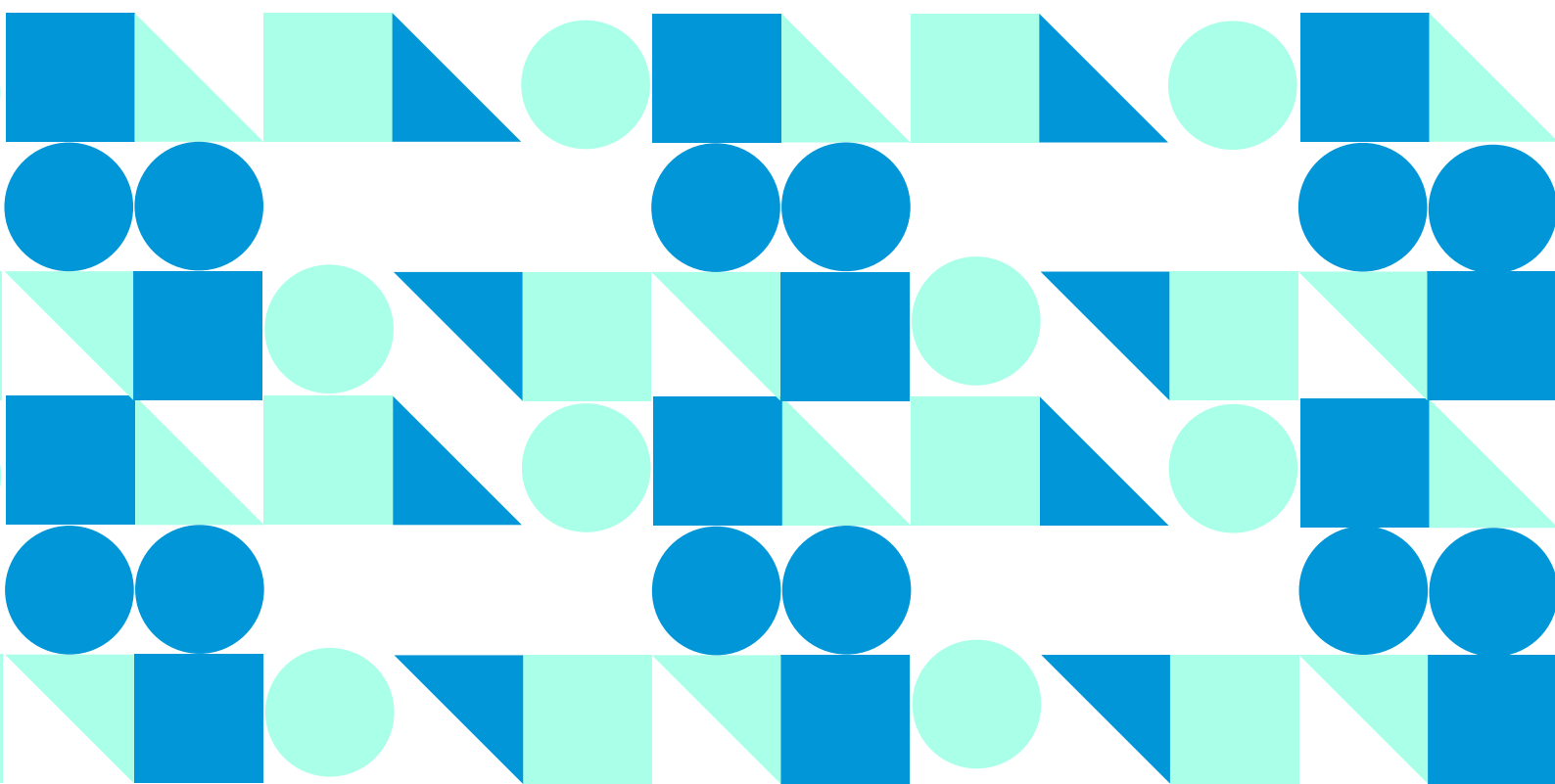




Research paper

Thematic country review on upskilling pathways for low-skilled adults in Croatia

Key findings of the first research phase



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The **European Centre for the Development of Vocational Training** (Cedefop) is the European Union's reference centre for vocational education and training, skills and qualifications. We provide information, research, analyses and evidence on vocational education and training, skills and qualifications for policymaking in the EU Member States.

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Foreword

The European Union's vision for a skilled and adaptable workforce, as embodied in the Union of Skills, recognises that investing in people is the key to unlocking a brighter future. Indeed, in today's rapidly changing world, 'putting people first and investing in skills pays off many times over'. This serves as a powerful reminder that every adult deserves lifelong opportunities to improve and acquire new skills in order to thrive in their life and career. This is not only a social imperative but also an economic one, as addressing skills gaps can help businesses remain competitive to the benefit of both individuals and organisations.

However, for many adults with low skill levels, this vision remains elusive. Accounting for almost half of the population of the EU, low-skilled adults often accumulate several vulnerabilities, face significant barriers to accessing the labour market and are at a higher risk of unemployment and precarious jobs. Yet, they benefit the least from upskilling and reskilling opportunities.

This publication is part of the European Centre for the Development of Professional Training's series on thematic country reviews on upskilling pathways and summarises the first insights into how Croatia has responded to [Council Recommendation of 19 December 2016 on upskilling pathways: new opportunities for adults](#). The recommendation marked a significant turning point in EU and national policies, placing low-skilled adults at the forefront and encouraging EU Member States to offer tailored upskilling and reskilling opportunities. The recommendation recognises that developing adults' skills goes beyond training and encompasses a range of services, such as outreach, career guidance, validation of non-formal and informal learning and removal of obstacles. These services work together to create individualised pathways that address the unique needs and circumstances of each adult, leading to employment, higher qualifications and better skills.

Croatia's response to the recommendation on upskilling pathways is based on the [Adult Education Act](#), which entered into force in January 2022. The focus of this thematic country review in Croatia, as decided by the national stakeholders, is on governance, financial and non-financial support and outreach towards beneficiaries. By examining these critical aspects, this publication provides valuable insights into Croatia's efforts to create a more inclusive and supportive environment for low-skilled adults, contributing to their empowerment in the labour market and in society.

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Cedefop would like to acknowledge the teams from the Istituto per la Ricerca Sociale (IRS) and the Institute for Social Research in Zagreb (ISRZ), which conducted the research in Croatia and prepared the preliminary analyses of the findings that this publication is based on.

Flavia Pesce from the IRS led the work of the team, composed of IRS experts Elena Ferrari, Manuela Samek and Sandra D’Agostino, and national experts Teo Matković, Tihomir Žiljak and Nikola Buković from the ISRZ.

Special thanks go to the members of the national steering group, for their availability to steer the review, their valuable expertise and continuous support to the research implementation. The steering group is composed of representatives of the Ministry of Science and Education, the Agency for VET and Adult Education, the Ministry of Labour and Pension System, Family and Social Policy, the Croatian Andragogy Society, the Croatian Employers’ Association, Open University Zagreb and Open University Čakovec.

Executive summary

Cedefop's work on the thematic country reviews (TCRs) on upskilling pathways (UP) aims at supporting EU Member States in the development of systematic, coordinated and coherent approaches to UP for low-skilled adults. The aim is to undertake in-depth reviews of countries' national approaches to the implementation of Council Recommendation of 19 December 2016 on upskilling pathways: new opportunities for adults (UP Recommendation), with the support of key national stakeholders. Croatia was selected for the second round of the TCR exercise, following the successful implementation of the first wave in [France](#) and [Italy](#). The TCR in Croatia is expected to finish by the end of 2025.

The implementation of the TCRs on UP is based on the close cooperation between Cedefop and the national authorities responsible for the implementation of UP. It is carried out through an interactive and cooperative process with a steering group of national stakeholders, endorsed with a formal mandate. The steering group brings the strategic direction to the TCR, gives feedback on the documentation produced and validates the intermediate and final outputs, including the policy recommendations.

This report summarises the outcomes of the first phase of the TCR on UP in Croatia. The next two phases of the research will build on these results and will eventually lead to the formulation of proposed solutions and recommendations for the country to tackle the challenges identified.

The national upskilling pathways initiative

In Croatia, the national steering group has identified the [Adult Education Act](#) (AEA) as the national initiative that corresponds the most to the principles and spirit of the UP Recommendation and to Cedefop's [analytical framework for developing upskilling pathways for low-skilled adults](#). The AEA, which entered into force in January 2022, represents a good and sustainable basis for innovating the adult education system in Croatia, in line with the principles expressed in the UP Recommendation.

The act is aimed at facilitating a coordinated and coherent approach to UP by unlocking synergies and adapting existing structures and resources. It embraces a lifelong learning perspective and prioritises individual needs and interests, recognising that every adult learner has unique goals and aspirations. It is underpinned by the principles of the right to education, freedom of choice in

education type and method, inclusiveness and accessibility, ultimately ensuring that all adults have access to quality learning opportunities.

By establishing a multilevel and multistakeholder governance framework, the AEA brings together a diverse range of stakeholders with well-defined roles and responsibilities, fostering a collaborative environment that leverages their unique perspectives and expertise. This inclusive approach lays the groundwork for sustainable and impactful change, ensuring that decision-making is informed, effective and responsive to the needs of all stakeholders.

By taking the act as a frame of reference, the steering group for Croatia chose to narrow the focus of the TCR to three of the key areas presented in Cedefop's analytical framework, namely: (a) multilevel and multistakeholder governance; (b) financial and non-financial support; and (c) outreach to low-skilled individuals, with particular regard to unemployed people with a low education level, women facing barriers to accessing the labour market, people with disabilities and migrant workers from non-EU countries.

Key findings: multilevel and multistakeholder governance

The governance of UP in Croatia benefits from a robust legislative framework, including the AEA, the Act on Vocational Education and Training and the Act on the Croatian qualifications framework. Despite these strong foundations, significant challenges persist at the implementation level. Horizontal and vertical cooperation in executing upskilling programmes is perceived as poorly effective, and advisory bodies in education and social dialogue appear to have a limited impact. Although there is general satisfaction with the support provided by the Agency for Vocational Education and Training and Adult Education and the Ministry of Science, Education and Youth, stakeholders and providers agree that there is room for improvement in cooperation and information sharing to better address local needs.

To better target vulnerable groups and enhance the effectiveness of upskilling opportunities, providers are advocating for greater involvement in the design and implementation of adult learning programmes, and relaxing regulations that restrict high-skilled professionals from becoming teachers and trainers. It is also suggested that employers play a more active role in training their low-skilled workers, potentially incentivised through measures like tax breaks or preferential treatment in public procurement processes. Special attention should be given to improving the multistakeholder governance for the integration of foreign workers.

There is considerable potential for stronger collaboration between providers and other stakeholders, such as employers and networks of adult learning professionals, in promoting and supporting UP. Evidence suggests that such

cooperation can significantly enhance the impact of training programmes. This collaboration should extend beyond training implementation and envision a multistakeholder approach to policy planning and governance and the design of training programmes, potentially yielding substantial benefits.

Key findings: financial and non-financial support

Regarding financial support, most of the resources are provided by EU funding schemes. However, most adult learning providers believe that the funding for adult learning is still inadequate. While securing higher funding is a concern, providers are also worried about low demand levels and how the funds for training are allocated. The voucher system, which is channelling significant resources into adult learning, is considered imbalanced and risky for providers, having insufficient per-unit funding and lacking pre-financing options.

Surveyed training providers also emphasise the need to implement capacity-building measures to broaden the access to the European Social Fund Plus (ESF+) and other EU resources. Better communication from public authorities regarding regulatory issues and labour market needs, along with greater support in meeting administrative requirements when designing new training courses, are also deemed necessary for improving upskilling opportunities for vulnerable adults. Providers and stakeholders alike voice concerns regarding staff shortages, urging for improvements to the hiring system for and career progression of trainers and guidance and counselling professionals.

Regarding targeted support in upskilling vulnerable groups, there is a consensus on the benefits of introducing training vouchers. However, the voucher approach has a significant limitation: its primary emphasis on micro-qualifications may not be sufficient to substantially enhance the employability prospects of low-skilled adults. Micro-qualifications focus on acquiring narrow skills and knowledge, which may not be enough to bridge the skills gap and lead to meaningful improvements in employment outcomes.

Moreover, training providers and other stakeholders advocate for targeted non-financial support services and solutions to effectively support the participation of vulnerable adults. To achieve this, a functional integration between different policies and services is needed, along with efforts to address regional disparities, with specific reference to remote areas. Solutions for a holistic approach that considers the complex interplay between education, training and social welfare policies are considered essential to the effective upskilling of vulnerable adults.

Key findings: outreach towards beneficiaries

The third part of the Croatian TCR focuses on outreach towards beneficiaries, an essential part of promoting lifelong UP opportunities and strengthening social inclusion. The first round of surveys among providers, stakeholders and beneficiaries has acknowledged severe difficulties in outreach to every target group, with low-skilled unemployed people and women experiencing barriers to accessing the labour market facing the greatest challenges. The findings highlight the need for tailored outreach practices that cater to the specific needs of different vulnerable populations. This is particularly important for low-skilled workers and low-skilled unemployed individuals, who require distinct approaches.

The Croatian Employment Service plays a significant role in outreach efforts and supporting low-skilled adults, according to the surveyed beneficiaries. Collaboration between stakeholders is also crucial for effective outreach to vulnerable groups. According to the survey, nearly two thirds of training providers work with other services or stakeholders to reach and engage vulnerable groups, but there is room for more. Outreach can be enhanced through a legal framework expanding the number of organisations able to deliver formal adult education programmes. Developing links between various sections and profiles within the Croatian Employment Service (counsellors/advisors, voucher administrators, centres for career counselling and information provision), professional counsellors and practitioners from the Center for Professional Rehabilitation, and adult learning providers, was also proposed to improve outreach. Finally, creating viable platforms for the exchange of best practices and cooperation, under the responsibility of public authorities, is deemed relevant to the implementation of effective outreach interventions.

Looking ahead: the meso-level analysis

The aim of survey round 2 (SR2) is to further investigate and analyse, at the meso level, the gaps and challenges that emerged in the first round and their causes, and explore potential solutions to improve cooperation, partnerships, vertical and horizontal governance, support mechanisms, along with stakeholders' capacity-building strategies for more effective outreach. The potential solutions emerging from fieldwork in the second round of surveys will then be further considered in the third round (focusing on the macro and policymaking levels) to derive specific and tailor-made policy recommendations to support the implementation of the UP Recommendation in Croatia.

Chapter 1.

Thematic country reviews on upskilling pathways

1.1. Policy background

In December 2016, the Council of the European Union adopted the Recommendation on upskilling pathways: new opportunities for adults (Council of the European Union, 2018) (UP Recommendation) (Council of the European Union, 2018). The UP Recommendation calls on EU Member States to help adults with a low level of skills, knowledge and competencies, who are not eligible for support under the [Youth Guarantee](#), ‘to improve their literacy, numeracy and digital competence and to progress towards higher European qualifications framework (EQF) levels relevant for the labour market and for active participation in society’. At the centre of the UP Recommendation is the concept of upskilling pathways, which is characterised by the centrality of the individual to the pathway (individualisation of the pathway), and by a design based on a three-step approach: skills assessment; provision of a tailored and flexible learning offer; and validation and recognition of the skills acquired. The UP Recommendation adds that ‘those steps could be facilitated by guidance and support measures (...) and by making best use of the potential of digital technologies, if appropriate’. Developing adults’ skills refers not only to training them, but also to providing them with the means (e.g. information, career choices and guidance) to be masters of their own professional pathways.

In designing and implementing UP for low-skilled adults, Member States would consider national circumstances, the resources available and existing national strategies, and they would identify priority target groups for the delivery of upskilling pathways nationally. Thus, Member States are not expected to develop anything from scratch but to adapt and optimise what is already in place, guided by a new philosophy that acknowledges the heterogeneity of the low-skilled adult population and the need for an individualised approach – one that encompasses more than the provision of education and training.

As Cedefop argues in its report [‘Empowering adults through upskilling and re-skilling pathways, Volume 2: Cedefop analytical framework for developing coordinated and coherent approaches to upskilling pathways for low-skilled adults’](#) (Cedefop, 2020), upskilling pathways is about pulling together resources and creating the right synergies for supporting every low-skilled adult on their individual path to empowerment. It is about creating a comprehensive approach to the

upskilling and reskilling of the low-skilled adult population. This approach should be able to address their needs in a coordinated and coherent way between stakeholders and services and ensure that they have all the tools and support to embark on sustainable learning pathways that result in fulfilment and help them unlock their full potential.

In view of the implementation of the recommendation by Member States, Cedefop has developed an [analytical framework](#) aimed at supporting policymakers and other stakeholders in designing and implementing sustainable, coordinated and coherent approaches to flexible and inclusive upskilling pathways. The framework is grounded in a lifelong learning perspective and focuses on empowering individual learners and beneficiaries. It comprises 10 key areas of intervention:

- (a) decision-making:
 - (i) an integrated approach to upskilling pathways for low-skilled adults;
 - (ii) a planning strategy for the identification of target groups;
 - (iii) governance (multilevel/multi-stakeholder);
 - (iv) monitoring and evaluation;
- (b) support:
 - (i) financial and non-financial support;
 - (ii) outreach;
 - (iii) lifelong guidance;
- (c) implementation:
 - (i) a skills assessment;
 - (ii) a tailored learning offer, leading to a qualification or involving work-based learning (WBL);
 - (iii) validation and recognition of skills and competencies.

In the TCR on UP, Cedefop's analytical framework functions as a reference point for the data collection instruments and processes, analysis and reporting. It also constitutes the basis for identifying the TCR's scope (i.e. the TCR object, specific objectives and key areas to be reviewed).

1.2. Aims and steps of the TCR on UP

Cedefop launched the first round of TCRs in 2021 to support the implementation of the UP Recommendation nationally and to increase the evidence base that can support policymakers and decision-makers at the European level. TCRs aim to analyse in depth the national approaches to the implementation of the UP Recommendation by understanding their strengths and weaknesses and the

challenges at stake. The first round of TCR involved France and Italy, while this second TCR round, launched in 2023, focuses on Croatia.

The TCR is a country-owned and country-driven review process of its upskilling pathways approach, based on the close collaboration between Cedefop and the ministry(ies) responsible for the implementation of upskilling pathways. It is carried out through an interactive and collaborative process with a steering group of national stakeholders, endorsed with a formal mandate, and it helps identify country-specific strengths and weaknesses and come up with a set of policy recommendations. The steering group provides strategic direction to the TCR and ensures the relevance and ownership of its results. It gives feedback on the documentation produced and validates the intermediate and final outputs, including the policy recommendations.

1.2.1. Preparatory phase

Upon its appointment, the national steering group identifies the TCR's scope: the object of the TCR (i.e. a national strategy or initiative that could be considered the national functional equivalent of the UP Recommendation in the country) and the key areas for review based on the Cedefop analytical framework (i.e. which aspects of the selected national initiative the steering group members consider important to improve through the TCR exercise).

1.2.2. Fieldwork

The fieldwork phase is made up of three consecutive rounds of research directly involving national stakeholders. The micro phase, or the first fieldwork round (also called the micro phase, survey round 1, or SR1) is aimed at collecting opinions at the implementation level (i.e. from practitioners and beneficiaries). The second, meso phase (SR2), builds on findings from SR1 and collects opinions at the institutional level (e.g. from regional/local government representatives, social partners, sector organisations, representatives from local authorities and civil society organisations (CSOs) acting at the community level) on the challenges and gaps identified in SR1. In the third, macro phase (SR3), policymakers, social partners, experts and other system-level stakeholders discuss proposed solutions and recommendations for the country to tackle the challenges identified.

As mentioned above, findings from each fieldwork round are discussed, contextualised and validated with the national steering group. The national steering group steers the findings in the right direction and ensures the relevance and ownership of the policy recommendations developed as an outcome of the TCR.

Chapter 2.

Trends in low-skilled employment in Croatia

2.1. Defining low-skilled adults

'Low-skilled adults are a highly heterogeneous population, comprising people with very different characteristics and needs' (Cedefop, 2023, June 13). From the perspective of statistical monitoring, low-skilled adults are associated with the group of people with the lowest levels of qualification (International Standard Classification of Education (ISCED) levels 0–2), which represented around 6% of the Croatian active population in 2023. The advantage of using qualification as the proxy for skill level is that it allows for analysing the low-skilled adult population based on a multitude of factors (as captured by numerous EU-wide surveys), such as employment, earnings, training participation and others.

However, from the policy perspective, reducing the definition of low-skilled people to educational attainment alone is problematic, as it overlooks the fact that many people with higher qualifications are also exposed to the risk of unemployment and being trapped in precarious and poorly paid jobs. A broader look at the causes of becoming low-skilled thus would also include people with obsolete skills (no matter their qualification level) and ones who do not possess enough non-cognitive skills (Cedefop, 2017). A more recent Cedefop study has estimated that around one third of the Croatian adult population has a potential for upskilling and reskilling (Cedefop, 2020).

In this study, we use a combination of both definitions (low-qualified and low-skilled), based on the data sources available. The survey-based analyses are further supported by administrative data from the Croatian Employment Service (CES) and from the latest census in the country – in 2021.

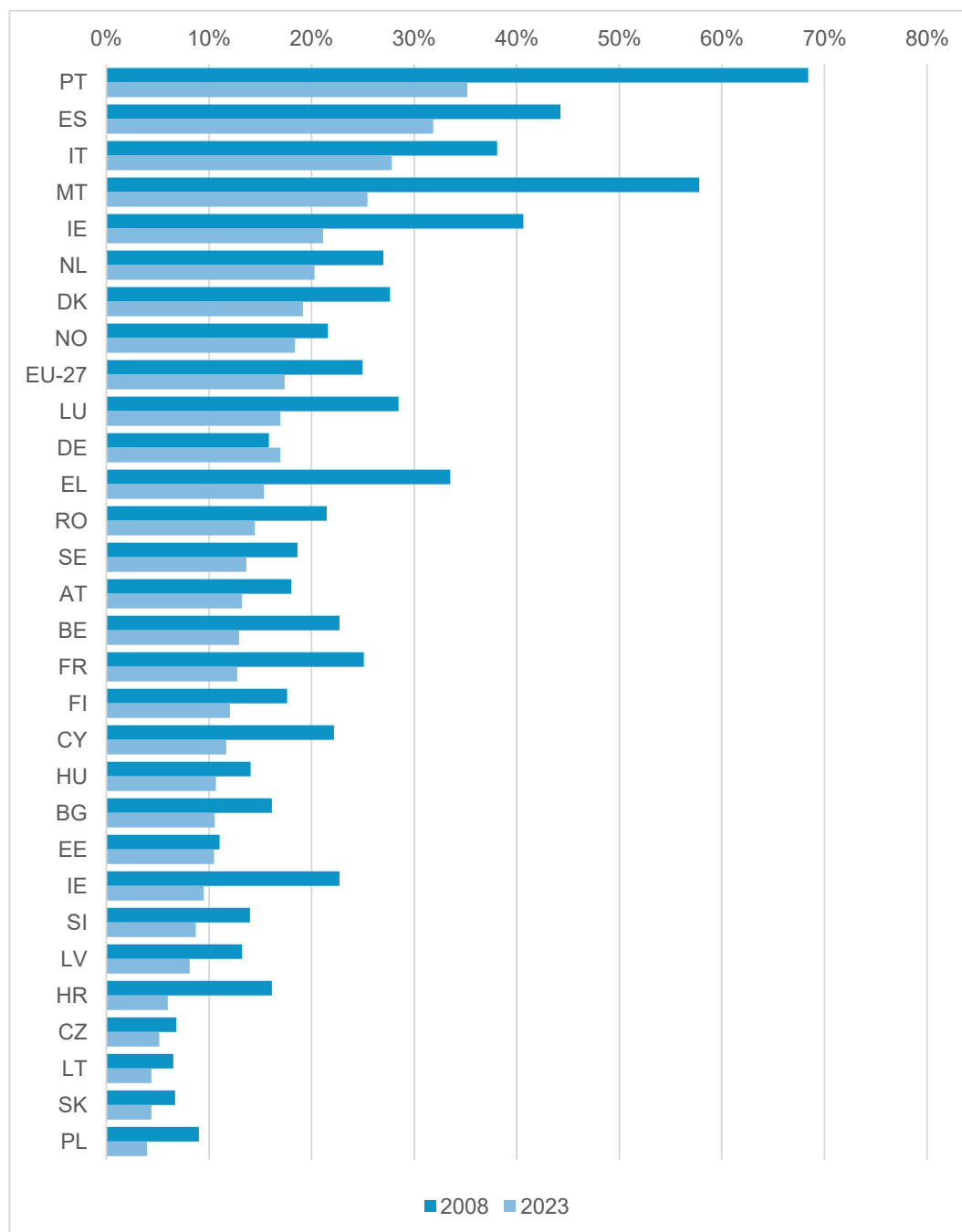
From the analyses, four groups of low-skilled adults stand out and merit particular attention: unemployed people with low qualification levels, unemployed women without a tertiary education, people with disabilities and migrant workers.

2.2. Employment and unemployment of low-qualified people

In 2023, people with the lowest qualification levels (ISCED levels 0–2) represented 6% of the Croatian active adult population. It was the fifth lowest share in the

European Union, and almost three times lower than the EU-27 average (17.4%, as seen in Figure 1).

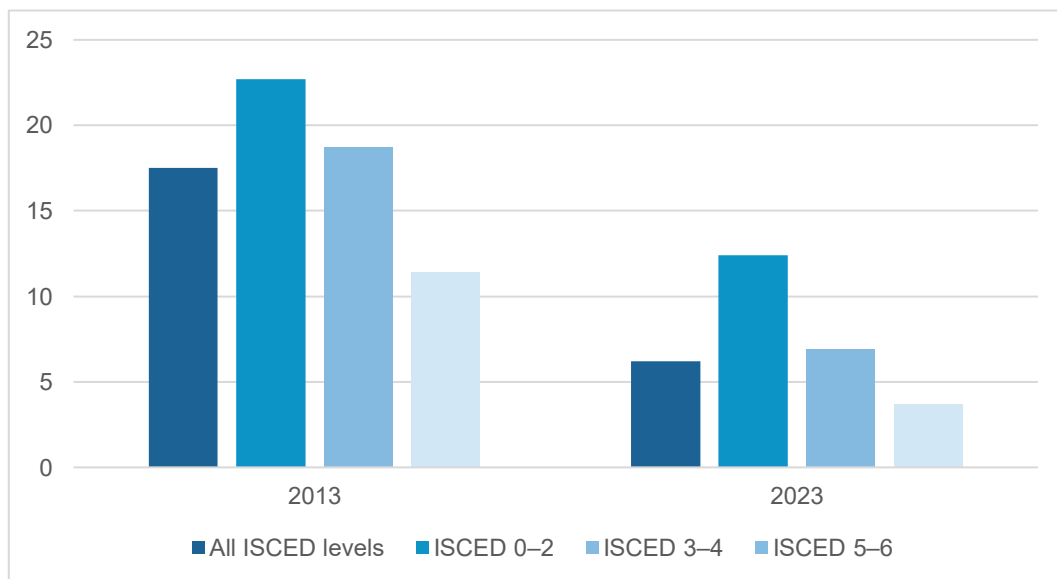
Figure 1. **Share of low-qualified people in the active population aged 15-64 (in %)**



Source: Eurostat. Active population by sex, age and educational attainment level. Table code: Ifsa_aged.

Since 2008, the share of low-qualified people in Croatia has decreased from 16% to 6%, which was the biggest decrease among all Member States, as shown in Figure 1. However, as the share of people with low qualifications dwindled, their comparative disadvantage in the job market grew. In 2023, the unemployment rate for low-qualified adults in Croatia was twice as high as the average unemployment rate, whereas a decade earlier it was only one-third higher, as shown in Figure 2.

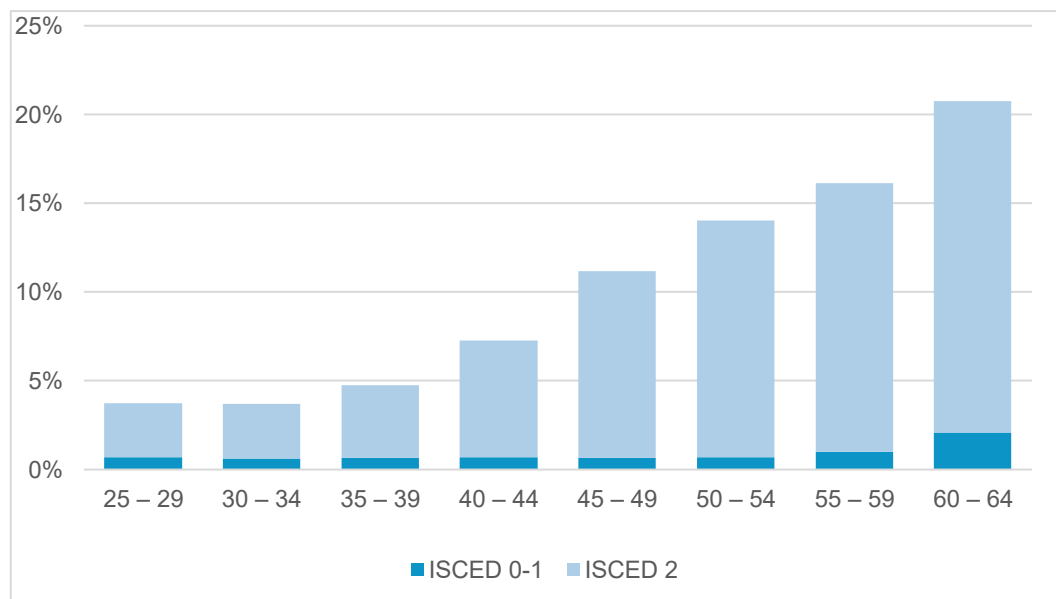
Figure 2. **Unemployment rate by educational attainment level in Croatia (in %)**



Source: Eurostat. Unemployment rates by sex, age and educational attainment level. Table code: ifsa_urgaed. Own calculations.

The share of the population with low qualifications depends strongly on the age cohort: it is less than 5% for people born in the 1980s and it grows by 3–5 percentage points with each successively older cohort, reaching about a fifth (20.7%) for persons born between 1957 and 1961. By the time this TCR is finalised, in 2026, the census age 60–64 cohort will retire completely and, barring large migration flows, the share of people with low qualifications in the population will further decline.

Figure 3. **Number and share of low-qualified people in Croatia by age group (2021)**

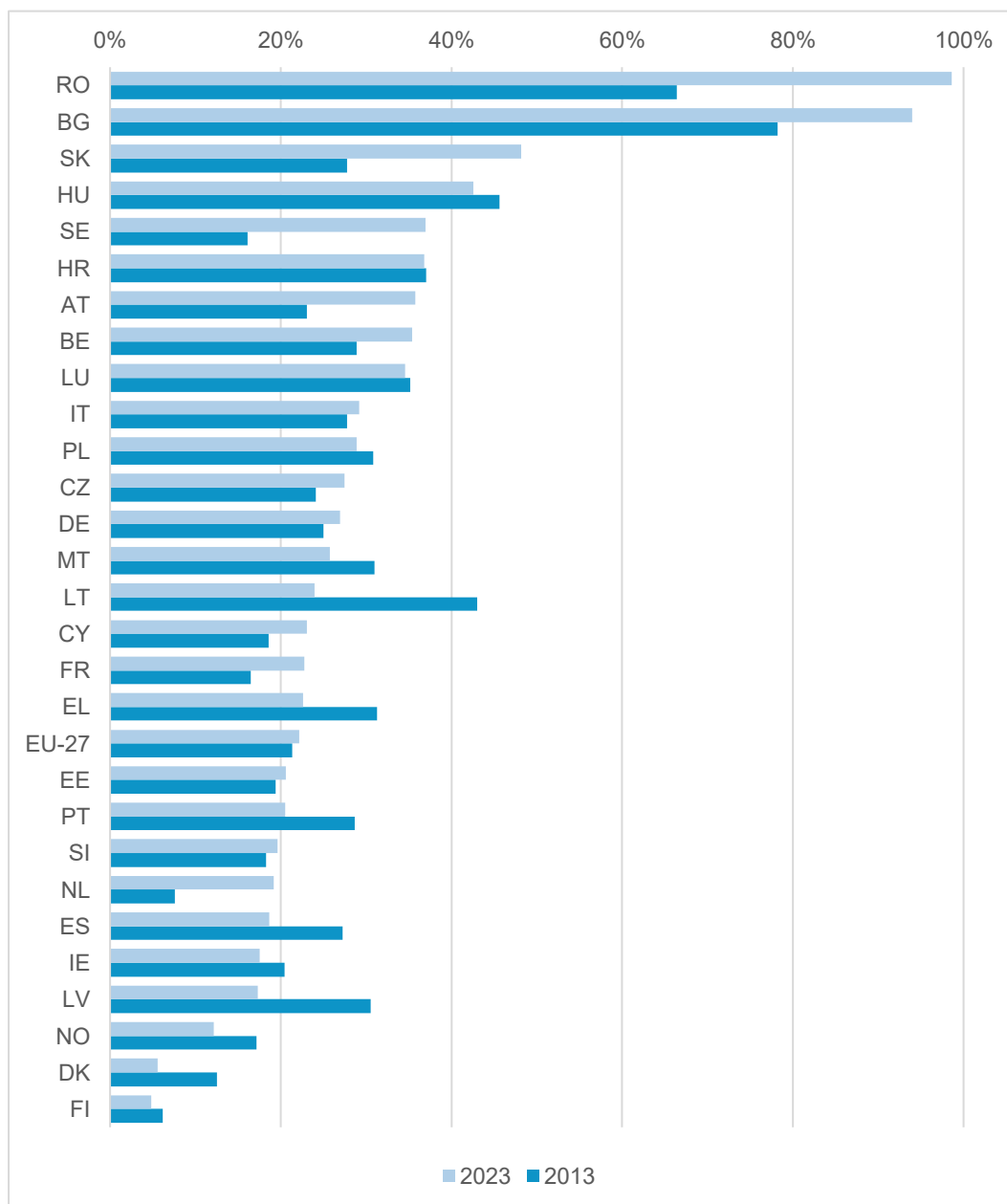


Source: DZS (2023). Table 8: Population aged 15 and over by educational attainment, age and sex, by towns/municipalities, 2021 census.

Low qualifications combined with higher age dramatically worsen one's chances of finding a job: in the 55–64 age group, low-qualified people represent one third of all unemployed people (HZZ, 2023a).

Low qualification levels come with a significant income penalty. In 2023, Croatia had the sixth-largest gap between median equivalised net income for people with upper secondary and people with low qualification levels, although this gap has narrowed down a bit in the past decade, as shown in Figure 4.

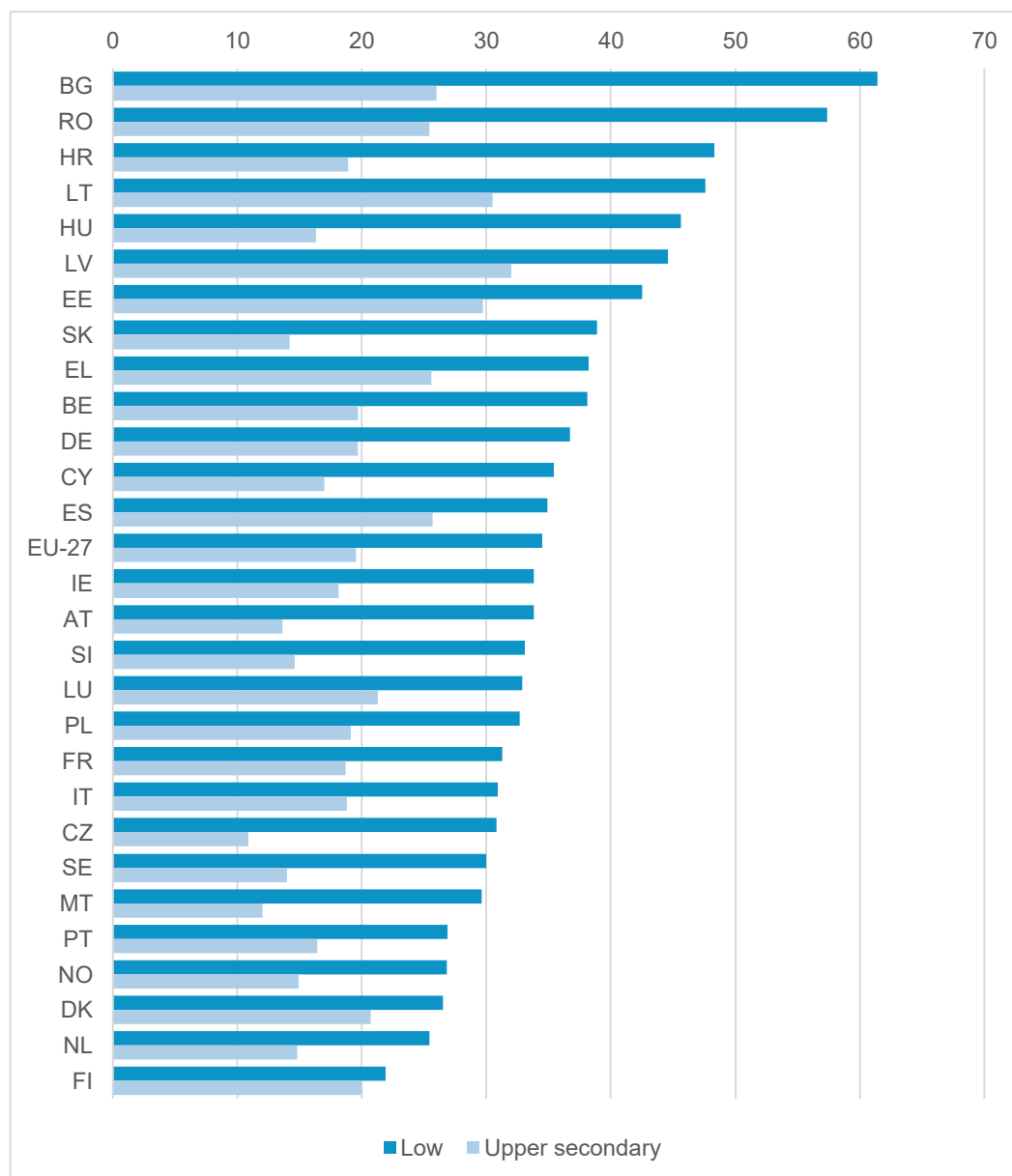
Figure 4. **Difference between median equivalised net income for people with upper secondary and low qualification levels (in %)**



Source: Eurostat. Mean and median income by educational attainment level [ilc_di08__custom_15273819]. Own calculations.

This also has a significant impact on the risk of poverty. Croatia has the third-highest risk of poverty or social exclusion for people with low qualification levels, but also one of the largest gaps between the share of people at risk of poverty or social exclusion with upper secondary and low qualification levels. This means that reaching the upper secondary qualification can bring more benefits to individuals in Croatia than in most other Member States, as shown in Figure 5.

Figure 5. **Share of people at risk of poverty or social exclusion with upper secondary and low qualification levels (in %)**



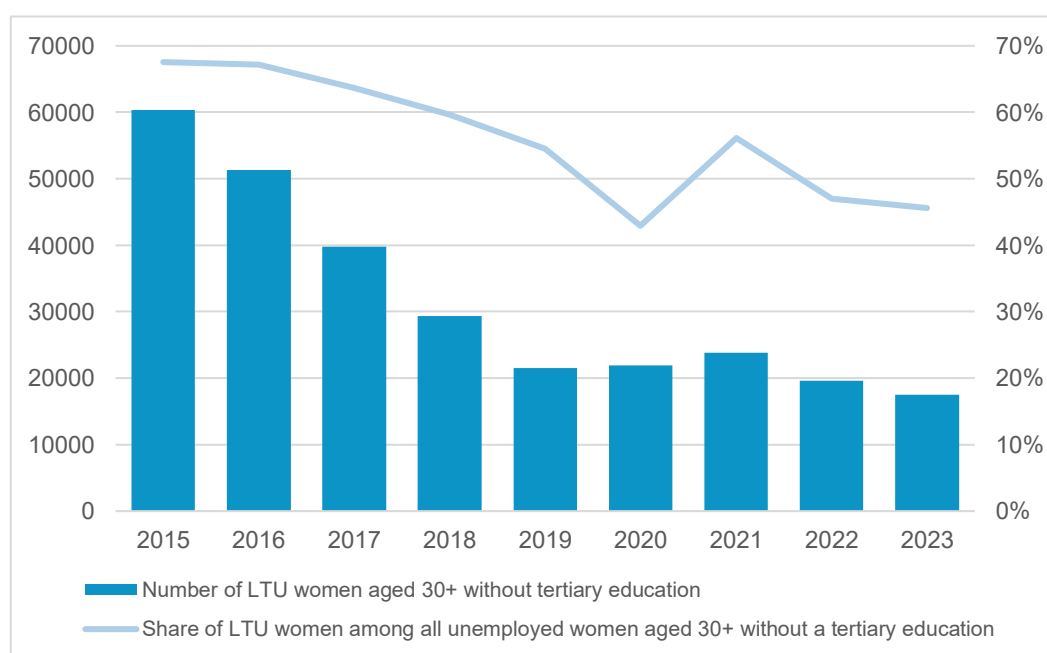
Source: Eurostat. People at risk of poverty or social exclusion by educational attainment level (population aged 18 and over) [ilc_peps04n__custom_15305950].

2.3. Gender gap among low-qualified people

According to the 2021 Croatian census data, women accounted for 57% of low-qualified adults. Notably, age plays a significant role in determining the gender distribution of low-qualified individuals. Among those under 40 (born after 1980), low-skilled men outnumber women, whereas those born in the 1970s exhibit a more balanced ratio. In contrast, women over 50 (born before 1970) are disproportionately represented among the low-qualified population.

Women without a tertiary education are particularly vulnerable to long-term unemployment, although it is encouraging to see a steady decline in their numbers. Between 2015 and 2023, the number of women in this category decreased from over 60 000 to less than 18 000. Long-term unemployed women still constitute nearly half of all unemployed women in Croatia, but a gradual improvement is evident, with the proportion of long-term unemployed women decreasing after having reached almost 70% in 2015, as shown in Figure 6.

Figure 6. **Long-term unemployed women without a tertiary education (aged 30+), July 2015-2023**



NB: LTU stands for 'long-term unemployed'.

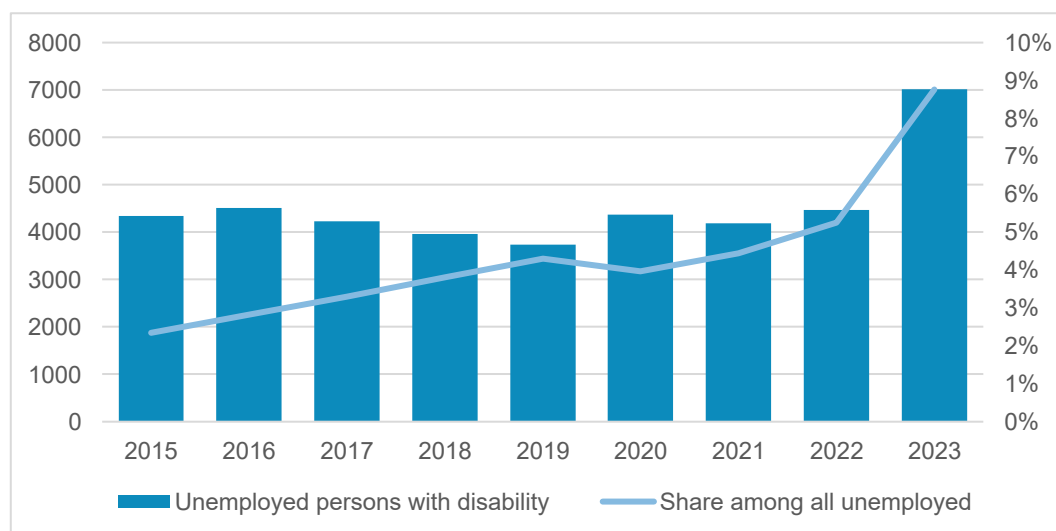
Source: HZZ, 2023a.

2.4. People with disabilities

Despite the overall improvement in the labour market and the growing number of job opportunities, people with disabilities have not seen corresponding benefits. In fact, they have been facing more and more challenges, with their unemployment share rising from 2.3% to 5.3% between 2015 and 2022.

The transfer of the disability benefit scheme to the CES and the improved integration of registers have led to a substantial increase in the number of people with disabilities being registered. This expansion of the registered pool has resulted in a notable spike in the data between 2022 and 2023.

Figure 7. **Number and share of unemployed people with a disability (aged 30+), July 2015-2023**



Source: HZZ, 2023b.

Young people with disabilities are twice as likely as their non-disabled peers to leave school early, and they often end up in special vocational education courses at the upper secondary level. The skills they lack result in their difficult integration into the labour market (Žiljak & European Disability Expertise, 2023). People certified for disability as minors accounted for about 44 % of all unemployed people with a disability in 2022 (HZZ, 2023b).

2.5. Migrant workers

The 2011 census ⁽¹⁾ found that 585 000 or almost 14% of Croatian residents were born abroad. However, they mostly comprise immigrants and diaspora from the neighbouring Bosnia and Herzegovina (almost 10%), nationals of other countries of the former Yugoslavia (2.4%) or children of returnees from Germany (almost 1%). Persons born in other foreign countries thus represent less than 1% of the population. They, as is evident from numerous labour force survey-based inquiries, do not fare worse in the labour market, and Cedefop's study reached the same conclusions (Cedefop, 2019).

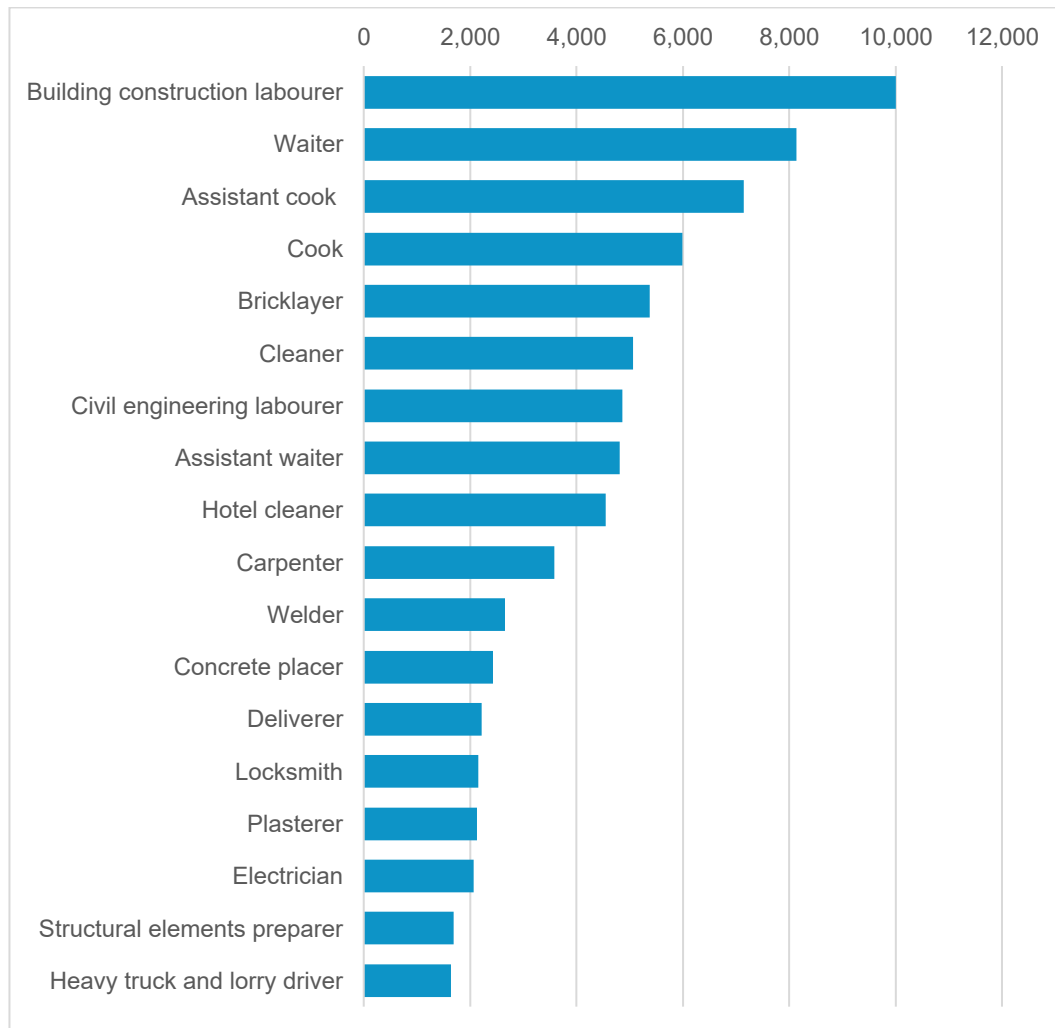
Yet, starting with the gradual increase of work-permit quotas from 7 279 in 2017 to almost 80 000 in 2019, and escalating with the liberalisation of the work-permit regime with the 2020 [Aliens Act](#) (Croatian Government, 2020), a substantive influx of out-of-region foreign workers appeared in the Croatian labour market and society at large.

The Aliens Act states that non-EU nationals may work in the Republic of Croatia based on a residence and work permit or a work registration certificate, unless provided for otherwise by the act. Data on the number of immigrant workers, or non-EU nationals, in Croatia are imprecise and scarce. As the most recent data published by the Ministry of the Interior show (MUP, 2023), in the period from 1 January to 31 July 2023, over 108 000 residence and work permits were issued, most of them in either construction (39 000) or tourism and hospitality (37 000). The number of work permits from traditional adjacent labour markets (Bosnia and Herzegovina, Serbia, North Macedonia, Kosovo) is still predominant and makes for 59 500 workers. Yet, substantive numbers emerge from countries farther away, for a total of 48 700, with Nepal, India, Bangladesh and the Philippines making for 32 200 workers (about 2% of the current Croatian workforce).

Regarding non-EU nationals, Croatian employers asked the CES to issue work permits relevant to the most sought-after occupations. Those are mostly occupations in crafts and related trades, service and sales, or among elementary occupations, and qualifications required for most of those occupations imply completed secondary education or lower. The overview of the occupations and the number of issued work permits is provided in Figure 8.

(1) Census 2021 data on nationality was not available at the time of elaboration of this study.

Figure 8. **Work permits for non-EU nationals, by occupation (January-June 2023)**



Source: HZZ, 2023c.

Migrant workers from non-EU countries experience several disadvantages. The lack of recognition of their qualifications is an issue, limiting their access to jobs where they can fully utilise their skills. Their access to information on available training is poor. A 2022 study of 365 adult education institutions found that none of them focused on migrants and asylum seekers (Alfirević et al., 2023). Language courses for foreigners are provided mostly in Zagreb and are usually unaffordable to low-wage migrants. There is also a severe lack of information on the current situation of migrant workers' education and training experiences. The press and scientists warn that immigrant workers are predominantly hired for low-skilled jobs the local population refuses to apply for (HRT & Hina, 2023).

Chapter 3.

Implementation of the Recommendation on upskilling pathways in Croatia

3.1. National steering group

The national steering group for the TCR in Croatia is coordinated by the Ministry of Science and Education. Its members include representatives of the Agency for Vocational Education and Training and Adult Education (AVETAE), the Ministry of Labour and Pension System, Family and Social Policy, and the CES. The Croatian Andragogy Society, Open University Zagreb and Open University Cakovec represent the adult education sector, and the Croatian Employers Association represents the employers.

3.2. National strategy equivalent to the EU UP Recommendation

The national steering group has chosen the Adult Education Act (AEA) ([*Zakon o obrazovanju odraslih*](#)) as the object of the TCR in Croatia, or the national initiative that corresponds the most to the principles and spirit of the UP Recommendation and to Cedefop's analytical framework for developing upskilling pathways for low-skilled adults.

At its core, the AEA is designed to unlock synergies by adapting existing structures and resources, thereby facilitating a coordinated and coherent approach to upskilling. By embracing a lifelong learning perspective, as outlined in Article 2, the AEA prioritises individual needs and interests, recognising that every adult learner has unique goals and aspirations. Further, Article 3 establishes the AEA's foundation on the principles of the right to education, free choice of education type and method, inclusiveness and availability, ensuring that all adults have access to quality learning opportunities.

Building on existing initiatives, the AEA aims to create and foster synergies, leveraging the momentum generated by the 2014 Strategy for Education, Science and Technology. The Adult Learning Agenda's objectives are aligned with the priorities of the National Development Strategy of the Republic of Croatia until 2030, the National Plan for the Development of the Education System for 2021–2027 and the National Plan for Work, Occupational Safety and Employment for 2021–2027, ensuring a cohesive and forward-looking approach to adult education.

The AEA's emphasis on a systemic approach, effective coordination and clearly defined roles and responsibilities among key stakeholders (Article 32) has been instrumental in its successful adoption. The high level of consensus among key political players and the strategic, integrated approach underpinning the AEA have created a solid foundation for sustainable and impactful change. The AEA's multilevel and multistakeholder governance structure, which includes an advisory body comprising key ministries, government agencies, employers, employees, institutions and professional associations, ensures that diverse perspectives and expertise are brought to the table. By defining clear objectives and responsibilities regarding institution establishment (Article 4), training programme adoption and implementation (Article 12), the roles of experts and practitioners (Articles 18 and 19), financing (Article 30), quality assurance and policy coordination, the AEA provides a robust framework for sustainable and effective upskilling pathways.

The involvement of key ministries and agencies, including those responsible for skills development, lifelong guidance and adult learning, has been crucial in shaping the AEA's framework and ensuring its relevance to the country's educational and economic landscape.

To ensure the AEA's effective implementation and continuous improvement, a monitoring and evaluation system has been established, supported by data collection and a quality assurance framework. The upcoming national information system of adult education will provide a centralised platform for tracking institutions, education programmes, evaluation programmes, students, applicants and other relevant data, facilitating informed decision-making and strategic planning.

By taking the act as a frame of reference, the TCR steering group for Croatia chose to narrow the focus of the TCR to (1) multilevel and multistakeholder governance; (2) financial and non-financial support; and (3) outreach in relation to low-skilled individuals, with specific regard to:

- (a) unemployed people with a low education level (up to EQF level 3);
- (b) women facing barriers to accessing the labour market;
- (c) migrant workers from non-EU countries;
- (d) people with disabilities.

3.3. Analysis of selected key areas

To inform the fieldwork to be carried out in the three survey rounds, the steering group discussed and validated the elements of strength, current limitations, opportunities for development and improvement and possible challenges to the implementation of the UP Recommendation in the three selected key areas.

3.3.1. Multilevel and multistakeholder governance (horizontal and vertical coordination)

The elements of strength, the background desk research and subsequent discussion with the steering group revealed that the architecture of the interinstitutional framework is generally conducive to effective multilevel and multistakeholder governance. In fact, all key policy documents, including the AEA, the Act on Vocational Education and Training, the Act on Croatian qualifications framework (CROQF) and the National Plan for Development of Education until 2027, incorporate provisions and measures aimed at establishing structures to enable a multistakeholder approach to governance.

However, a more in-depth analysis highlights several limitations and challenges that could negatively impact the actual governance potential of adult upskilling policies. For instance, interinstitutional entities, such as advisory bodies in the field of education (e.g. Council for Vocational Education and Training and National Council for Human Resource Development), appear to have limited influence at the policy level. Similarly, social dialogue within the National Economic and Social Council is reported to be facing challenges. Another limitation is the initially ambitious multistakeholder governance setting designed for the CROQF, which faced difficulties in defining occupation and qualification standards and revising educational programmes, and was eventually replaced by a more centralised governance mechanism. Although this less participatory approach yielded more favourable outcomes in terms of efficiency, measured by the improved 'clearance rate' of requests, it raised concerns about the representativeness and effectiveness of these outcomes.

Regarding vertical governance, while regional human resource development plans exist, the involvement of regional and local governments within the vertical governance mechanism is limited. This is compounded by their highly restricted administrative capacity and narrow scope of jurisdiction in the field of adult learning.

The experts also noted that, in general, CSOs have limited capacity and influence in the field of adult learning, except for those representing people with disabilities, professional associations and networks of adult learning professionals. A similar situation was reported for trade unions, which face challenges in developing effective advocacy and social dialogue strategies to represent the interests of vulnerable groups, such as women and migrants.

Another major risk that could jeopardise effective multilevel governance is the discontinuity in policymaking and implementation due to limited administrative resources, particularly with respect to ensuring consistent participation and coordination at the EU level. Finally, greater integration between social policies

and adult education and training policies is considered essential for the smooth social and labour market integration of migrant workers.

The conditionality of access to EU funds upon the functioning of appropriate multilevel governance arrangements is considered as particularly important for the effective functioning of regional competence centres. These centres are expected to play a pivotal role in strengthening the implementation of VET and adult education policies at the territorial level. While it is widely agreed that competence centres can provide quality VET, a more systemic approach is needed to leverage their strategic role in developing regional competitiveness. In this context, it was noted that it may be worth exploring the possibility of reactivating and revitalising successful practices of multistakeholder partnerships for employment at the local level. In a situation of growing skills shortages and mismatches, employers' associations could also play a relevant role in raising awareness about the relevance of upskilling and reskilling and supporting companies so they remain competitive in national and international markets.

3.3.2. Financial and non-financial support

The primary strength in providing financial and non-financial support to adults in need of upskilling and reskilling lies in the multiannual availability of significant EU funds to implement policies aligned with the UP Recommendation. This is particularly evident in the vouchers system, which is largely based on the individual learning account logic and complemented by additional measures such as basic skills development programmes, WBL courses for unemployed low-skilled adults, the [Zaželi \('Make a wish'\) programme](#) ⁽²⁾ and integration and training provisions for foreign workers. Further, funding from Erasmus+ (via the Agency for Mobility and EU Programmes) and the National Foundation for Civil Society Development can supplement these investments, as both sources prioritise vulnerable groups, including low-skilled adults.

However, the underrepresentation of low-skilled adults in adult training programmes is reported to be a systematic weakness. Non-financial support measures, such as career guidance and counselling, are considered insufficient for low-skilled adults in vulnerable conditions, which hinders the effective use of the opportunities provided by the voucher system. Moreover, financial support measures are limited, as access to upskilling offers is currently funded only up to ISCED level 2, thereby restricting the scope of eligibility among vulnerable groups. The role of local governments in complementing the central administration's efforts

⁽²⁾ Funded with EU funds and implemented by the Ministry of Labour and Pension System, the Zaželi programme's primary goal is employment of difficult-to-employ people, primarily women, on jobs which include provision of support to and care for senior citizens and disadvantaged people in their remote communities (rural areas and islands).

is deemed too limited as they must rely on uneven financial resources, and their responsibility in funding adult learning programmes and policy initiatives is not legally defined. In this context, ESF+ resources are considered insufficient to adequately complement national resources, particularly given the need for ambitious reforms, such as the implementation of a national system for recognising prior learning in non-formal and informal contexts.

A significant challenge to providing consistent and systematic support for adults' upskilling is the prevalent practice of ad-hoc project funding, which can lead to a lack of harmonised quality standards in training provision, substantial administrative burdens for training providers and limited continuity of interventions. This is particularly crucial when working with vulnerable groups. Further, the discussion highlighted that the scarcity of resources available to companies, especially small and medium-sized enterprises, prevents employers from developing strategic and forward-looking workforce training initiatives that would create synergies in supporting access to WBL activities.

Despite these challenges and limitations, it is considered that a more efficient, streamlined and strategic integration of financial support instruments, accompanied by targeted non-financial support measures, presents an opportunity for effective adults' upskilling and reskilling policies. This can be achieved by drawing inspiration from relevant research findings, external evaluations and other reliable data sources. By doing so, policymakers can create a more comprehensive and sustainable support system for adults in need of upskilling and reskilling.

3.3.3. Outreach towards beneficiaries

Outreach efforts in Croatia are primarily conducted by the CES, which leverages its extensive network of regional offices and local branches to reach a wider audience. The country also benefits from various events and activities, such as the Lifelong Learning Week organised annually by AVETAE, that serve as examples of effective outreach.

However, beyond these initiatives, current approaches remain largely inadequate for effectively reaching and engaging vulnerable groups. Lack of resources, including inadequate infrastructures and insufficient funding and understaffing, significantly hinder practitioners' ability to address the complex and diverse needs of vulnerable groups.

To enhance outreach capacity, it is essential to invest in the continuous training and development of practitioners involved in outreach activities, enabling them to better understand and respond to the unique needs of vulnerable populations. Adult learning providers face notable challenges in outreach, highlighting the need for targeted support and training. Further, fostering

cooperation and collaboration among various stakeholders, including regional competence centres and CSOs, can substantially improve outreach capabilities, especially when targeting vulnerable groups. By addressing these challenges and leveraging opportunities for collaboration, Croatia can develop more effective outreach strategies that better serve the needs of the most vulnerable.

Chapter 4.

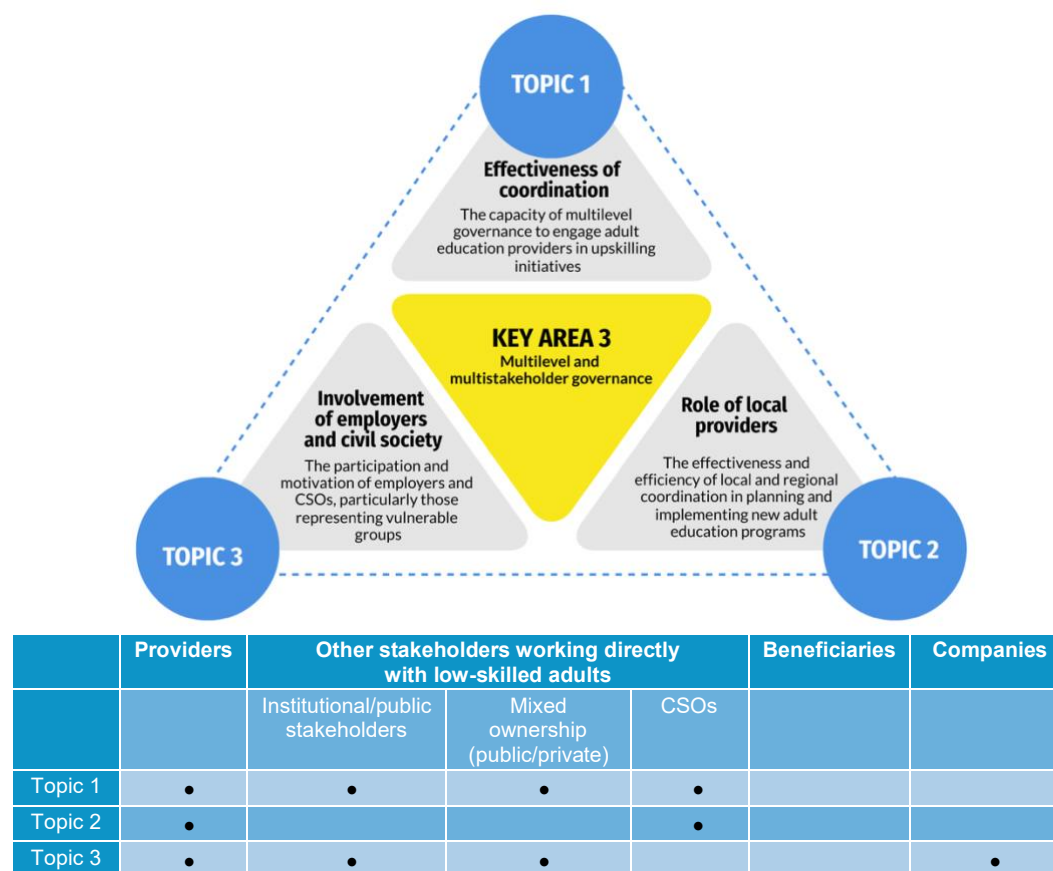
Survey round 1: fieldwork strategy

4.1. Methodological approach

The first round of fieldwork aimed to gather relevant information on the implementation of the AEA at the micro level. SR1 involved various stakeholders, such as policy implementers, providers, companies, local and regional governments, and beneficiaries. Their insights on the strengths, challenges and gaps in the selected key areas of the review will guide the analysis for the next survey rounds (at the meso and macro levels).

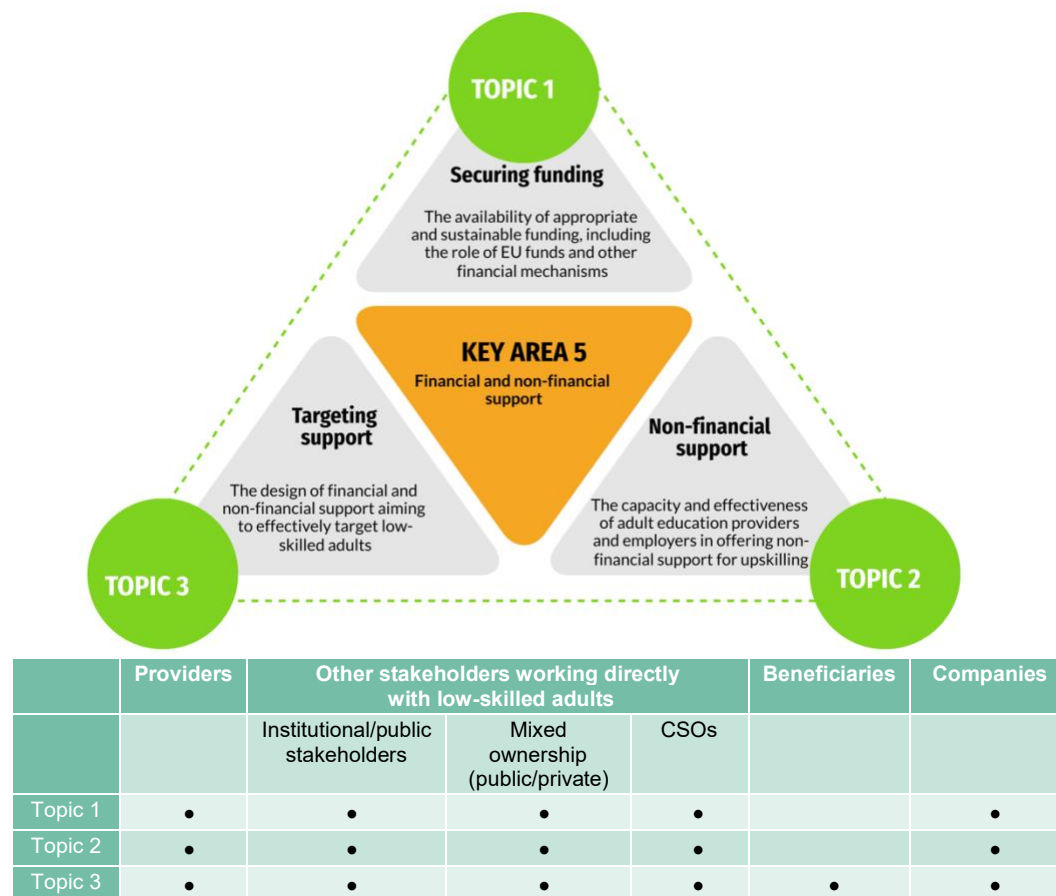
Based on the analysis of the current situation in the three identified key areas (see Section 3.3 for details), the national steering group selected the topics to be investigated in the fieldwork and the stakeholders to involve. These are presented in Figures 9 to 11.

Figure 9. Multilevel and multistakeholder governance: topics and target groups



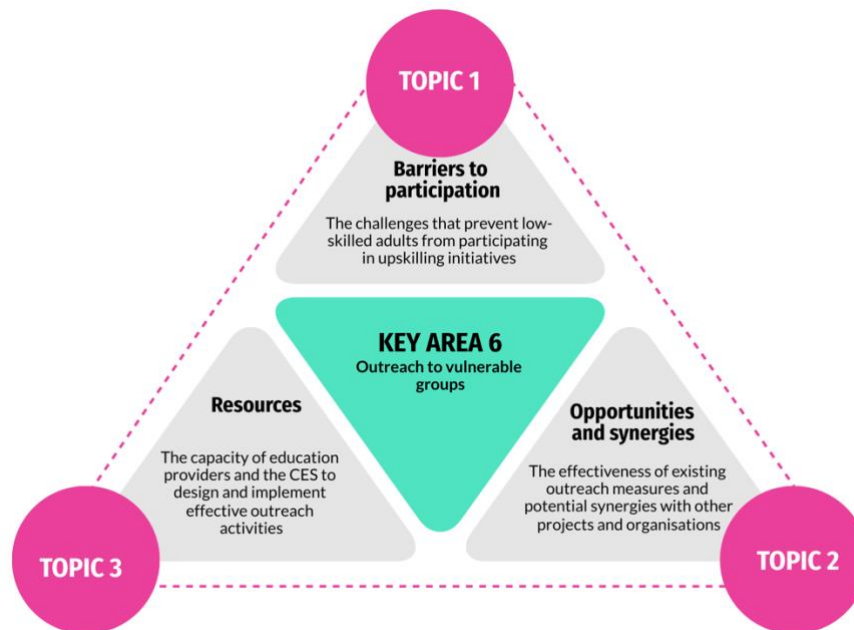
Source: Project team.

Figure 10. **Financial and non-financial support: topics and target groups**



Source: Project team.

Figure 11. Outreach to vulnerable groups: topics and target groups



	Providers	Other stakeholders working directly with low-skilled adults			Beneficiaries	Companies
		Institutional/public stakeholders	Mixed ownership (public/private)	CSOs		
Topic 1	•	•	•	•	•	
Topic 2	•	•	•	•	•	
Topic 3	•	•	•	•		

Source: Project team.

4.1.1. Overview of fieldwork activities

The development of SR1 used both qualitative and quantitative approaches, depending on some methodological considerations about the nature of the topic to be investigated and the specific features of the target groups. The qualitative approach mostly relied on a combination of individual and group interviews, involving participants from different relevant groups (i.e. institutional stakeholders, mixed public/private ownership organisations, providers, beneficiaries and companies) to gather a comprehensive and multifaceted understanding of the state of the art in the implementation of the UP Recommendation in Croatia.

The quantitative approach started with an online survey addressed to all training providers. The AVETAE register, in which all training providers must be listed, was used to collect contact information on the providers. On-site surveys were also conducted with beneficiaries of upskilling training programmes. Participants were selected from among the adults contacted by the providers, as there is no unified register of beneficiaries. The decision to conduct on-site surveys

reflected the challenges beneficiaries might be facing in terms of poor access to digital infrastructure and lack of familiarity with digital tools. Additionally, an online survey targeting the education and social departments of all 556 towns and municipalities and 21 counties was conducted to assess local and regional government involvement.

During the phase 1 fieldwork, which took place from April to June 2024, the research team conducted qualitative interviews with 54 individuals, including providers and other stakeholders. The three separate surveys gathered responses from a total of 159 participants. Overall, 213 individuals participated in the six different data collection initiatives.

4.1.2. Qualitative interviews

Fifteen interviews were conducted with 22 individuals representing training providers. The initial strategy proposed inviting one leader or person responsible for adult learning within each institution, along with the individual in charge of institutional governance or planning. However, in most cases, a single person, often the director, was considered sufficiently knowledgeable to address all relevant topics, although some interviews involved multiple respondents. Six interviews were conducted in person, seven online and two via phone.

Among the providers interviewed, open universities established by local governments were the most common, representing seven out of the 15 institutions. The remaining eight VET providers included regional competence centres, chambers of crafts, distance education (correspondence) providers, one private people's university and one language school.

In terms of other key stakeholders, 11 interviews were conducted, involving 19 individuals. These interviews included representatives from social enterprises, organisations supporting work integration, various non-governmental organisations (NGOs) and CSOs focused on social integration. Additionally, two group interviews were conducted with staff from the CES, including activation counsellors for the long-term unemployed, career guidance counsellors and voucher programme administrators.

A deviation from the initial plan occurred due to difficulties in engaging employers who recruit low-skilled adults for group interviews. As a corrective measure, an attempt was made to leverage VET providers' connections with companies offering workplace-based training through a snowball sampling approach ⁽³⁾. However, this strategy was unsuccessful due to several factors,

⁽³⁾ Snowball sampling, also known as chain-referral sampling, is a non-probability sampling technique where existing study participants help recruit future participants from among their acquaintances.

including the absence of existing arrangements between some VET providers and companies providing WBL, and the limited interest and availability of employers. This outcome is significant as it underscores the underutilisation and potential underestimation of workplace-based training in current upskilling practices, reflecting apparent reservations among employers regarding the adoption of this approach. Contact information was received from only one NGO, resulting in a single employer interview.

Beneficiaries were recruited through the CES, with a total of 16 interviews conducted, the majority of which (11) were in person.

Table 1. **Overview of respondents in interviews**

Category	Respondents
Providers	22
Other stakeholders	19
Beneficiaries	13

Source: Project team.

4.1.3. Surveys

The survey of providers was conducted through the [EUSurvey](#) platform. The list of institutions (420) offering any kind of upskilling programme accessible to low-skilled (e.g. simple vocational training, acquisition of lower or upper secondary degree or language courses) was compiled from among the 565 training providers in the AVETAE register. Of these institutions, 69 have filled in the survey.

Among the training providers surveyed, the majority (83%) offer simple vocational training (*osposobljavanje*) and nearly two thirds (64%) also provide microcredentials as a learning outcome. It is worth mentioning that each provider may offer multiple types of adult education offers.

Regarding the structure of their programmes, 38% of the training providers offer only formal programmes, while 57% offer a mix of formal and informal programmes.

As mentioned above, the survey of beneficiaries was distributed in printed form via education providers participating in the qualitative segment of the research. Due to language barriers, surveys were not distributed via institutions providing Croatian language courses for foreigners. In total, six providers sent 54 participant responses altogether.

The survey of local and regional government units resulted in 34 responses (four counties, 13 towns and 17 municipalities). While there was some representation from all the regions, types of local and regional government, and development groups, participation was stronger in more developed areas, northern Croatia and mid-sized towns.

Table 2. **Overview of respondents in surveys**

Survey among providers		Respondents
Open universities		18
Centres for culture and education		2
Private training centres		22
VET and gymnasiums (high schools) delivering adult education programmes		26
Higher education institutions		1
Total		69
Beneficiaries		54
Survey among local and regional government units		Respondents
Counties		4
Towns		13
Municipalities		17
Total		34

Source: Project team.

Chapter 5.

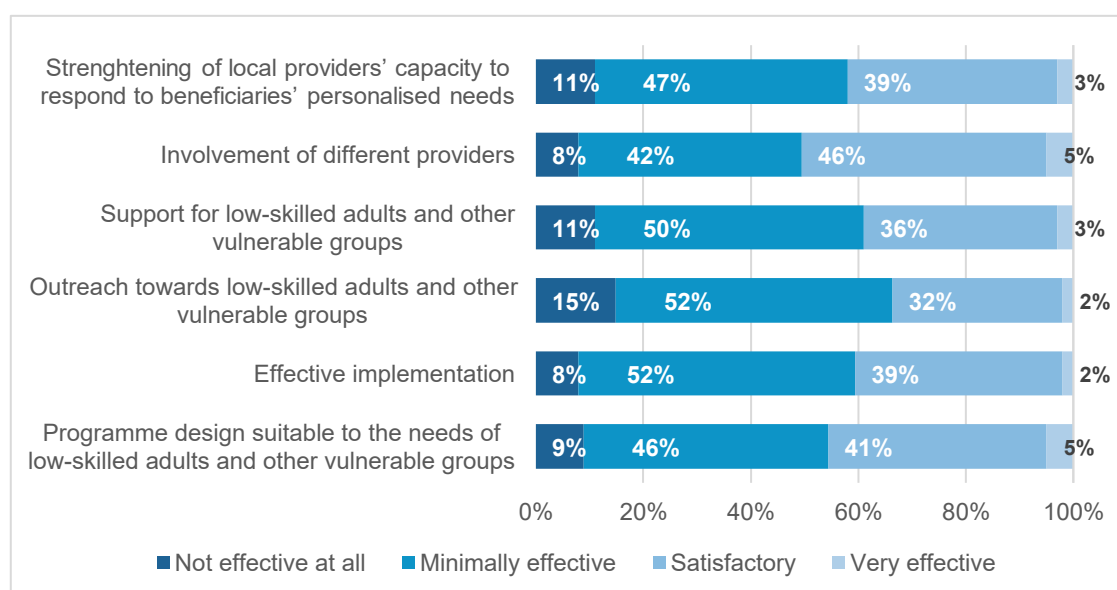
Main findings of survey round 1

5.1. Key area 3: multilevel and multistakeholder governance

5.1.1. Topic 1: multistakeholder governance effectiveness at the implementation level

The survey on training providers revealed that vertical collaboration among local, regional and national institutions occurs to a limited extent. Overall, the involvement of different training providers was deemed the most effective setting, whereas outreach efforts targeting low-skilled adults and other vulnerable groups ranked the lowest, as shown in Figure 12.

Figure 12. **Effectiveness of vertical cooperation between local, regional and national institutions in the implementation of upskilling programmes**



Source: Survey among training providers (66 respondents).

The survey results are corroborated by interviews with the providers themselves, who reported mixed experiences about cooperation with other partners. While some of them expressed frustration with the Ministry of Labour, citing unresponsiveness to requests for price adjustments in voucher-funded adult education programmes, providers generally praised their collaboration with

AVETAE. The agency's effort to publish ready-made educational programmes has been received positively by adult education and training institutions as it effectively lays the groundwork for the implementation phase. Providers also shared positive experiences collaborating with the Ministry of Science, Education and Youth. This collaboration typically takes place during the final step of validating requests for approval of new adult education programmes.

However, some interviews highlighted that there is room for improvement in multilevel and multistakeholder cooperation, especially in addressing local needs. A lack of a systematic approach to enhancing the quality of adult learning programmes was considered a factor that hinders the design and provision of innovative adult education programmes.

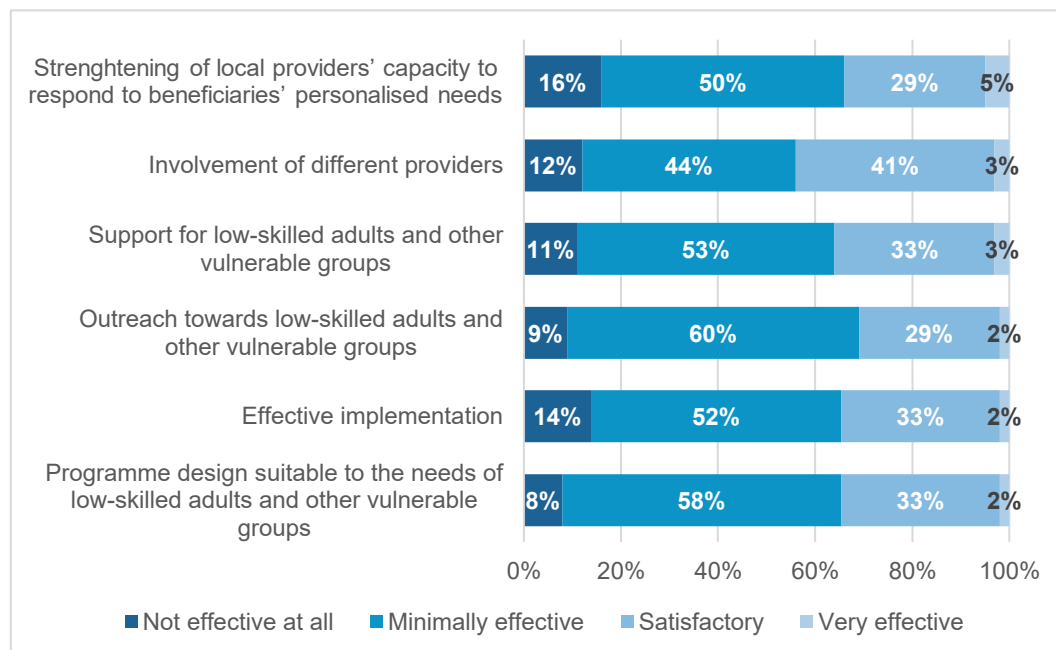
At the local partnerships level, providers reported valuable collaborations with some institutions despite the absence of a systematic approach to support the improvement of the quality of the provision. Cooperation with the CES has been described as effective by some providers, while others experienced difficulties with communication and information sharing.

Some interviewees emphasised the potential value of collaborating with welfare institutes (social welfare centres that administer social support, assistance and services) in adult learning programmes, but none of the interviewed providers reported any specific partnerships or cooperation with these institutions.

Overall, the interviews highlighted the need for improved cooperation and information sharing to better address local needs and support vulnerable groups. This conclusion is consistent with the qualitative interviews with other stakeholders who generally agreed that the current level of cooperation is insufficient. While some of them expressed satisfaction with the CES, they often miss the provision of information on current labour market needs, which they consider crucial for communicating effective education and training offers to vulnerable groups.

The survey showed similar findings for multistakeholder governance at the local level. The high level of involvement of adult learning providers was evaluated as the strongest aspect, while cooperation for outreach activities received the lowest score, albeit by a narrow margin, as shown in Figure 13.

Figure 13. **Effectiveness of horizontal cooperation in the implementation of upskilling programmes at the local level**

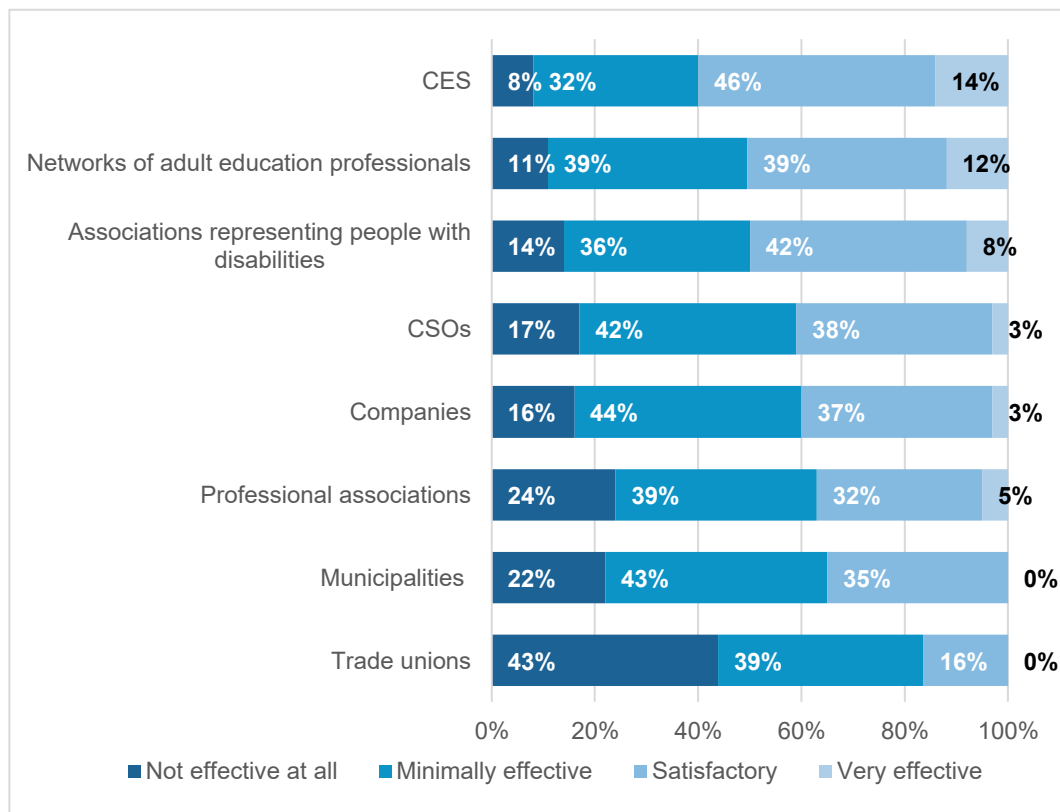


Source: Survey among training providers (66 respondents).

5.1.2. Topic 2: enhancing the role of communities and various institutions in implementing upskilling pathways

The online survey of providers revealed that the CES is perceived as the most effective institution in promoting and supporting the participation of low-skilled individuals and other vulnerable groups in upskilling programmes. Networks of adult education professionals and associations representing people with disabilities have also received relatively high scores, with an overall positive rating (corresponding to 'very effective' and 'satisfactory' ratings) fluctuating at around 50% on average. In contrast, CSOs ranked fourth, with 41% of respondents considering them either 'satisfactory' or 'very effective', as shown in Figure 14.

Figure 14. **Effectiveness of stakeholders in promoting and supporting the participation of low-skilled people and other vulnerable groups in upskilling programmes**

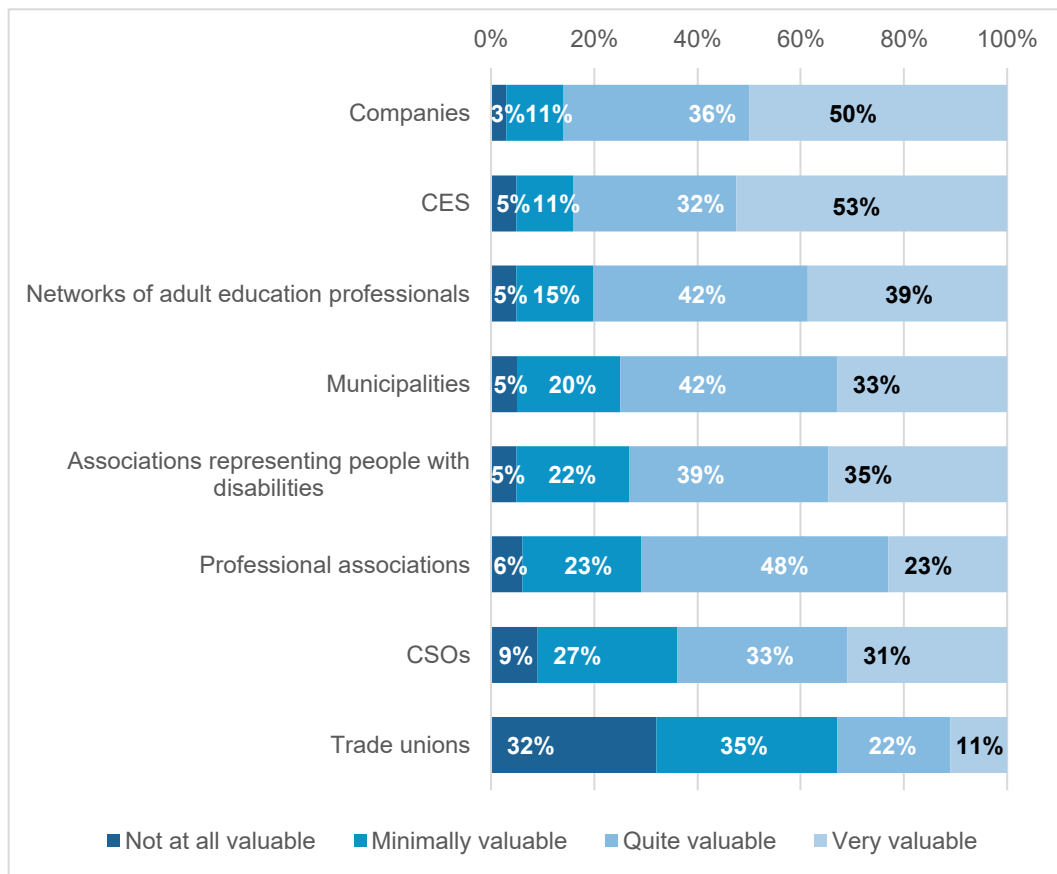


Source: Survey among training providers (66 respondents).

The qualitative interviews with providers largely validated the survey's findings, revealing that most stakeholder types are not considered crucial to adult education implementation except for CSOs that provide professional rehabilitation services, which were commonly recognised as having a significant impact. In particular, the relevance of their role has been connected to the provision of (mostly) non-formal training, such as WBL opportunities for people with disabilities, non-formal training in basic computer skills for people with disabilities and programmes targeting other vulnerable groups, such as people in rural areas, migrants and foreign workers.

The survey of providers has also explored the value of cooperating with various stakeholders in fostering the participation of low-skilled adults from different vulnerable groups in adult learning. The results show that companies and the CES were rated as the most relevant partners, with around 85% of respondents considering them either 'very valuable' or 'quite valuable', as shown in Figure 15.

Figure 15. **Value of cooperating with stakeholders for adult education providers in fostering the participation of low-skilled vulnerable adults**



Source: Survey among training providers (66 respondents).

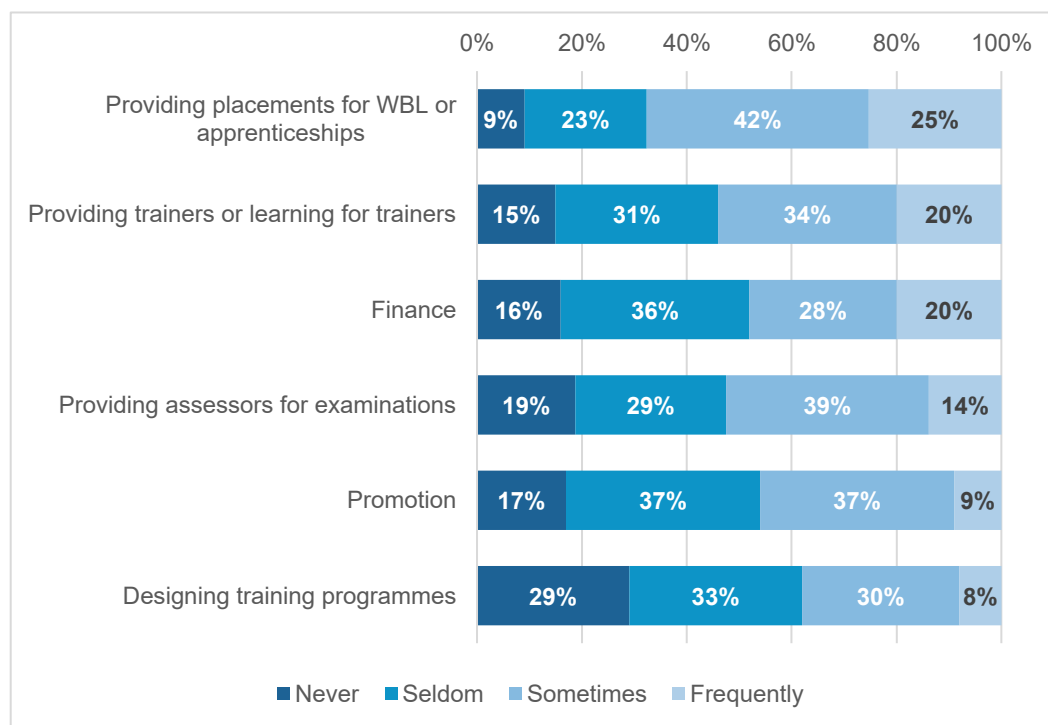
Although the survey of providers did not rank CSOs highly in terms of their effectiveness or value in fostering the participation of low-skilled adults, the interviews with other stakeholders revealed that CSOs can play a vital role as mediators between different participants in the adult learning system, especially when it comes to supporting the participation of vulnerable groups, such as immigrants, long-term unemployed women and people with disabilities. The interviews also highlighted the potential for local-level collaboration between adult learning providers and CSOs.

5.1.3. Topic 3: involving companies in UP implementation

The survey of providers indicated that companies primarily support the implementation of upskilling programmes by providing placements for WBL or apprenticeships. Providing trainers or learning opportunities for trainers and providing financial support for training activities ranked second and third,

respectively. However, companies are rarely involved in designing training programmes, as shown in Figure 16.

Figure 16. **Frequency of activities in which companies and employers' associations are involved, related to upskilling programme implementation at the local level**



Source: Survey among training providers (66 respondents).

Although the survey results show that companies are not typically involved in designing training programmes, providers expect them to play a more active role, as they see benefits in firms sharing their needs and assisting in the implementation of tailored training. However, some challenges complicate companies' involvement. Some adult learning providers expressed concerns about employers' unrealistic expectations of obtaining fully trained and ready-to-employ workers, without any additional in-company training efforts, and highlighted employers' reluctance to invest in the training of foreign workers, as this is not typically part of their recruitment policy.

Despite facing acute skills shortages, employers often see dealing with workers from vulnerable groups as too demanding. For instance, many companies prefer to pay compensation for failing to meet mandatory employment quotas in the case of people with disabilities, rather than hiring and training them. Additionally, instruments to support the employment of vulnerable groups, such as

voucher-funded programmes, are often criticised for being difficult to administer and placing unnecessary burdens on companies and individuals alike.

Overall, adult learning providers hold varying views on employers' awareness of workforce training needs – ranging from optimism to the belief that lack of awareness is the weakest link in skills development within the Croatian labour market. Providers also argue that employers overwhelmingly prefer recruiting upper-secondary VET graduates over adults participating in upskilling programmes.

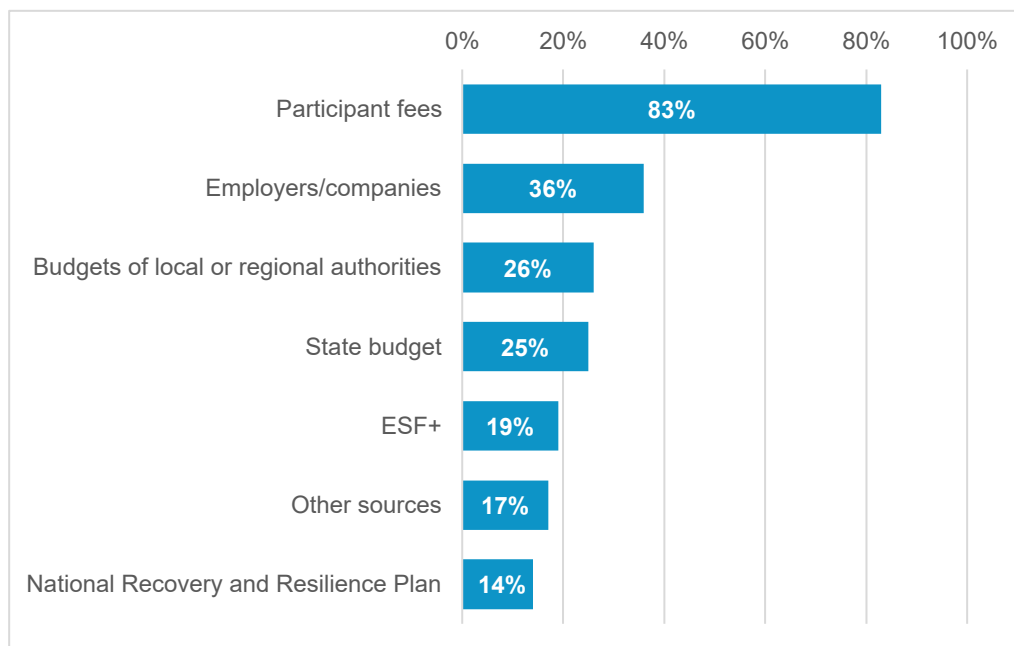
Employers' involvement in direct adult learning provision is typically realised by funding external training activities, which can range from basic skills acquisition to courses leading to highly specialised micro-qualifications. Some employers also facilitate in-company WBL opportunities as part of formal adult education programmes. The providers also highlighted that larger firms are more likely to be involved in internal training delivery, thanks to their advantage of having more financial and organisational resources compared to smaller firms.

5.2. Key area 5: financial and non-financial support

5.2.1. Topic 1: securing appropriate level of funding, barriers and sustainability

The survey of adult learning providers revealed that participants' fees are the primary source of funding, followed by employers' contributions. Notably, public sources, including local, regional and national budgets, along with the ESF+, were considered less important.

Figure 17. **Sources of funding that amount to 5% or more of institutional revenue**



NB: Percentages calculated over the total of the respondents, exceed 100% (multiple choice).

Source: Survey among training providers (66 respondents).

More specifically, private training centres and open universities reported that a significant portion of their revenue comes from companies. In contrast, local governments appear to play a minor role in financing adult learning. Their limited contribution to cover fixed costs (wages and facilities) was emphasised during the interviews with public providers.

EU funding schemes, particularly vouchers, are becoming an increasingly important source of funding for adult learning, especially for low-skilled adults. These funds are often used to support courses that develop vocational competence (*osposobljavanja*) and more specialised upskilling (*usavršavanja*).

CES units receive state budget funding for employee wages, but most of its programmatic work, including active labour market policies, is funded by ESF+ and National Recovery and Resilience Plan funds. On top of that, some CES representatives noted that state budgetary funding, although now predominantly substituted by EU resources, allows for a considerably higher level of flexibility in implementation.

The Centre for Professional Rehabilitation primarily funds its work through the national budget, supplemented by payments from companies that fail to comply with the quota for the mandatory employment of people with disabilities. The centre also participates in EU-funded projects to supplement its income.

CSOs rely heavily on EU funds and resources from international donors, supplementing their income with increasingly scarce national funding and commercial activities.

Box 1. Insights on the role of local governments in funding adult education

A dedicated survey of local and regional governments mapped their involvement in adult education provision. Counties have a legal mandate to fund upper secondary schools, including regional competence centres, and can provide direct financing for training or participate in EU projects that fund adult education and training.

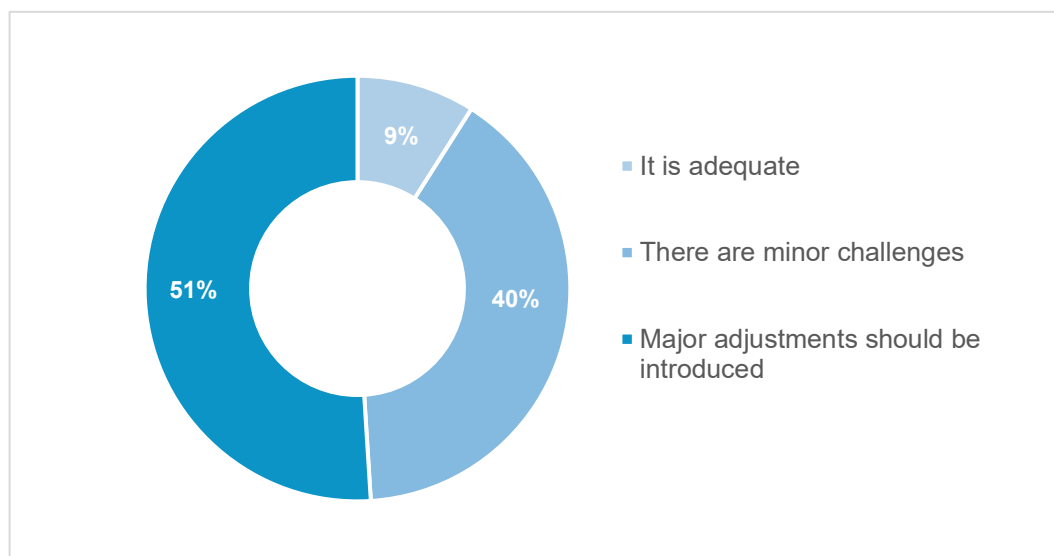
However, out of 30 participating towns and municipalities, 21 did not invest in adult learning during the previous year. Notably, investments in multiple aspects of adult learning were reported exclusively by towns. Six towns (out of 13) reported having their own training institutions, which received 0.2–0.5% of the town's annual budget for operations.

Although the sample size is limited and self-selected, this overview suggests that local government units have a low level of budgetary engagement in financing adult learning, particularly in municipalities. While some towns have inherited open university infrastructure and provide local funding to some extent, direct financing of upskilling efforts by local governments appears sporadic and non-systematic.

Source: Project team.

Regarding the amount of funding, only 6% of the surveyed providers consider the current level to be adequate. However, they also believe that securing a higher level of funding may not be the primary solution, as most providers are concerned about the low demand levels. Another significant concern is the system for allocating funds, which is considered effective by only 9% of the interviewed providers and more than half of the respondents are calling for major adjustments.

Figure 18. **Is the current system for allocating funds to adult learning adequate for activating quality learning initiatives tailored to individuals' needs?**



Source: Online survey of providers (63 responses).

The interviews with providers help explain the negative assessment of the funding allocation mechanism. A key issue appeared to be the disparity in voucher funding for certain programmes, with significantly different compensation rates making some courses more attractive to providers than others. Providers also expressed dissatisfaction with the fact that highly specialised courses require substantial initial investments in staff and equipment that are not reflected in the compensation levels. Additionally, unit rates for adult learning programmes are considered insufficient, leaving little room for manoeuvre or flexibility in programme implementation. Additional concerns were expressed about the lack of pre-financing options and the minimum number of participants required to activate the program. The current threshold of 10 participants per group is often difficult to meet, making the course and its provider vulnerable to dropouts. Providers suggest that lowering the threshold to five participants would make implementation less risky. Smaller providers also reported that they often cannot meet the administrative and technical requirements for participating in the voucher schemes.

Similar challenges apply to different types of EU-funded projects. Providers assess them as valuable instruments for developing a socially inclusive VET offer, but they see the practice of linking payments to course completion as a considerable risk.

Work Integration Social Enterprises (WISEs) can rely on 40% of their costs being covered by local government funding. However, covering the remaining 60% can be challenging, as it needs to be financed through income generated from commercial activities. This can lead to dysfunctional situations where WISEs feel

compelled to select only those people with disabilities who are easiest to employ, which contradicts the mission of protective workshops.

CSOs face a similar situation, relying predominantly on the project-funding ecosystem, which, according to the interviewees, is becoming increasingly unfavourable for those intended to maintain high-quality support services for vulnerable groups. In particular, the uncertainties around the timing of public calls create significant challenges.

Regarding vouchers, many interviewed participants expressed concerns that the staff requirements for accessing voucher schemes are excessively high, particularly for small providers. A key issue appears to be the new legal requirement for teachers to have completed basic pedagogical and psychological courses, which may jeopardise the financial sustainability, from the providers' side, of some voucher-funded schemes, since the cost of such staff training is not covered within the scheme.

5.2.2. Topic 2: non-financial support – capacity and effectiveness

The topic of non-financial support was explored primarily through interviews with providers and other stakeholders. The information gathered through these interviews primarily relates to the needs, both met and unmet, that could facilitate the provision of adult learning activities. When discussing administrative issues related to the implementation of their programmes, most providers expressed contentment, yet certain unresolved matters were also acknowledged. Specifically, providers desired more specific responses to regulatory issues, particularly from the Ministry of Science, Education and Youth, and called for more direct meetings with its representatives in order to discuss administrative issues.

Several providers also expressed the need for support in meeting the CROQF requirements for designing and registering new programmes, as opposed to implementing ready-made programmes already formulated by AVETAE. This process would involve creating new occupational and qualification standards, followed by the development of corresponding curricula. However, many providers lack the resources to undertake this demanding process, which hinders their ability to respond to emerging skill and training needs. A practical proposal is to provide funding for developing new occupational and qualification standards as the basis for developing new courses.

In general, providers appreciate the work AVETAE does in developing ready-made programmes that they can use in implementation, given their limited resources. They also suggested opening more voucher-funded programmes to low-qualified adults, as some programmes do not require higher qualification levels.

Additionally, providers reported that certain activities should receive more support from local governments, particularly in developing a coherent educational plan that aligns with the needs of the local labour market and community. They also emphasised the need for more structured cooperation with CES offices, which could involve using CES data to plan targeted training offers combined with providers' expertise to motivate long-term unemployed adults.

Several providers also highlighted the challenges in hiring qualified teachers and trainers for programme delivery. This is partly attributed to overall labour shortages, but more specifically to the failure to create a favourable regulatory and fiscal framework for job creation within the adult education and training sector. Providers cited instances of losing valuable staff members to secondary VET schools that can offer more favourable terms and called on central state bodies to develop a more rewarding system for adult education and instructor training.

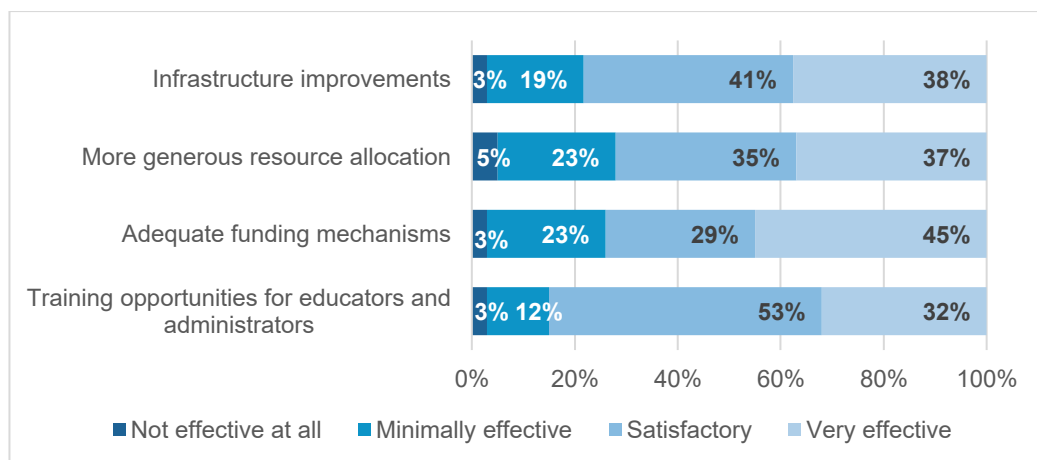
In this context, all the interviewed stakeholders indicated a need to reduce the workload and support the professional development of teachers, trainers and practitioners working with low-skilled adults.

The CES also reported challenges, despite having relatively abundant financial resources. Specifically, they would like to see a stronger involvement of their career guidance department in advising participants in the selection of voucher-funded programmes, with the objective of increasing the employability chances for the most vulnerable groups. CES experts also wanted to see more advisors carrying out pertinent counselling work with unemployed adults, rather than just handling vouchers administratively. Finally, they felt that their advice to voucher applicants would be more effective if they had more knowledge about certain occupations, and hoped that providers, through structured cooperation, could bridge this gap.

From the perspective of targeted services integration for vulnerable groups, it was suggested that there is a need for psychotherapeutic support for participants who have suffered trauma that hinders their participation in upskilling programmes.

Regarding the effectiveness of interventions aimed at enhancing the capacity of local adult education providers to respond to the individual needs of beneficiaries, the survey results indicated that most respondents consider all four proposed interventions to be effective. Among these interventions, 'more generous resource allocation' is viewed as the least effective, albeit by a small margin. In contrast, 'training opportunities for educators and administrators' received the highest positive rating, as shown in Figure 19.

Figure 19. **Effectiveness of interventions in strengthening local adult education providers' capacity to respond to beneficiaries' individual needs**



Source: Survey among training providers (66 respondents).

The interviews with providers revealed additional types of interventions that could strengthen their capacity to respond to beneficiaries' individual needs. These include opportunities for providers to participate in governance and policymaking processes, which could help improve the design and implementation of adult learning programmes. Further, providers emphasised the need to amend the AEA to reduce excessive administrative burden and ease the restrictions that limit high-skilled professionals, such as doctors and engineers, from becoming teachers and trainers in adult education programmes. Providers also suggested modifying the reporting and monitoring settings of adult education programmes to focus more on assessing their quality and the value added for participants. Additionally, providers highlighted the need for labour market skills intelligence to better align training offers with actual skill needs.

Beyond simplifying bureaucratic procedures and proposing policy adjustments, providers recommended offering incentives to companies that invest in the upskilling of their workers. This could include granting them priority in public procurement processes and providing tax benefits. A particular focus would be placed on improving the integration of foreign workers, which would involve three key steps:

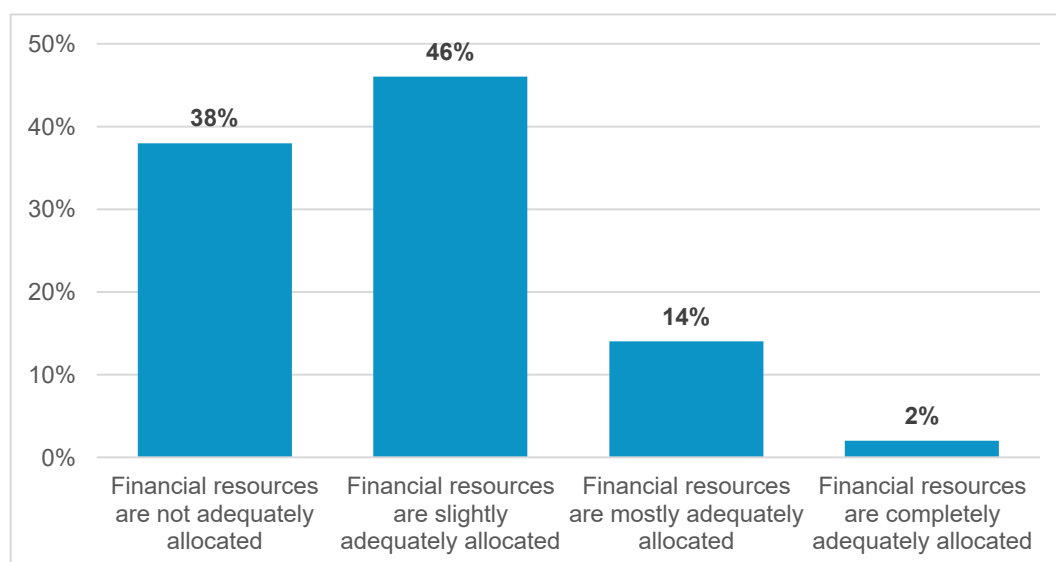
- (a) implementing a stricter monitoring system for agencies that employ foreign workers;
- (b) taking a more proactive approach towards employers to ensure that their foreign workers have access to English and Croatian language courses, essential for their successful integration into Croatian society;

- (c) establishing a structured support system for employers to facilitate targeted upskilling programmes that are tailored to the actual upskilling needs of both workers and employers.

5.2.3. Topic 3: targeting financial and non-financial support

The focus of this part of the analysis is on how support measures and instruments are tailored to the beneficiaries' needs and characteristics. The survey of providers examined the adequacy of the funding for adult education and training provision in relation to different targets and needs. The results show that 84% of the surveyed providers face challenges, with the majority believing that financial resources are not allocated adequately to meet the diverse needs of various target groups, as shown in Figure 20.

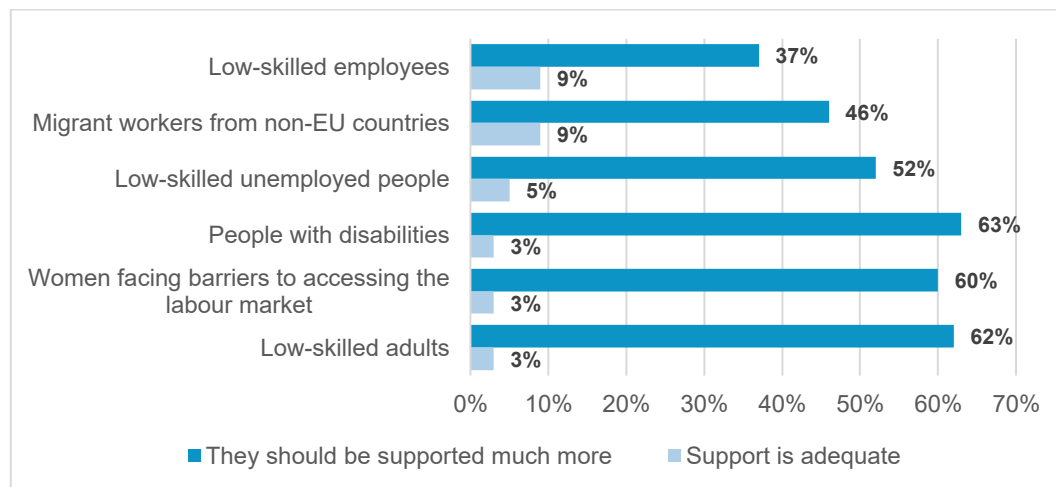
Figure 20. **Adequacy of the available public financial resources for adult learning allocated to different targets and needs**



Source: Online survey of providers (65 responses).

Further, a large majority of providers advocate for increased financial support from public bodies for all vulnerable target groups. Notably, while low-skilled workers and migrants are perceived to be in a slightly better situation in terms of public funding, at least three out of five respondents believe that people with disabilities, women facing barriers to accessing the labour market and low-skilled adults require significantly more support, as shown in Figure 21.

Figure 21. **Groups of beneficiaries in need of additional support measures**



Source: Online survey of providers (65 responses).

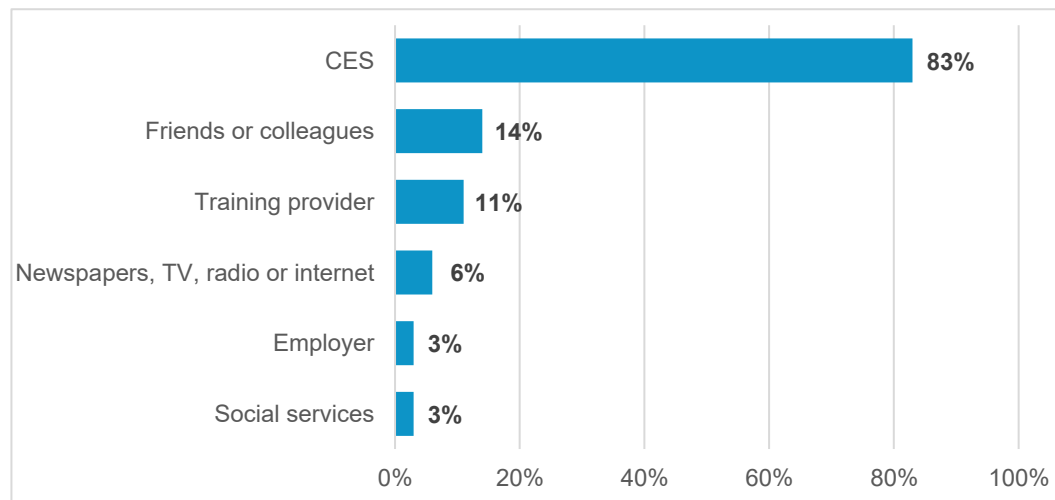
Among the beneficiaries who participated in the online survey, 39 out of 54 respondents received financial support for their participation in upskilling activities, while the remaining 15 paid all expenses themselves. The latter group consists mainly of employed individuals, whereas the unemployed adults are predominantly part of the former group.

Regarding those who received financial support, the majority (49%) were supported by the CES, followed by voucher schemes (41%). In contrast, employers and other entities, such as local governments, NGOs and trade unions, play a relatively minor role in supporting participation in adult upskilling activities. More than half of the beneficiaries reported that it was sufficient for participation costs to be covered for them.

Regarding the barriers to accessing financial support, 28 out of 38 beneficiaries reported facing no difficulties in claiming or receiving support. In contrast, 10 beneficiaries encountered difficulties, related to the complexity of administrative procedures and indirect costs, such as childcare, transportation and training materials.

Most beneficiaries who received financial support (83%) reported that CES was their primary source of information. Other potential channels of information, such as local governments, NGOs and trade unions, played a significantly lesser role. The lack of access to information among vulnerable groups appears to be a significant issue. Notably, among the participants who paid for the training themselves, more than half of the respondents were unaware of the existence of any financial support.

Figure 22. **Sources of information on the possibility of receiving financial support**



NB: Percentages, computed over the total of the respondents, exceed 100%.

Source: Online survey of beneficiaries (54 responses).

More detailed information on existing forms of financial support and their limitations emerged from interviews with providers, low-skilled and low-qualified adults and other stakeholders.

Although there is a consensus on the benefits of the introduction of training vouchers, a more in-depth analysis revealed that vouchers in their current form also face several significant issues that limit their contribution to the affordability of upskilling offers. The primary concern, highlighted by providers participating in the interviews, relates to the limited scope of many micro-qualifications. Specifically, vouchers can only be used to finance courses leading to a single micro-qualification, which rarely results in tangible improvements to the overall skill sets of low-skilled and low-qualified adults.

One important suggestion from providers is that the most significant contribution to the affordability of training offers for low-skilled adults would be to include programmes for completing secondary education in the voucher scheme. This would enable adults to acquire a more comprehensive set of skills and improve their overall employability.

Regarding the indirect costs associated with participating in education and training programmes – such as transportation and equipment – representatives from the CES suggest that an allowance for transportation costs be provided to beneficiaries within the broader framework of active labour market policy. This would deviate from the current practice of requiring participants, mostly long-term unemployed individuals, to pre-finance their participation, and would instead serve as a positive message of institutional confidence. Additionally, CES representatives proposed improving coordination with welfare and social services

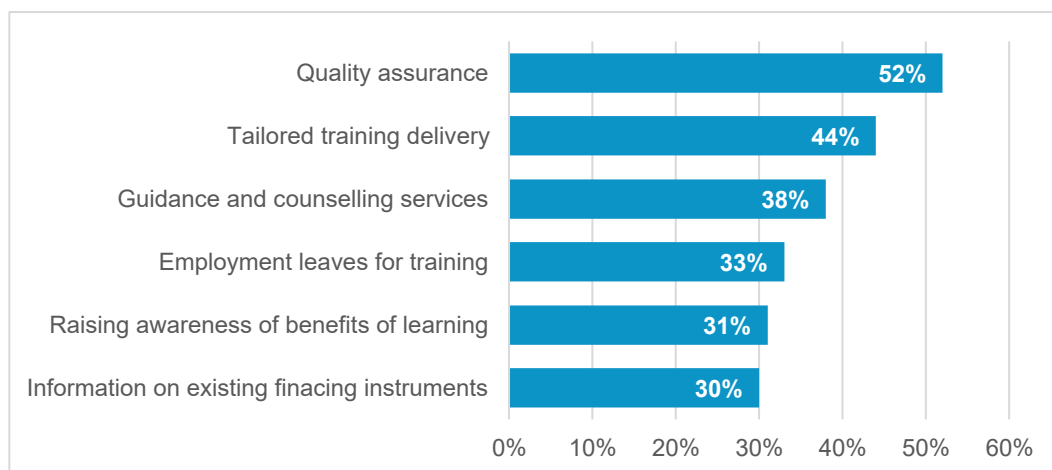
centres, enabling them to fund education and training programmes that fall outside the voucher framework. This would allow for more tailored support to meet the specific needs of different groups of vulnerable adults.

Low-skilled and low-qualified adults also emphasised, during the interviews, the critical importance of the financial factor, expecting public authorities to cover the fees and provide financial compensation to cover the opportunity costs arising from the impossibility of conciliating training and remunerated working activity.

Other stakeholders, however, mentioned several services and measures supporting low-skilled and low-qualified adults, which they deemed relevant and effective. These include guidance on how to access the voucher scheme, activation programmes targeted to long-term unemployed or skills assessment practices. Other examples include a system of free legal aid to asylum seekers by some CSOs, while WISEs focus on developing beneficiaries' transversal skills (e.g. social skills and self-confidence). From the municipalities' survey, other examples emerged, such as the development of digital and basic skills. Employers' support for low-skilled adults participating in UP programmes is deemed essential by the stakeholders, but it is reported to occur very rarely.

Non-financial support services and measures have also been addressed in the survey of providers. From their perspective, quality assurance mechanisms represent the most effective factor, followed by tailored training delivery and guidance and counselling services, as shown in Figure 23.

Figure 23. **Effectiveness of non-financial measures to support vulnerable low-skilled adults' participation in upskilling programmes**



Source: Online survey of providers (63 responses). Aggregated responses for 'effective' and 'very effective'.

Some providers consider voucher schemes more suitable for people with higher qualification levels, given that the schemes are usually not comprehensive

enough to provide low-skilled adults with tangible improvements in their employability. It is also noted that many low-skilled adults do not possess the skills to navigate administrative burdens or the digital channels used to access the voucher scheme.

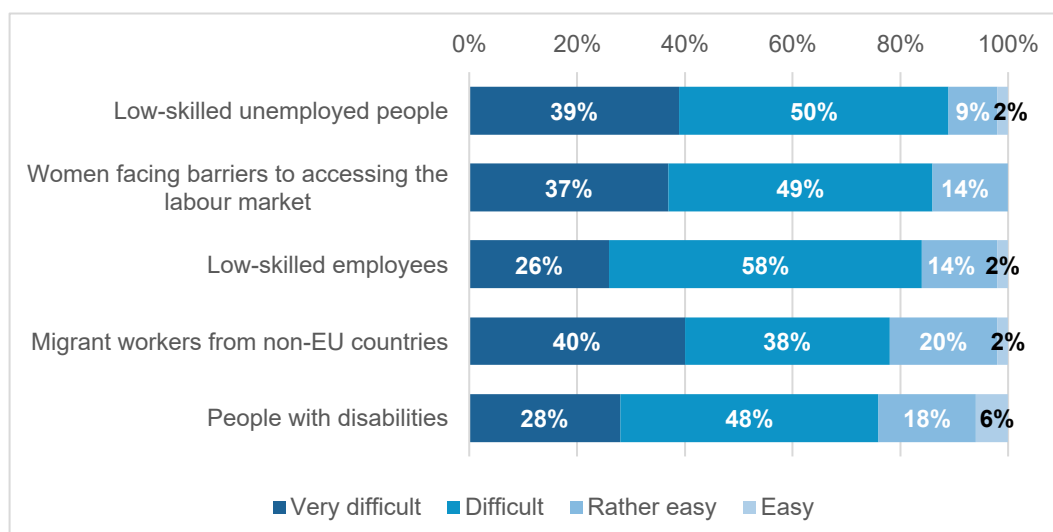
It was also emphasised that the personalisation of support is key to effective work activation as part of a holistic approach to active labour market policies and might help avoid over-reliance on fragmented voucher-based interventions.

5.3. Key area 6: outreach towards beneficiaries

5.3.1. Topic 1: challenges to effective outreach

Reaching out to and engaging with low-skilled adults is a crucial aspect of promoting lifelong upskilling pathways opportunities and strengthening social inclusion. However, according to the fieldwork findings, various challenges hinder effective outreach towards the low-skilled vulnerable groups targeted by the TCR. According to the outcomes of the survey of providers, low-skilled unemployed people and women facing barriers to accessing the labour market are the most difficult to reach, with over 85% of responses being either 'difficult' or 'very difficult'. Comparatively, people with disabilities and migrant workers are considered easiest to reach, but even in these cases, the share of 'difficult' or 'very difficult' responses remain high: 76% and 78%, respectively, as seen in Figure 24.

Figure 24. **Difficulty in outreach to low-skilled adults and other vulnerable groups**



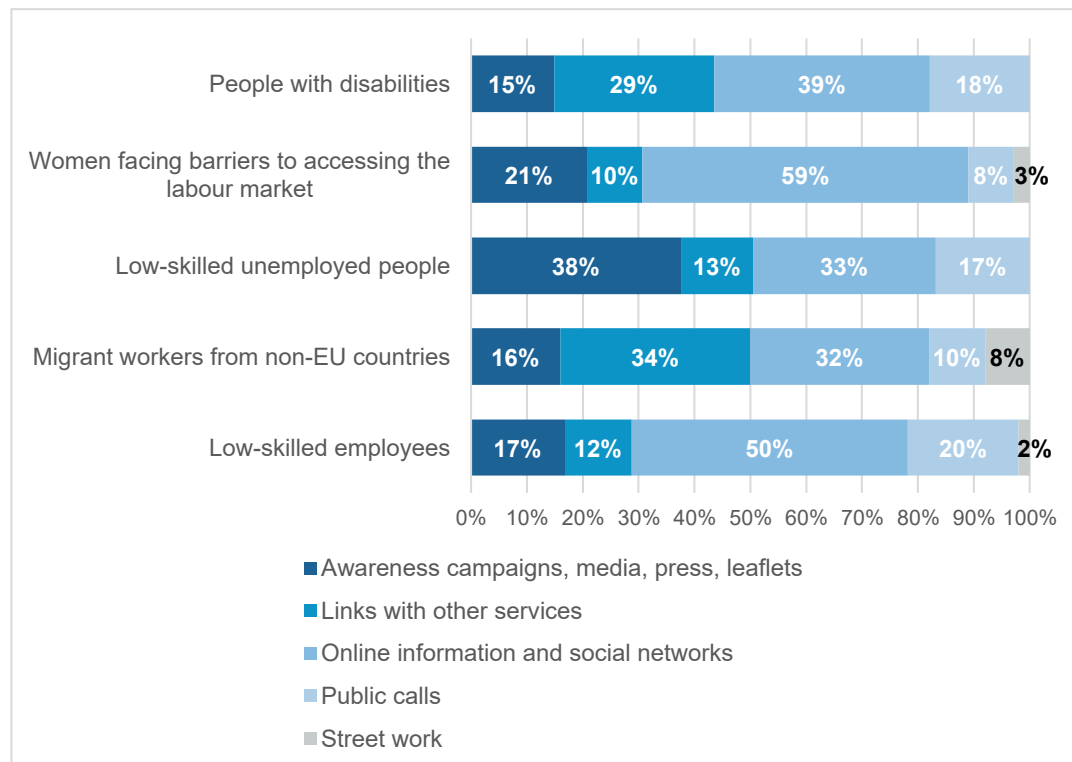
Source: Online survey of providers (63 responses).

Outreach practices among providers vary significantly depending on the target group, with a range of methods being employed, including street work, phone calls, awareness campaigns and provision of information online, as shown in Figure 25.

The findings highlight the need for tailored outreach practices that cater to the specific needs of different vulnerable populations. This is particularly important for low-skilled employees and low-skilled unemployed individuals, who require distinct approaches. For example, most training providers conclude that the most effective method for reaching out to low-skilled employees is a combination of direct contact with employers, provision of information online and social networks. In contrast, low-skilled unemployed individuals are best reached through collaboration with other support services, such as employment and social services.

These findings were confirmed by the qualitative interviews with stakeholders and providers who report having tried various approaches to reach vulnerable groups. The Lifelong Learning Week, as also discussed in Section 3.3, has been consistently praised as a positive mechanism for promoting adult learning. Other notable activities and initiatives include social media activities and events such as job and education fairs. Some respondents emphasised the need for a more comprehensive approach, while others suggested that the voucher scheme, a mainstream adult learning tool, was insufficiently promoted. Proactive strategies, such as structured activities, engaging multipliers – for example, CSOs and social enterprises, and physically going to communities or locations where beneficiaries are likely to be, rather than expecting them to come to outreach providers – are considered particularly effective in reaching beneficiaries.

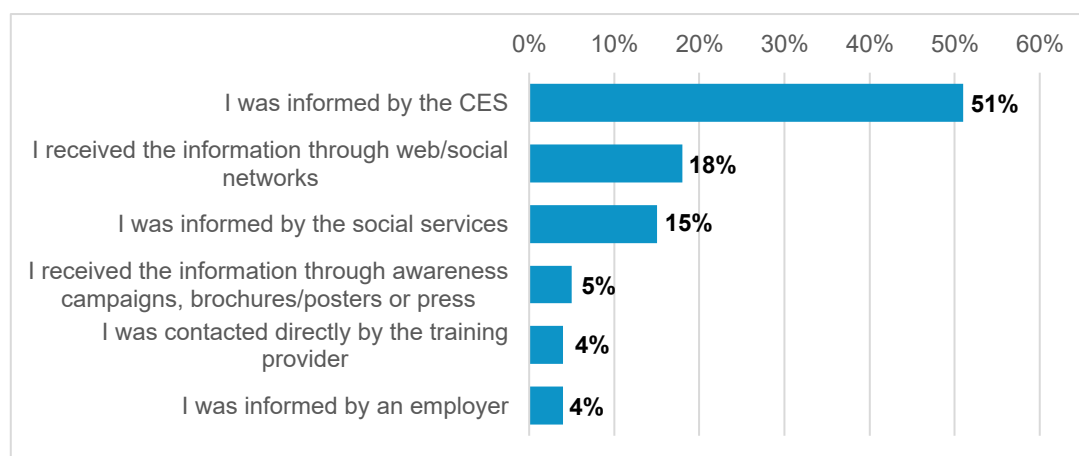
Figure 25. **Most effective outreach channels for each target group**



Source: Ad-hoc survey of providers (66 responses).

The survey of low-skilled and low-qualified beneficiaries provided interesting insights regarding the effectiveness of outreach practices in Croatia. In fact, most people who participated in a learning or training activity indicated that they became aware of the opportunity through the CES. Other sources were mentioned much less frequently, as shown in Figure 26.

Figure 26. **Beneficiaries' upskilling information channels**

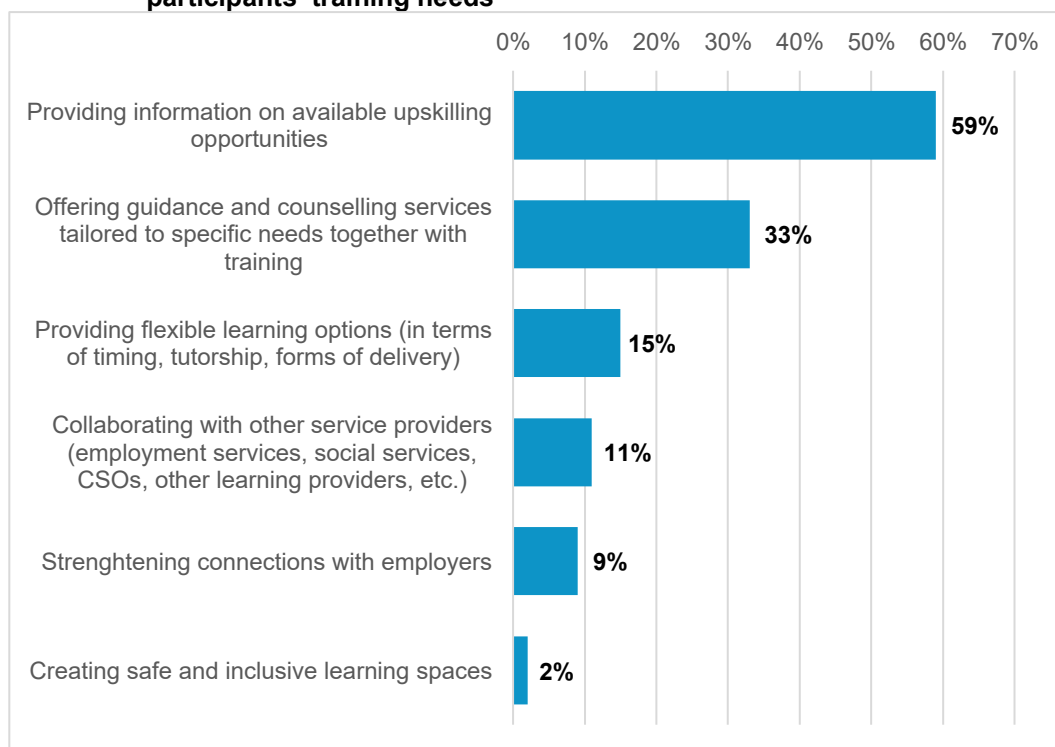


Source: Ad-hoc survey of beneficiaries (54 responses).

The beneficiaries believe that training providers can enhance their ability to meet participants' expectations most effectively by providing information on available upskilling opportunities (59%) and by offering counselling and guidance services tailored to specific training needs in conjunction with training (33%). On the other hand, strengthening connections with employers and creating a safe and inclusive space were considered less important by respondents, as shown in Figure 27.

These two most important elements – better information on upskilling opportunities and the offer of guidance and counselling services – beneficiaries expect to be regularly provided also by other entities, such as the CES and CSOs.

Figure 27. **Ways in which providers can improve their capacity to address participants' training needs**



NB: Percentages, computed over the total of the respondents, exceed 100% (multiple choice).

Source: Ad-hoc survey of beneficiaries (54 responses).

5.3.2. Topic 2: opportunities and synergies for advancing outreach

Collaboration between stakeholders is crucial for effective outreach to vulnerable groups. According to the survey, nearly two-thirds of training providers work with other services or stakeholders to reach and engage vulnerable groups. The most frequent partners in this effort are companies (particularly for low-skilled employees and migrant workers), centres for employment services (most effective

in collaborating for low-skilled adults, both employed and unemployed) and CSOs (mostly to reach people with disabilities, and women).

The qualitative interviews with stakeholders and providers revealed that cooperation among the different stakeholders can be enhanced through a legal framework expanding the number of organisations able to deliver formal adult education programmes. This can lead to increased variety in the programmes and better geographical coverage. Additionally, acknowledging the key role played by CSOs not only in relation to outreach towards vulnerable groups, but also in the provision of non-formal and informal learning, efforts should be made to strengthen and facilitate partnerships between adult education providers and CSOs.

Developing structured (but not necessarily formal) links between various sections and profiles within the CES (counsellors/advisors, voucher administrators, centres for career counselling and information provision), professional counsellors and practitioners from the Centre for Professional Rehabilitation and adult education providers can lead to improved outreach efforts. Pooling resources and expertise among all of these stakeholders may also result in a more comprehensive and integrated upskilling pathways approach, underpinned by effective professional counselling and support, along with tailored training offers.

Creating viable platforms for exchange and cooperation is seen as another important strategy to enhance outreach efforts. National and local authorities are seen as responsible for creating these platforms, which should be functional and readily operational.

5.3.3. Topic 3: resources (financial and human)

Lack of financial resources (89%) and time constraints (49%) are seen as the major obstacles to effective outreach activities among the surveyed providers. Other barriers include lack of relevant skills (38%), staff shortages (35%) and lack of proper technology (18%). These findings were explored in more detail through the qualitative interviews with stakeholders and providers, who recommended strengthening efforts to improve the capacity of all stakeholders and developing partnership-based approaches and integrated networks of services at the local level. Recommendations included enhancing the CES to use innovative outreach mechanisms to reach and engage low-skilled and vulnerable adults; recruiting more staff in centres for professional rehabilitation to handle core services and outreach effectively; and improving the capacity of CSOs and strengthening partnership-based approaches and local-level networks of services that can reach and holistically engage the most disengaged, vulnerable groups, particularly in rural areas.

Chapter 6.

Concluding remarks and next steps

The fieldwork of the SR1 engaged over 200 experts and beneficiaries in investigating how Croatia implements the UP Recommendation, with a particular focus on multilevel and multistakeholder governance, financial and non-financial support and outreach to low-skilled and low-qualified individuals.

Concerning multilevel and multistakeholder governance (key area 3), the findings from SR1 indicate that despite the presence of a supportive institutional framework and reported examples of effective collaboration (such as those with AVETAE), gaps and challenges limit the functioning of multistakeholder and multilevel governance. These challenges can be attributed to several factors, including the perceived low effectiveness of vertical coordination among local, regional and national institutions, particularly in tailoring upskilling offers to low-skilled adults and vulnerable groups; the limited administrative capacities of many regional and local governments, such as counties, cities and municipalities; the marginal role of CSOs in multistakeholder governance settings; and the insufficient engagement of the business sector and social partners in implementing upskilling initiatives. Past efforts, such as local employment partnerships, have failed to enhance horizontal coordination among stakeholders, further exacerbating the existing issues.

Considering these findings and the steering group's input during and after the validation meeting, the next stage of the project will investigate: (1) the barriers to effective collaboration and strategies for enhancing interinstitutional cooperation and partnership; (2) the role and effectiveness of local and regional authorities in adult learning governance; and (3) the obstacles to company engagement and effective collaboration models.

The findings from SR1 regarding financial and non-financial support (key area 5) underscore that the substantial availability of EU funds over several years constitutes an important element of strength. However, sustaining these measures requires additional national or regional funding, thereby highlighting the need for a more nuanced and multifaceted approach to financing adult upskilling and reskilling. Further, SR1 revealed a significant shortfall in financial resources allocated for vulnerable low-skilled adults, underscoring the need for more targeted funding in this area. The allocation mechanisms also require refinement, as the current disparities in access to and funding for programmes result in significant inequalities. Concerns have also been raised regarding flaws in the current

voucher schemes, which may hinder the transition to a more sustainable and equitable system consistent with the logic and approach of individual learning accounts.

The findings also highlight the underdevelopment of non-financial support measures, particularly due to shortages of staff with the right skills to assist adults belonging to vulnerable groups. The insights gathered during SR1 point to a variety of non-financial support services that need to be improved to augment the quality of learning opportunities and facilitate the participation of low-skilled adults in upskilling efforts. A crucial message from stakeholders is that upskilling programmes should be free of charge for the end beneficiaries and supported by non-financial services that enable individuals to overcome participation barriers.

With this context in mind, the focus of SR2 will be on how to increase funding and refine allocation mechanisms, how to improve voucher scheme design and tackle any implementation challenges, how to make non-financial support more available to beneficiaries and how to keep upskilling programmes affordable, especially for those more in need.

With respect to outreach to vulnerable groups (key area 6), the micro-level investigation has revealed a limited capacity for planning and implementing effective outreach strategies towards vulnerable groups, also related to underfunding and understaffing, especially among providers but also among much of local administration and some local branches of the CES. Training providers also face difficulties, particularly in reaching and engaging vulnerable low-skilled adults (i.e. non-EU migrant workers, low-educated unemployed individuals, women facing labour market barriers and people with disabilities), due to their limited capacity to use tailored approaches in line with the needs and characteristics of individuals with specific vulnerabilities and disadvantages (e.g. low motivation, health and isolation problems, lack of time due to working hours or family responsibilities, high costs of training, lack of basic literacy, numeracy and digital competences) that must be addressed with personalised integrated measures.

Training providers, on their end, often prioritise market demand and providing training opportunities for vulnerable groups may not necessarily be their priority unless under an economic incentive. In addition, they often lack experience in working with vulnerable groups and therefore have a limited knowledge of the barriers these groups face. This results in a limited capacity to reach out to these individuals and a limited capacity to adapt training provisions to their specific needs and characteristics. The shortage of adult education programmes specifically tailored to low-skilled adults, inadequate training infrastructures in remote and rural

areas and a general lack of information and career guidance are therefore key challenges.

The next phase of fieldwork will investigate community-level stakeholders' involvement in informing and engaging individuals in training opportunities, the role of the CES in disseminating information and strategies for effective collaboration for outreach purposes.

Overall, the SR2 will involve representatives of key institutions and organisations involved in the design and delivery of upskilling interventions, such as local/regional offices of central government, employment and social services and agencies managing upskilling (e.g. CES, AVETAE, certification bodies, quality assurance bodies, national advisory bodies), local and regional government bodies and associations, social partners (trade unions and employers' associations), chambers of commerce, trade and crafts, associations of adult education providers and ombudspersons and umbrella CSOs advocating upskilling.

The potential solutions emerging from fieldwork in SR2 will then be further considered in SR3 (focusing on the macro and policymaking levels) to derive specific and tailor-made policy recommendations to support the implementation of the UP Recommendation in Croatia.

Abbreviations

AEA	Adult Education Act
AVETAE	Agency for Vocational Education and Training and Adult Education
CES	Croatian Employment Service
CROQF	Croatian qualifications framework
CSO	civil society organisation
ESF+	European Social Fund Plus
NGO	non-governmental organisation
SR	survey round
TCR	thematic country review
UP	upskilling pathway
VET	vocational education and training
WBL	work-based learning
WISE	work-integration social enterprises

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Thematic country review on upskilling pathways for low-skilled adults in Croatia

Key findings of the first research phase

This report presents the findings from the first (micro) phase of the thematic country review (TCR) on upskilling pathways (UP) in Croatia. It captures the perspectives of both the beneficiaries of the initiatives under review and the stake-holders involved in their implementation.

The TCR on UP in Croatia focuses on key areas such as multilevel and multistakeholder governance, the provision of financial and non-financial support, and the strategies for outreach towards beneficiaries.

Cedefop's TCRs on UP aim at supporting EU Member States in developing systematic, coordinated and coherent approaches to upskilling pathways for low-skilled adults. These in-depth reviews assess national approaches for implementing the recommendation on upskilling pathways, with the support of key national stakeholders. Italy and France were the first countries to undertake this exercise in 2021, followed by Croatia, whose review spans the period from 2023 to 2026.



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