



CROATIA

OECD Global Action on Promoting Social and Solidarity Economy Ecosystems

Croatia does not have a national framework around the social and solidarity economy (SSE). The Ministry of Labour, Pension System, Family and Social Policy oversees the national social entrepreneurship development in Croatia. According to current data, Croatia is estimated to host over **49 000 associations** and more than 3 000 cooperatives, among which **around 670 are active cooperatives**, as of 2023.

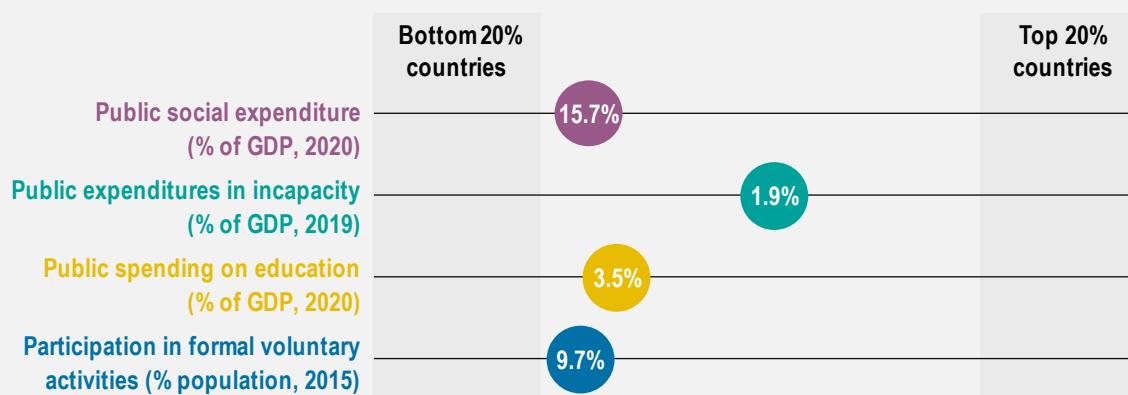
SOCIO-ECONOMIC INDICATORS

Croatia is a unitary country and a member of the European Union. It is a high-income country with a very high human development level.

	GDP per capita	Labour force participation rate	Youth not in employment, education or training (NEET)	Gini coefficient	Rural population
Croatia	USD 39 559	76.7%	12.7%	0.291 / 1	42.8%
OECD	USD 53 937	73.2%	14.8%	0.313 / 1	23.1%

Note: Data from Croatia refer to 2022, except for NEET (2021) and Gini coefficient (2020). OECD data refer to 2022, except for Gini coefficient (2020). GDP per capita data are estimated values. See sources at the end of the document.

Country position in selected social indicators



Note: For each indicator, the position of the bubble on the line represents the country's ranking compared to OECD and EU countries. Higher rankings are on the right. The panel of countries for the international ranking can vary from an indicator to another due to data availability. See sources at the end of the document.

SOCIAL AND SOLIDARITY ECONOMY ECOSYSTEM

Definition of the social and solidarity economy in Croatia

The social and solidarity economy (or social economy) is not defined in any legal or official text in Croatia. The country defines the term "social enterprise" as follows:

A **social enterprise** is a business based on the principles of social, environmental and economic sustainability, where the generated profit/surplus income is fully or largely invested for the benefit of the community. Criteria to recognise social entrepreneurs include: (1) achieving a balance between social, environmental and economic goals; (2) performing an activity of production/provision of goods or services, or an artistic activity that generates income on the market and benefits local community and society; (3) creating new value and ensuring financial sustainability; (4) investing at least 75% of annual profit in the realisation of the business purpose; (5) voluntary and open membership and managerial autonomy; (6) not founded by the sole public authorities; (7) democratic way for decision-making and involvement of stakeholders in transparent and responsible management; (8) monitoring and evaluating social, economic and environmental impacts; (9) transfer of remaining assets to a similar social enterprise in case of cessation of activities.

Note: For more information, refer to the [Strategy for the Development of Social Entrepreneurship in the Republic of Croatia for the period 2015-2020](#).

Institutional frameworks



Institutions

The **Ministry of Labour, Pension System, Family and Social Policy** (MLPSFSP) is responsible for creating an enabling ecosystem for social economy. It was the managing body for the implementation of the **Strategy for the Development of Social Entrepreneurship in the Republic of Croatia for the period of 2015 - 2020**.



Legal instruments

Croatia does not have a framework law on SSE, but it has adopted specific acts on SSE constituents, including cooperatives, associations and foundations.



Stakeholder engagement

Not available.

Main figures

According to current data, over **49 000 associations** and around **670 cooperatives** are active, as of 2023. Croatia was estimated to host over 46 000 associations and 1 331 cooperatives in 2013. One estimation also indicates that there were **526 social enterprises** in 2018, most of which (65.8%) were **associations**.

SCOPE



As of 2023, Croatia is estimated to host over **49 000 associations** and more than **3 000 cooperatives**, among which around 670 are active cooperatives.

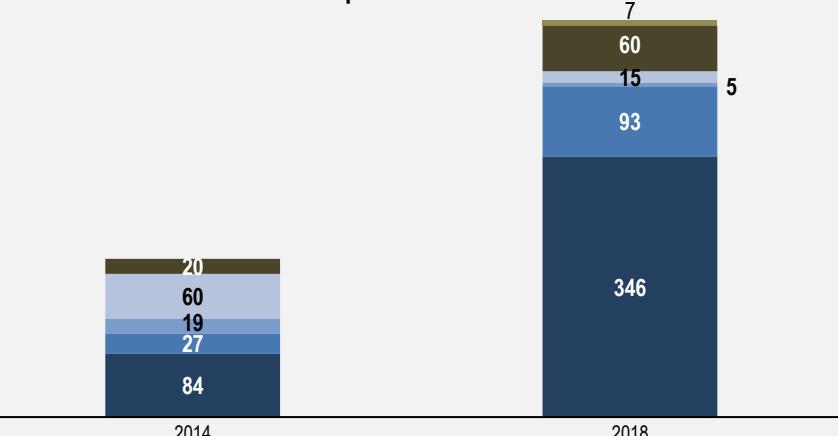
Note: The data on associations are retrieved from the official Croatian Register of associations and data on cooperatives are retrieved from the Croatian Bureau of Statistics. See sources at the end.

SOCIAL ENTERPRISES AND COOPERATIVES

Number of registered associations and cooperatives in Croatia and estimated number of social enterprises						
Type	Total number (registered)	% estimated to meet EU operational definition - lower bound	Number of social enterprises - upper bound estimate	% estimated to meet EU operational definition - upper bound	Number of social enterprises - upper bound estimate	Key notes and assumptions
Associations	> 46 000					34% generate some form of self-financing but this does not necessarily mean they are entrepreneurial. 5 to 10% may potentially be entrepreneurial. 1 800 associations are oriented towards social purposes; 1 500 operate in
of which active in social, health, humanitarian field	4 200	1%	42	2%	84	
Private institutions (2013)	600	5%	30	10%	60	
Foundations (2014)	193	5%	10	10%	19	
Trading arms of non-profits	n/a		10		20	Expert opinion
Cooperatives (2013)	1 331	1%	13	2%	27	58% do not have a single employee 40% are agricultural

Note: The data on the number of registered associations and cooperatives in Croatia and estimated number of social enterprises are retrieved from European Commission (2014), A map of social enterprises and their eco-systems in Europe, Country Report: Croatia.

Number of social enterprises



Note: Private institutions include institutions founded by associations pursuing relevant general interest activities. Companies include trading arms of non-profit organisations, companies founded by associations pursuing relevant general interest activities, and other companies. Sheltered workshops can take the legal form of an institution or a company.

Social enterprises in Croatia	
Type of organisation	2018
Associations pursuing social entrepreneurship and relevant general interest activities (social welfare, childcare and education, sustainable development, environmental protection, health protection and others) that registered for economic activities	346
Social cooperatives	25
Veterans social-working cooperatives	35
Cooperatives pursuing social aims	33
Foundations privately owned, pursuing relevant general interest activities and pursuing economic activities	5
Companies founded by associations pursuing relevant general interest activities	50
Other companies pursuing explicit social aims and operating as not-for-profits	10
Institutions founded by associations pursuing relevant general interest activities	15
Sheltered workshops	7
Total	526

Note: The data above on social enterprises are retrieved from European Commission (2019), Social enterprises and their ecosystems in Europe. Updated country report: Croatia. Author: Davorka Vidović. Luxembourg: Publications Office of the European Union.

Legal frameworks

Legal frameworks to support the development of the SSE can be adopted at the national and subnational levels. They can regulate the SSE as a whole, or specific legal entities of the SSE (such as associations, cooperatives, mutual societies, foundations and social enterprises).

For the SSE

- Not available.

For specific SSE entities at national level

- Act on Foundations (106/2018, 98/19, 151/22) - [Link](#)
- Act on Institutions (76/1993, 29/1997, 47/1999, 35/2008, 127/2019, 151/2022) - [Link](#)
- Act on Credit Unions (141/2006, 25/2009, 90/2011) - [Link](#)
- Act on Cooperatives (34/2011, 125/2013, 76/2014, 114/2018, 98/2019) - [Link](#)
- Act on Vocational Rehabilitation and Employment of People with Disabilities (157/2013, 152/2014, 39/2018, 32/2020) - [Link](#)
- Act on Associations (74/2014, 70/2017, 98/2019, 151/2022) - [Link](#)

Note: The list above is not exhaustive of all existing legal frameworks around SSE in Croatia.

Fiscal treatment

Different fiscal treatment can be established for the social and solidarity economy as a whole, or for specific SSE entities, at the national and subnational level.

Fiscal treatment of SSE entities

- Non-profit organisations performing economic activities are exempted from the value added tax (VAT) if their annual revenue does not exceed 39 816.84 EUR.
- Non-profit organisations that are not carrying economic activities are not obliged to pay profit tax. Non-profit organisations carrying economic activities must pay profit tax for the profit realised by performing economic activities.
- Employers can receive subsidised wages and reduced contribution expenses when employing certain categories of unemployed persons (persons with disabilities, long-term unemployed persons and such) or persons who are employed for the first time.

Fiscal treatment for contributors to the SSE

- Individuals and companies may receive a reduced tax base for donations to non-profit organisations (NPOs) in the amount up to 2% of their annual income.

Note: The list above is not exhaustive. Information is retrieved from OECD desk research and "Relevant taxation frameworks for Social Economy Entities" published in 2023 by the European Commission.

Social impact measurement initiatives

Driven by a mission of social purpose, SSE entities are increasingly requested to demonstrate the positive value that they generate through their activities. Social impact measurement enables them to assess their positive contribution to society. A diverse range of possible initiatives are available to governments and practitioners to foster a social impact measurement culture.

Policy Framework

- [Strategy for the Development of Social Entrepreneurship in the Republic of Croatia for the period of 2015 – 2020 \(2015\)](#) □
Government of Croatia

Note: Policy frameworks create enabling conditions and set targeted incentives to conduct social impact measurement.

FURTHER READING ON THE SSE IN CROATIA

[Institute of Social Sciences Ivo Pilar: Mapping New Horizons – Report on the state of social entrepreneurship in Croatia 2015](#) | [European Commission: Social Enterprises and Their Ecosystems in Europe Croatia Country Report](#) | [EU Social Economy Gateway Croatia](#)

DATA SOURCES

- Socio-economic data refer to 2022 unless stated otherwise, and relate to data downloaded as of 17 July 2023. Datasets used: GDP per capita, current PPP: OECD national accounts statistics, <https://doi.org/10.1787/na-data-en>; Labour force participation rate (15-64 year old): OECD Employment and Labour Market Statistics, <https://doi.org/10.1787/data-00310-en>; NEET (15-29 year olds, all levels of education): OECD Education at a Glance 2022, <https://doi.org/10.1787/19991487>; NEET (Croatia): International Labour Organization, Labour Force Statistics, <https://data.worldbank.org/indicator/SL.UEM.NEET.ZS>; Gini coefficient (disposable income, post taxes and transfers): OECD Income Distribution Database, <https://www.oecd.org/social/income-distribution-database.htm>; Rural population (OECD): OECD, CFE Regions and Cities databases, <http://oe.cd/geostats>; Public social expenditures: OECD Social Expenditure Database (SOCX), <http://dotstat.oecd.org/Index.aspx?QueryId=26920>; Public spending on incapacity: OECD (2022); Public spending on incapacity (indicator), <https://doi.org/10.1787/f35b71ed-en> (Public spending on incapacity refers to spending due to sickness, disability and occupational injury); Spending on education (primary to tertiary level, in % of GDP): OECD Education Statistics (database), <https://doi.org/10.1787/c4e1b551-en>; Participation in formal voluntary activities (% of people): Eurostat table [ilc_sc19], based on the 2015 EU-SILC ad-hoc module.
- SSE data were collected through OECD questionnaire circulated in May 2022. The data were provided by the Ministry of Labour, Pension System, Family and Social Policy. The latest available data on associations are retrieved from the official Croatian Register of associations and data on cooperatives are retrieved from the Croatian Bureau of Statistics. In addition, secondary sources of information have been used for earlier data: [European Commission \(2014\), A map of social enterprises and their eco-systems in Europe, Country Report: Croatia, 2014, a report submitted by ICF Consulting Services, 31 October 2014](#); and [European Commission \(2019\), Social Enterprises and Their Ecosystems in Europe, Updated Country Report: Croatia. Author: Davorka Vidović, Luxembourg](#).
- Further information on the methodology followed in the country fact sheets can be found [here](#).

This document and any map included herein are without prejudice to the status of or sovereignty over any territory, to the delimitation of international frontiers and boundaries and to the name of any territory, city or area.



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