CROATIA – OUT OF THE CRISIS?

Gábor R. Szűcs, Associate Professor, Budapest Business School, Department of International and European Studies

Croatia had a long and from time to time painful road to the 2013 EU accession. The country had to face both unexpected and more or less expected obstacles, partly due to the resistance of Slovenia, partly as a consequence of the low intensity of co-operation with the International Criminal Tribunal in The Hague – but mostly because of the illusion that the historical tradition in itself can substitute the objective pre-conditions and the accession criteria. The Croatian economy (in spite of the ideological and formal differences and the earlier reforms) inherited the basically socialist or even "quasi-Stalinist"-type internal structure of the Tito-era[1]: the overweight heavy- and old fashioned steel- and chemical industry, combined with the dominance of public ownership and state subsidies. The latter has proved to be the greatest difficulty that Croatia has to overcome even after the accession. Due to these weaknesses the 2008 world economic-financial crisis caused enormous damages to the country – a long term recession that lasted even to today. In spite of these difficulties and the bad shape of its economy, Croatia joined the European Union and it was considered a great success. About two thirds (66.25%) of the population voted for the EU membership: most of them presumably in the hope that the integration in itself would help the country to overcome the troubles they were in. The truth is however, that the illness can only be cured by Croatia.

The pre-crisis Croatia

The overall picture of the Croatian economy prior to the world economic-financial crisis was that of a rapidly increasing country. The real GDP growth in 2006 was as fast as 4.8, in 2007 even 5.2%. The growth rate of the industrial production reached 4.1% in 2006 and 4.9% in 2007. In the beginning of the crisis, however, one could realize certain signals in the economy showing that something had gone wrong: the GDP growth rate fell to 2.1% and that of industrial production to 1.2%. Retail sales decreased by 0.5% as a sharp

[1] The Tito-era is often referred to as „Stalinism without Stalin" by political scientists.

contrast to previous years' growth rates of 3.2-5.2%. (Gospodarska Kretanja, 2015 p. 2.) .

The reasons for this sudden change was due to the vulnerability of the Croatian economy can be summarized as follows.

- The independent Croatia had basically the same economic structure as the Yugoslav republic of Croatia. After the Western Balkans civil war, neither the right- nor the left oriented governments made use of the opportunity given by the peaceful circumstances to modernize the economy. Due to earlier illusions and a certain kind of enthusiasm caused by the newly gained independence, they preserved the old-fashioned structure based on the relatively high proportion of non-competitive branches of industry. The Croatian governments were deeply convinced that the relatively high level of development of their country within Yugoslavia was a result of the cultural and social background and remained unchanged even in the independent country. Croatia (and Slovenia, by the way) used to be the "aristocrat" of Yugoslavia and the Croatian leaders believed that this position could be preserved in the new situation.

- However, except for tourism and port/transport services Croatian products were not competitive in external markets. This fact was clearly shown by the balance of trade: the deficit became traditional even prior to the crisis: in 2006 it mounted to 8.9, in 2007 about 9.8 billion Euros. The ex-Yugoslav countries as export markets remained important: in the pre-crisis years and even after[2]. The proportion of the CEFTA-countries (practically the previous Yugoslav republics) exceeded 20.2% of the Croatian exports, while only about five per cent of the imports.

- The tendency went on even after the outbreak of the crisis. It has remained approximately the same in the second decade of the 21st century. This orientation was undoubtedly very comfortable: in the markets of the less developed ex-Yugoslav countries Croatian products were competitive enough, - yet it contributed to the

[2] „Despite not joining the EU until 2013, Croatia experienced similar adverse macroeconomic trends as in the pre-crisis years" (European Commission 2015.p. 3)

conservation of the old-fashioned industrial/production structure. When Croatia, after the EU accession lost the preferences ensured by CEFTA membership, Croatian exporters found themselves in the middle of a real market with a sudden increase in competition from the EU- (and EEA) countries.

- The role of foreign direct investments (FDI) is traditionally rather low. In 2006 it amounted to 0.9 billion USD, and in 2007 1.5 billion US dollars (Gospodarska Kretanja, 2015 p. 4.). This tendency is characteristic of the majority of the ex-Yugoslav states: the governments are afraid of losing control of the economy even if it is partly owned by foreigners[3]. The low level of foreign capital made the economy more vulnerable from the point of view of both modernization and capitalization.

- As for the general government debt, Croatia was in a relatively favourable position: as a result of the so-called succession talks of 1995 on the distribution of the Yugoslav debts the country inherited only a part of the Yugoslav indebtedness (Tranzitológia 2009. p. 129): in 2006 it was 35.9%, in 2007 37.1% of the GDP. The budget deficit was also rather low: in 2006 2.6%; by 2007 it even decreased to 2.3% of the gross domestic product.

Thus, Croatia, apart from the indebtedness issue had to face the world economic crisis with a rather unfavourable economic structure. We will see the results below.

[3] In Slovenia f.ex. the official explanation of not privatizing the commercial banks is that the government would „lose the control over the monetary policy", minister of finance Mr. Andrej Bajuk explained during a lunch given by Austrian Embassy in Ljubljana late 2006. It has been often quoted by other government officials and economists.

Croatia in the crisis – government reactions

The table below presents the basic effects of the crisis for Croatia. As a consequence of its economic structure and other circumstances the Croatian economy is in a long-term recession. Though the numbers speak for themselves, we have to add that since the shocking year of 2009 practically none of the indicators improved significantly[4].

Table 1. Key indicators of the Croatian economy 2008-2016

	2008	2009	2010	2011	2012	2013	2014	2015/ x	2016/ x
Real GDP growth (y-o-y)	2,05	-7,38	-1,70	-0,38	-2,19	-0,94	-0,51	0,24	1,03
Private consumption (y-o-y)	1,31	-7,40	-1,48	0,33	-3,03	-1,19	-0,64	-0,04	0,61
Public consumption (y-o-y)	-0,70	2,13	-1,61	0,29	-1,03	0,53	-2,14	-0,07	0,63
Exports of goods and services (y-o-y)	0,79	-14,20	6,17	2,25	-0,14	3,04	6,14	2,80	4,72
Imports of goods and services (y-o-y)	3,96	-20,39	-2,47	2,49	-2,99	3,15	3,81	1,76	4,53
Gross external debt % of GDP	86,70	100,24	103,12	104,63	103,00	106,13	n.a.	n.a.	n.a.
Balance of payments % of GDP	-9,19	-5,65	-1,57	-1,32	-0,69	0,39	n.a.	n.a.	n.a.
Trade balance % of GDP	-8,35	-4,25	-0,81	-0,86	0,02	-0,01	n.a.	n.a.	n.a.
Consumer price index (y-o-y) /x x	6,10	2,40	4,30	6,30	7,00	0,50	-2,20	-4,00	n.a.
Unemployment rate %	8,90	9,60	12,30	13,00	16,10	17,30	17,00	16,80	16,40
Activity rate %	63,20	62,40	61,40	60,80	60,50	63,70	n.a.	n.a.	n.a.
General government balance % of GDP	-2,70	-5,93	-6,03	-7,67	-5,64	-5,21	-4,96	-5,53	-5,60
General government gross debt % of GDP	36,02	44,46	52,76	59,93	64,45	75,68	81,45	84,94	88,66
Gross fixed investments (y-o-y)	9,18	-14,36	-15,19	-2,67	-3,26	-1,02	-3,55	-1,01	2,07

Source: European Commission: Commission Staff Working Document Country Report Croatia 2015 Brussels, 26.2.2015 SWD(2015) 30 final
/x forecast
/xx: "Gospodarska kretanja" Hrvatska Gospodarska Komora, 1/2 2015 p.4.
n.a. = not available

[4] As an evidence of this statement we can mention tourism as one of the most important branches of Croatia: the income of tourism in 2009 decreased by 20,9 per cent, in 2010 by further 10.2 per cent and the growth in 2014 was 9.8% only – that means that in spite the increase the incomes did not reach the pre-crisis level. (Gospodarska Kretanja, 2015 p. 42.)

It is extremely interesting to follow the events of the past years, the reactions and comments of the Croatian government during the crisis in chronological order to see how quickly the leadership reacted to the events in the world and in the country. (2015, pp 2-5; Szűcs 2011, pp 39-40).

- November 2008: in a speech held on the Congress of the Croatian Trade Unions, Prime Minister Ivo Sanader, recognizing the first time since the outbreak of the crisis that there were problems in the economy of the country, emphasized that "there is no need to dramatize the situation". January 2009: the Prime Minister promises: "the government will do its best so that (the economy of) Croatia should not fall into recession". He did not even mention the measures necessary to realize this promise.

- February 2009: in the shadow of the dramatic fall of all economic growth indicators, Minister of Finance Ivan Šuker, answering to the question on the expected length of the crisis said: "nobody is speaking about a decade, - the vast majority of the experts predicted the end of the crisis by 2010".

- In March 2010, the government accepted "the budget of the truth", in which both the incomes and expenditures were reduced. He mentioned that "the rich ones" have to contribute to the solution of the problems to a much greater extent than previously, but again no concrete steps were followed by this statement.

- April 2009: economists proposed that Croatia should turn to the International Monetary Fund (IMF), but officials denied the necessity of this step. The governor of the National Bank of Croatia, Željko Rohatinski said: "it is true that the Croatian economy will decrease by four per cent this year, but due to its stable internal structure, Croatia will not need the help of the IMF".

- July 2009: Ivo Sanader resigned, Jadranka Kosor (also HDZ) became Prime Minister. The government accepted a new budget that contained the introduction of a "crisis tax" of 4.0 per cent, the increase of the highest VAT rate from 22% to 25% and strict measures against non-payment ("Fiscal Responsibility Act"- an amendment to the earlier Fiscal Act). However, in the third quarter the GDP fell by 5.7% compared to the same period of the previous year.

- November 2009: the Minister of Finance declared "the relevant financial institutions foresee an economic growth next year. We cannot ignore this fact in connection with our next budget."

- February 2010: high-rank government officials confirmed that in 2010 "a smooth increase of the GDP of 2.0-2.5% can be expected".

- March 2010: the Prime Minister presented "The Economic Recovery Programme" containing the abolishment of the "crisis tax", the reduction of the highest rate of the personal income tax and a rationalization of public service: the reduction of the number of public servants by five per cent. This could be considered as the official recognition of the fact that Croatia was in a deep crisis.

- May 2010: the Statistical Office of Croatia declared that the in first quarter, GDP fell by 2.3%.

- August 2010: Croatian economists in a common article emphasized that the government "missed the opportunity of the crisis to change the structure of the economy. Without the solution of the structural problems of public finance and the economy as a whole the situation will not change".

- September 2010: new public discussion began about the necessity of the IMF to participate in a solution to the problems of the Croatian economy. The governor of the National Bank of Croatia did not oppose this solution, but prime minister Jadranka Kosor said: "all the economic indicators of the country clearly show we are on the best road to get out of the crisis. We can solve our problems ourselves. An economic growth of 1.5% can be expected next year". There was a GDP growth of 0.3% that month, but economists drew the attention of the government to the fact that it must be considered a temporary improvement only, mainly caused by the favourable start of the tourist season. Some weeks later the Statistical Office of Croatia corrected the number, saying in a statement that the methodology was wrong and the GDP in fact did not increase.

- The trade unions requested a dialogue with the government to solve the problem of non-liquidity, the bureaucratic legislative and administrative system that was in their opinion responsible for the fact that the sum of unpaid obligations increased by 32% during the past several months and amounted to HRK 33.6 billion. The representative of the Trade Union Congress stated that this situation could result in the collapse of the whole Croatian economy.

- February 2011: GDP had fallen again in the fourth quarter by 0.6%, the annual reduction was 1.75%. The government was still optimistic. "The signs of economic improvement are present" the Minister of Finance Martina Dalić said, predicting an increasing growth rate for the rest of the year.

- June 2011: the Prime Minister was convinced that the "Economic Recovery Programme" would work and said that "without this programme the situation would be much worse than today".

- December 2011: the central-left "Kukuriku Coalition" won the general election. The new Prime Minister, Zoran Milanović promised a reduction of unemployment and economic growth of five per cent in 2015.

- The programme of the new government was based on three elements: dynamic economic growth, the reduction of public consumption and the “change of priorities in social values”. This latter certainly meant a more rigorous social- and healthcare system (Program vlade, pp. 3-10). Economists emphasized that the government had to begin to realize basic reforms without delay. The chief analyst of the Raiffeisen Bank Austria was in the opinion that without rapid and effective reforms the international financial institutions would have to change the credit rating of Croatia in a negative direction (Šjaus, 2014. p. 3).

- February 2012: according to the new central budget the highest VAT rate was increased to 27 per cent and the government decided to reduce public expenditure. Economists, however, foresaw a further fall in GDP.

- August 2012: government members said, they predicted that the first months of the new cabinet would not be easy; however, they confirmed earlier optimism.

- December 2012: Standard &Poor’s (S&P) reduced Croatia’s long term credit rating from “BBB-” to “BB+“ because of the lack of structural reforms and the deficiency of the fiscal policy. In their opinion as a result of the new central budget the deficit was going to increase. S&P emphasized that the 1.8% GDP growth rate predicted by the government was far too optimistic.

- February 2013: Deputy Prime Minister, Branko Grčić declared that the fall of GDP was not unexpected and that the economy would grow again in the second half of 2013. No concrete measures were mentioned. Other government members were “expecting the turn of unfavourable trends”.

- July 2013: Croatia became a member of the European Union. The Prime Minister emphasized that reforms had to go on. The European Commission, however, stated that if the situation did not improve in a very short time, it would be extremely difficult for Croatia to make use of EU funds. In addition, the Commission drew attention to the increased competition Croatian exports had to face after leaving the CEFTA.

- August 2013: S&P reduced the outlook of the Croatian economy from positive to negative. The long term credit rating was reduced from “BB+” to “BB”. Reason: the GDP was decreasing for the sixth year in a row.

- In 2013 both Moody’s and Fitch reduced the Croatian credit rating.

- September 2013: excessive deficit procedure (ECD) of the European Commission against Croatia.

- December 2013: according to the new budget the GDP growth in 2014 was going to be 1.2%.

Having looked at the above chronological order of events and measure, two basic consequences can be drawn. The various Croatian governments either ignored the measure of the crisis or its effect on the economy of their country. When they realized the danger it was either too late or they did not act effectively enough. This is clearly shown by the fact that in spite of government plans and steps the GDP steadily decreased. Croatian leaders simply could not or did not want to realize that the roots of the vulnerability of the economy were in the old-fashioned economic structure, and the overwhelming role of the state, including state subsidies and ownership. The European Commission summarized the situation as follows: "subdued growth, delayed restructuring of firms and dismal performance are rooted in inefficiencies in the allocation of resources…The unfavourable business environment is a major drag on the adjustment of the economy" (European Commission, 2015 p.3.)

The social/communist type of bureaucracy, nepotism and corruption (including the highest ranked officials) also contributed to the long lasting crisis that can be considered as an economic, social and moral one.

The Croatian membership of the European Union (in spite of the hopes) did not solve the problem. On the contrary, Croatia had to face greater competition both at home and in its traditional markets of the Western Balkans. Besides, taking into consideration the bad shape of the economy it was doubtful that the country would be able to absorb the financial contribution offered by EU funds. Not only the European Commission, but also Croatian experts had serious doubts in this respect. Thus, it is rather obvious that the Croatian accession was premature. But in the light of the antecedents (the matter of general Ante Gotovina, the necessity of presenting a good example and perspective for other countries in the region, the long-time blocking of negotiations by Slovenia– and yes, the precedent of Romania and Bulgaria) prove that it was not an economic, but rather a political decision.

Recent developments

"The economy is not out of the woods" the IMF report of early 2015 states: (IMF, 2015. p. 1). Croatia remained in recession in 2014 (see table), though the GDP declined to a lesser extent than earlier. Since the outbreak of the economic-financial crisis the country has lost approximately 13 per cent of its output and according to the World Bank Group recent analysis "facing increasing poverty" (World Bank Group, 2015 p. 2.). In this respect the overall picture of the Croatian economy is in a sharp contrast with that of the Eastern European region, where a slow, but remarkable recovery has started in recent years. Unemployment rate has almost doubled between 2008 and 2015. Investment activity is extremely low. In 2008 investments represented 28% of the GDP, while in 2014 19% only – there was an especially great fall in construction. "The most negative contribution to GDP growth came from the decrease of construction". (IMF, 2015, Ibid).

The recently approved debt relief scheme related to the loans of families indebted in Swiss franc (CHF) fixed the CHF/HRK exchange rate for one year and opened the door for the bilateral talks between the borrowers and the creditors. It is a certain relief for the lowest income households with a monthly earning below HRK 1.250 (though they represent around 4% of the population only) and a debt sum of less than HRK 35.000 (Poslovni forum, 2015, p. 3.). However it can be considered a temporary and partial solution – bilateral personal negotiations should end quickly. The consumer bankruptcy law also increased legal certainty. According to bankers the position if the Croatian banks can be considered is to be rather strong.

The outcome of the 2014 ECD however is uncertain. The European Commission in 2014 estimated a budget deficit of 4.6% of the GDP (IMF, 2015, Ibid), but the real number was almost 5%. The level of public debts is also increasing and higher than that of the Eastern European countries (see table). Experts underline that most countries in the region successfully decreased the proportion of public debts, but Croatia had to face a fiasco in this field.

A further unsolved problem is the situation of the state-owned companies. The greatest difficulties are caused by the steel- and shipyard industry. The modernization and privatization was a pre-condition of the country's EU membership, however, due to the world wide crisis situation neither the Sisak

Steel Works, nor the Split Shipyard Company (the biggest ones in their industry) could find a reliable buyer. The steel industry got a financial contribution for the reconstruction from the EU Commission in as early as 2006 which must be paid back if the privatization proved to be unsuccessful. The chemical giant Petrokemija is also in a difficult situation. The authorities now foresee professionalization of the management of the state owned companies so as to increase effectiveness and reduce administration. But the "red tape" (the bureaucratic obstacles) remains strong, especially on the local government level and the co-ordination among public organs (ministries, authorities) is rather weak.

Unemployment is one of the greatest problems. It is possible that the increase of the number of unemployed can be stopped, but the predicted low economic growth does not promise a short term increase in the employment level. It cannot be ruled out that the period for registering the unemployed is too short and as a consequence the official numbers are not reliable enough. However, "a moderate reduction in unemployment" (World Bank Group, 2015 p. 7.] can be predicted for 2015 and 2016.

"Croatia has an extensive but costly and fragmented social system…that was …protected during the crisis" [World Bank Group, 2015, p.14.) The government had to change this situation. Social benefits were cut in 2014: a penalty for early retirement for members of the armed forces (police, army, fire-service) was introduced but local benefits often overlap with the central ones. The health system was reformed in 2013. The Croatian Centre of Health Insurance (Hrvatski Zavod za Zdravstveno Osiguranje, HZZO) was streamlined and the number of services paid by the central budget was cut (HZZO, 2015, p.2-4.). According to the IMF, however, further measures are needed in this field, as well (IMF, 2015, p. 5.), especially in local level.

Future prospects and conclusions

The fiscal measures presented by the government in the Convergence Programme with the European Union (Program Konvergencije Republike Hrvatske, 2011. pp.19-20.] represent about 0.6 to 1.0% of the GDP: the new gambling tax and the taxation of interest earnings will be 0.15% each, the increased energy tax is estimated to be 0.13% in 2015 and 0.4% in 2016, the growth of excise duty on tobacco and gasoline in 2015 will represent about

0.1%, while state subventions will be decreased from 0.4 to 0.1% of the GDP during 2015 and 2016. (Precise numbers are not yet known, because the detailed measures for 2016 are not yet fully specified). In spite of these measures according to both the EU Commission (Commission Staff Working Document 2015, p. 20.] and the IMF (IMF, 2015, p. 6.) the central budget deficit could exceed 5.5% of the gross domestic product.

There are question marks however in this field, too. By the realignment of tax burdens the 2015 budget envisages an income tax cut of 0.6 of the GDP that would be balanced by the increase of the excise on tobacco- and gasoline and a new tax of income from interest mentioned above. The programme contains a far too optimistic forecast for the revenues from the dividends of state-owned firms. Moreover, the whole programme is uncertain due to the deflationary tendencies in the Croatian economy.

Parallel with the income tax cut or instead of it a personal income tax reform would be more effective: there are still too many exemptions from income tax (for example child tax allowances also for persons/families with higher revenue). A better absorption of EU funds (structural and cohesion fund) would also be helpful. The direct or indirect subvention (tax holidays for reinvested corporate profit) of state owned companies has to be further reduced. A property tax was planned to be introduced in 2016, but the preparations have recently stopped.

State subsidies and transfers in Croatia are high and ineffective. They preserve the old-fashioned economic/industrial structure of the mid-20th century. Their structure and targets are based on political and not economic decisions.

The new structure of the health insurance also includes some risks. According to the new system, the insurance fund, though rationalized, operates outside the central government direction. As a consequence there is a real danger of losing control over the health care budget. Experience, however, is "so far so good". The rationalization of hospital care and the incentive system applied to the hospitals proved to be successful. In case of unfavourable developments however the government has to be ready to act.

It is obvious that the slight and slow improvement expected in 2015 and 2016 (see table) does not seem to be durable without an effective privatization process and further deep and structural (though mostly painful) reforms.

References

1. European Commission: Commission Staff Working Document –Country Report Croatia 2015, an In-Depth Review on the Prevention and Correction of Macroeconomic Imbalances (COM (2015) 85 final) Brussels, 26.2.2015
2. Gospodarska Kretanja, 2015: Hrvatska Gospodarska Komora Odjel za Makroekonomske Analize (Economic Outlook 2015/1/2, Quarterly of the Croatian Chamber of Economy, Department for Macroeconomic Analysis), Zagreb, June 2015.
3. Government of Croatia, 2011: Program vlade Republike Hrvatske za mandat 2011-2015, Vlada RH, (Program of the Croatian Government for the Period 2011-2015), Zagreb, December 2011 https://vlada.gov.hr Downloaded 02.08.2015.
4. Government of Croatia, 2015: Program konvergencije Republike Hrvatske za razdoblje 2011-2018 Vlada RH, travanj 2015. (The Convergence Programme of the Republic of Croatia for the 2011-2015 period, the Government of Croatia) Zagreb, April 2011), http://www./ec.eurpa.eu/europe 2020 pdf/csr 2015/croatia.hr Downloaded 02.08.2015.
5. Hrvatska Narodna Banka, 2009: Bilten 145, Gospodarski ivještaj (Bulletin of the National Bank of Croatia, Economic Report), Zagreb, 2009, in: "Tranzitológia, textbook College of International Management and Business, 3-16 J/2009, Budapest, 2009:
6. Hrvatski Zavod za Zdravstveno osiguranje 2015: Croatian Centre of Health Insurance
7. International Monetary Fund, 2015: Republic of Croatia: Concluding Statement of the of the 2015 Article IV Mission May 6., 2015, http://www.imf.org/external/mp/ms/2015/060615.htm downloaded 2015.06.22.
8. Poslovni forum, 2015: Poslovni forum o kreditima (Business Forum on the Loans) http://poslovniforum.hr/tp./ugovor o kredtima, Downloaded 06.08.2015:
9. R.I. 2015: "Idete-li na službenu proslavu izlaska Hrvatske iz recesije? ("Will you Go to the Official Celebration of the End of the Croatian Recession?) Vijesti, 28.05.2015., index.hr@vijesti/clanak/ idete-li... Article in Croatio-Serbian. Downloded 22.06.2015.
10. Roglić, Branko 2015: Situacija će u Hrvatskoj 2020 godine biti lošija nego danas (The 2020 Situation in Croatia will be Worse than Today) Večernji list Zagreb 21. 04. 2015 http://www.vecernji.hr/techno-branko-roglic Article in Croatio-Serbian

11. Sjauš, Petra, 2015: Hrvatska je u dubokoj krizi, koja će potrajati još koju godinu (Croatia is in Deep Crisis that will Last More Years). TPortal, Zagreb, 05.12.2014, http://tportal.hr/biznis/politika-i-ekonomija/36145l. Article in Croatio-Serbian. Downloaded 22.06.2015.
12. Szűcs, R. Gábor, 2011: Megint jönnek, kopogtatnak. Horvátország az Európai Uniós csatlakozás küszöbén ("Someone is Coming Again-Croatia in the Gateway of the European Union) EU Working Papers 4/2011 pp. 37-44.
13. Szűcs, R. Gábor, 2015: Most lesz horvát csőd vagy sem? (Will there be a Croatian Bankruptcy or Not?) Interview, Radio Economy (Gazdasági Rádió, Budapest 2015 július http://www./gazdasagiradio.hu/cimlap/most lesz-e... 464928.07.2015. Downloaded 02.08.2015.
14. World Bank Group, 2015: Croatia Partnership Country Program Snapshot-Washington DC, April 2015 https://www.worldbank.org/content/dam/Worldbank/document/eca/Croatia-Snapshot.pdf. Downloaded 02.08.201