forms of intervention should be seen as the preferred carriers of policies aimed at increasing social welfare. However, in order to comply with donors’ concerns with effectiveness and sustainability of projects focuses the activities of the NGOs on clearly measurable and easily reachable short-term targets at the expense of long-term impact. Besides raising doubts about the effectiveness and efficiency of NGOs, some authors also discuss the broader political consequences of NGO action.

The Project is an opportunity to make a thorough inventory of accessibility and protection of social rights in individual areas, that is to say the problems in their realisation that had been noticed so far: labour market, rights resulting from employment, the rights in pension and health system, rights of the disabled, rights in the system of social care and social assistance. The activities in the Project related to information, protection of rights and improved accessibility to the social welfare system are:

- helping in defining and/or improving the fairness of provision in relation to need by the developing clear eligibility criteria and insure provision of accessible information about the provision of services;
- collecting the knowledge and opinion of all stakeholders for proposing the improvement in legal provisions aimed at increased the quality and accessibility of social services;
- to participate into the process of preparation of the successful service performance criteria, development good practice standards, introduction of the code of professional ethics for social service providers and a supervision system.

For mentioned activities is prepared *The Guide for the Social Impact Analysis* (available in English and Croatia language on web page [www.socijalna-ukljucenost.net](http://www.socijalna-ukljucenost.net) and [www.ijf.hr](http://www.ijf.hr)). The Guide is organized after the *Introduction notes* (Section 1) follows Section 2 introduces the general background of the reforms in Croatia. Section 3 presents a definition of SIA and establishes the conceptual framework. Section 4 presents an approach to SIA by reviewing 10 basic elements underlying the sound analysis of the poverty and social impacts of reforms. Section 5 closes with a brief conclusion titled *The Way Forward*. A matrix and checklist of SIA analytic questions is provided in the annex along with a case study example.

#### **4 Palliating and prevention of over-indebtedness of the population**

There is a based assumption that over-indebtedness of the population is one of the most important determinants of social exclusion. According to the Croatian Central Bank estimation, the credit indebtedness of the population in Croatia increased from 32.1% of GDP at the end of 2004 to 35.9% at the end of 2005 and around 40.6% at the end of 2006. In doing so around 96% percent of citizens used commercial bank loans. The ratio of household debt to the estimated annual net wage bill went up from 105.2% at end-2005 to 117.3% at end-2006. In first 11 months 2007, the amount of credit by commercial banks to the citizens increased for HRK 24.0 billion, from HRK 187.8 at the end of 2006 to HRK 211.8 billion at the end of November 2007. Almost one third of mentioned increase is caused by mortgages whose amount increased from HRK 7.6 billion to HRK 44.2 billion. Amount of credits for buying car increased only for 1.6% from HRK 9.04 billion to HRK 9.18 billion. Significant increase is debt on credit cards for 27% on HRK 4.8 billion. The growth is mostly caused by favourable loans offered by commercial banks. The average indebtedness per employed person in the Croatia in recent years has grown from around HRK 23,000 (Euro 3,150) at the end of 2001, to HRK 49,000 (Euro 6.700) at the end of 2004 and to HRK 58,000 (Euro 7.950) at the end of 2005 and more than HRK 72,000 (Euro 9700). Notwithstanding, household debt in Croatia is still far below the household debt level in EMU countries (55% of GDP at the end of 2004), but is half-larger than that in the New Member States (16% of GDP at the end of 2005). In Croatia it may be assumed that young, educated persons are the most indebted, because they represent the most creditworthy segment of the population but also the one with the least assets.

However, in case of currency crises the majority of borrowers with below-average income would have debt payment problems. As expected, debt-service burdens continued to plague lower-income families disproportionately. The evidence suggests that the income of the poor does not allow them to save (only 4% of the poor report positive savings during the recall period). Only 13% of the poor have had access to borrowing (from either the banking system or intermediaries other than relatives) during the last 12 months. The poor do not save much and barely borrow in formal credit markets – which exposes them more to loan-sharking and high income rates. The combination of low capacity to save with limited access to borrowing suggests that the poor are also vulnerable to shocks and hence to income fluctuations. Particularly from the point of social exclusion and revenue security of citizens it is useful to analyse indicator according to deciles of available revenues. The biggest loan burden is present from sixth to eight deciles gross available income.

In UNDP Survey (UNDP, *Quality of Life and Risks of Social Exclusion in the Republic of Croatia, Quantitative research on general population*, 2006) the respondents were asked if their household was indebted in the previous year, in other words if they were unable to pay for accommodation (rent, mortgage or loan instalment) or utility bills (e.g. electricity, water, gas, etc.) as scheduled. Every fifth Croatian household (22.0%) was indebted in the previous year, in other words it was unable to pay for its accommodation or utilities as scheduled. Less than a tenth of the households (6.7%) were indebted because of their inability to pay for accommodation, while every fifth household (20.5%) did not pay for utilities on time. In general, Croatian citizens had difficulties in paying utilities more often than in paying the rent or mortgage/loan instalment, which is not surprising, considering the fact that two thirds of respondents own their own home. The majority of households that could not pay for accommodation on time also had difficulties in paying for utilities. This is particularly present problem in one-parent families.

Furthermore, because of the weak enforcement of payment discipline, not only poor in Croatia are inclined to postpone payment of due utility bills for electricity, communication and gas. At the beginning of 2000, around a quarter of electricity consumed was not paid for, or paid for with considerable delay. On the other hand, there is no coherent assistance program for the poorest segments of the population that lack the income to pay utility bills. Municipalities run special assistance programs to help the poor with payments of debts to utilities, but multiple criteria are used in different parts of the country with no attempt to unify the approaches and develop a consistent policy.

The activities in the Project related to social exclusion and indebtedness of population are linked with:

- preparation of analysis of local and international positive experiences particularly on prevention of over-indebtedness,
- propose simple, user-friendly and understandable guide how to manage personal finances and avoid over-indebtedness, and
- organisation of various workshops, round tables and seminars on indebtedness of households, as well as counselling services on financial planning and financial management.

As a mean for improvement and palliation of over-indebtedness is prepared *The Guide for the Reduction and Advices for Mitigating and Prevention of Indebtedness* (available in Croatia language as *Vodič i savjeti za ublažavanje i sprječavanje prezaduženosti*) – available on web pages [www.socijalna-ukljucenost.net](http://www.socijalna-ukljucenost.net) and [www.ijf.hr](http://www.ijf.hr)).

## **5 Adjustment of the demand and supply in the social welfare system through social planning on the lower level of government**

There is currently a concern that social care services in Croatia are not necessarily targeted to those most in need. Reasons for this situation are manifold. The current data collection system and organisation are largely concerned with the measurement and orientation to outputs e.g. how many of the various types of cash/in kind benefits were provided, how many counselling sessions were delivered, how many people were in residence in the various residential institutions on the 31<sup>st</sup> of December each year etc. Also, it is currently difficult to obtain reliable information on the level of utilisation of existing social care services. The only readily available figures providing an indication of the level of social care activity carried out by centres for social welfare, for example, are the number of decisions on referrals to other types of service provision such as admission to a residential institution and the number of counselling sessions provided. It is not possible to determine which groups of service users are the main users of counselling services in social welfare, what proportion of the service users make more than one contact and how many follow up contacts are made by service users e.g. what is the range and what is the average over one year. Data on the utilisation of information and counselling services managed by other providers is similarly lacking. The NGO sector in social welfare and insurance is currently underdeveloped in terms of the number and quality of NGOs in the sector. Finally, experience of involving service users in the planning cycle is currently limited.

In order to plan effectively, it is essential to have a clear picture of the current resource base and a prognosis of the likely increase/reduction in spending at the local, county and national level. To achieve this, the budgets for social care services and cash/material benefits need to be disaggregated at the local, county and national levels. Only then will be possible to

identify allocations and trends for social care services expenditure and to plan in accordance with the available financial resources. There is currently no incentive for service providers of central government funded social care services to manage their financial resources and seek cost efficiency savings. Under the current system any savings made during the financial year may result in a reduction in the allocation for the following year. There is no scope to reinvest any cost efficiency savings in improvements to the service. Indeed, there is a perverse incentive to spend up to the limit of the budget each year.

On the other hand, there is a solid body of social care expertise within the Centres for Social Welfare and the residential institutions. There is a well developed awareness of the need for reform and a high degree of consensus about the direction. Efforts have been made to diversify service provision to include day care services, home care and independent living in apartments. The residential care ethos respects the dignity of the service users and emphasises the creation of a warm and welcoming environment that values the individual.

Through social planning is possible to realise better identification of local needs, involvement of beneficiaries and local communities and the development of new services that are adjusted to need. In relation to service delivery social planning development is an opportunity to increase the quality, efficiency, diversity and inclusiveness of services. There are risks however, that red tape and bureaucratisation together with increases in the number of service users will further separate social care staff from direct work. A partnership with other agencies and stakeholders is a chance to improve the quality and range of services.

Related to social exclusion, social planning and adjustment of demand and supply of social services, in Project are proposed following activities:

- County Mapping - the aim of the county mapping exercise is to identify the range of services available, the current statutory/NGO/private sector mix, geographical spread and capacity (i.e. places/units of service available).
- Get Insight into Profile and Characteristics of Current Service Users - Data on current service users will be analysed to develop an overview of who is using what type of social care services, the main needs/presenting problems, the range of services they use and how long they remain in contact.
- Financing of Service Provision - The aim of the financial analysis is to identify (i) the total resource base for social care services at the County level, (ii) sources and flows of funds (central, county, local, donor, private sector, individual payments) (iii) the unit costs of various types of service provision and (iv) current allocation patterns. This information will assist in making decisions about the need to reallocate funds in line with priorities identified in the planning process.
- Audit of Quality of Practice - In order to identify and agree County priorities for improvements to social care services it will be necessary to undertake an initial evaluation of the current quality of practice. In the absence of agreed national standards against which the quality of provision can be assessed, the development of an organisational audit tool is proposed as an interim measure. Ideally the audit tool should be developed by a partnership of service providers and service users but as experience of developing indicators and of facilitating service user involvement is limited initial development of the audit tool will be undertaken in two stages.

Service providers will participate in a various workshops to develop the organisational audit tool. Service users will contribute to the audit and inform the further development of indicators against which the quality of practice should be assessed. In subsequent planning rounds the information from the organisational audit should be reviewed by service providers and service users to identify improvements to the process. The audit will be conducted through a peer review mechanism, whereby staff will use the agreed framework to audit each

others services. Ideally audit teams should include staff from both statutory and NGO sector services. The piloting of a peer review conducted by service users in the residential sector will also be encouraged.

Important task in improvement will be preparation of *Social Care Services Planning Handbook*. Its aim will be to support the development of local level social care services plans in the Republic of Croatia. It also provides guidance on what proved to be our major challenge – getting the necessary information. The handbook will be designed to help local stakeholders to address the following questions:

- What are the social care needs in our area?
- What is currently provided to meet those needs?
- What changes are occurring in the wider environment that may have an impact on social care services delivery?
- Are services provided in line with best practice to an agreed quality standard?
- Do the services provided achieve good outcomes for service users?
- Are the services provided good value for money?
- Where are the main gaps?
- What could be done differently to achieve better outcomes for service users?

Finally, well-developed plans increase the chances that the day-to-day activities of the organization will lead to desired results. Planning helps the members of an organization focus on the right priorities, and it improves the process of people working together as they pursue these priorities. Planning alone does not produce results; however, it is a means, not an end in itself. The plans have to be implemented to produce results.

For all mentioned activities in the five subcomponents there is a need for increase the awareness of general public about the problem of social exclusion, available in Croatia language as *Vodič za socijalnu uključenost* on web pages [www.socijalna-ukljucenost.net](http://www.socijalna-ukljucenost.net) and [www.ijf.hr](http://www.ijf.hr)).

## Conclusion

As each other country, Croatia has to find and develop constitutional and legal arrangements for reducing social exclusion that best suit its own historical, social, cultural and economic situations, conditions and possibilities. Government could provide stabile legal framework, social infrastructure and with the co-operation of its citizens establish the rule of law. Otherwise, socially excluded will suffer most from the lack of clear laws and unwillingness of society in disrespect of laws. In order to make the laws work, political will and leadership commitment is vital. Just as important is the empowerment of citizens and their full participation in the political process. All partners hope to significantly improve the social picture of Croatia, hoping that their efforts will achieve expected results.