

# uatuc info



Union of Autonomous Trade Unions of Croatia

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## In this ISSUE

- 2 Hot autumn - Amending the Croatian Labour Law
- 4 UATUC Fights for Decent Work
- 6 Entering the Final Year of Croatia-EU Negotiations?  

- 7 Flexicurity and Development of Labour Legislation in EU
- 8 Forum of South-East European Trade Unions Meeting in Zagreb  

- 9 European Week for Safety and Health at Work
- 9 Shift Towards New System of Values Needed
- 10 Economic and Social Indicators in the Republic of Croatia, September 2008
- 11 Croatia ranks 61 in the Global Competitiveness Report 2008-2009

Dear readers,

Welcome to the first edition of our new UATUC INFO. It has taken some time to reappear, however we hope that with enhanced élan and impetus, the new UATUC INFO will mark a big step towards promoting and sharing the information on the UATUC activities, with a view to reinforcing the international (trade union) solidarity. It is only through constant exchange of information, learning and unity that we can become and be strong.

Recognizing a true role of a trade union in the development of a democratic society and the need for active participation in the decision-making process, the UATUC promotes the necessity to act in all fields of social and political life of the country, the effects of which will reflect on the wellbeing of the citizens of the Republic of Croatia, primarily of workers. These programme orientations are put in practice through a number of different activities and initiatives, and it is our aim to inform you on these on a regular basis. Our aim is also to keep you informed on the economic and social trends in Croatia, current status of the EU accession negotiations and other relevant issues.

I hope you will find the UATUC INFO interesting and useful. We also welcome your comments and suggestions on how to improve this newsletter.

Spread the word and enjoy your reading!



*Dijana Šobota*  
Head of UATUC International Department

## HOT AUTUMN - AMENDING THE CROATIAN LABOUR LAW

ZAGREB - As a part of accession negotiations with the European Union and harmonization of Croatian legislation with the *acquis communautaire*, the amending of Croatian Labour Law was planned for autumn 2008. The negotiations within Chapter 19 - Social policy and Employment were opened in June and amending the Labour Law was set out by the European Commission

as one of the benchmarks for closing this chapter.

In July, the Ministry of Economy, Labour and Entrepreneurship formed a Working Group, consisting of trade unions, employers and Government representatives which was expected to draft the suggested amendments. Therefore, the trade union representatives were surprised when prior to the first meeting the Ministry submitted already drafted amendments to the Labour Law, which moreover included a number of issues that were not part of harmonization with relevant EU directives, although Government representatives have been continuously assuring trade unions that the Labour Law will be amended only in function of harmonization with the *acquis communautaire*.

Suggested amendments aimed at restricting the application of the most favourable worker's right, allowing the employers to arbitrarily organize working time, reducing workers' rights by complicating the procedure for negotiating the collective agreements, as well as the procedure for their expansion, and weakening the role of the trade unions and workers' codetermination. Above all that, the Ministry gave trade unions one month period to respond, ending at 22 August, in the middle of holiday season, thus practically preventing consultative process among trade unions and making so-called tripartite work a farce.

Qualifying suggested amendments as further erosion of the position of the workers and weakening and fragmentation of the trade unions, trade union representatives refused to respond and did not take part in the next Working Group meeting, insisting on meeting with the Prime Minister Ivo Sanader instead.

On meeting with the Prime Minister on 5 September trade union leaders insisted on amending the Labour Law in two phases. During the first phase, the amendments would be made

only with regard to the harmonization with relevant EU directives, and with full participation of trade union confederations. In second phase, new joint tripartite working group would be formed to prepare full amendments to the Labour Law and trade union confederations would be included from the beginning of the process. Confronted with the possibility of trade unions' withdrawal from the Economic and Social Council, the Prime Minister accepted the terms of the trade union leaders.

However, the next Working Group meeting, held on 11 September, brought new Government proposal of the amendments, which again included a number of issues that were not strictly connected to harmonization with 12 relevant EU directives in the field of labour relations.

"The Government abuses the process of adjusting Croatian labour and social legislation with the EU *acquis communautaire* in order to reduce workers' rights."

Ana Knežević, UATUC President



This time trade union reaction was more drastic - on press conference held on 19 September, leaders of the Union of Autonomous Trade Unions of Croatia literally reduced to ashes the Government's proposal and announced the protest to be held at the St. Mark's Square in

front of the Government on the day when this proposal will be adopted, in spite of the fact that public gathering is prohibited in area of 100 meters around the Government buildings.

“The Government abuses the process of adjusting Croatian labour and social legislation with the EU *acquis communautaire* in order to reduce workers' rights, so its conspiracy with employers and giving precedence to capital at the expense of labour is obvious”, said UATUC President Ana Knežević.



UATUC leaders also commented on Croatian Employers' Association's proposals for the reduction of annual leave, making dismissals easier and cancelling paid half-an-hour daily break. “Employers do not settle to 15.3 billion Kuna a year for not allowing workers' annual leave, for not paying overtime work and for not allowing the use of the half-an-hour daily break, they want more”, said Knežević.

The position of Croatian trade unions was supported by the ETUC General Secretary John Monks, who stated in the letter sent to the Croatian Prime Minister that suggested amendments to the Labour Law would have “disastrous consequences not only to the trade union movement in Croatia, but on Croatian workers and society as a whole, thus abusing the process of harmonization of labour and social legislation of Croatia with the EU *acquis*”. Monks also warned Croatian Prime Minister that EU law expressly forbids using the harmonization process for reducing existing acquired workers' and trade union rights.

The latest meeting of the Working Group, held on 22 October brought some light to the disagreement between the Government and the trade unions, showing that the two sides had different interpretation of the “harmonization process”. While trade unions consider the harmonization should be done only in reference to 12 relevant directives, the Government interprets this process as also modifying the provisions of the Labour Act that were qualified as ambiguous or undefined in the European Commission's screening report for Chapter 19.

While UATUC insists that the trade unions shouldn't discuss any changes not connected to the 12 relevant directives, it is still to be seen if all five confederations will share this position. In expectation of the next Working Group meeting, it is still to be seen if it will be possible to amend the Labour Law through the social dialogue or Croatian workers will have to get out to the streets for the second time this year.

## UATUC FIGHTS FOR DECENT WORK



Faced with deteriorating position of employed and unemployed workers as the consequence of reducing workers' and social rights in 2003, and as the consequence of increasing disregard for working and trade union rights of workers, insufficient effectiveness of labour inspection, non-existence of specialized labour and social courts, decline of living standard of Croatian workers and citizens due to low wages and purchasing power, consequences of pension reforms, inefficient bipartite and tripartite social dialogue and employers' new demands to reduce workers' rights and demands of the Croatian Government to conduct more reforms towards privatisation and liberalisation of public services, the Union of Autonomous Trade Unions of Croatia launched a number of activities as a part of the Decent Work Decent Life Campaign, in order to build awareness on decent work amongst citizens, employers and decision-makers and to show that decent work and respect of workers rights are crucial for eradication of poverty and building of democracy and social cohesion, acting not only at the national level but at the European and international level too, because it is only in solidarity that we can achieve our objectives.

The Union of Autonomous Trade Union of Croatia in its bodies and on all its levels and in affiliated trade unions has committed to act to promote Decent work, Decent Life Campaign launched by International Trade Union Confederation/ITUC, Solidar, Global Progressive Forum, Social Alert International and European Trade Union Confederation/ETUC, in which the UATUC and its affiliated trade unions, as members of ITUC and ETUC and their branch federations, will participate specific actions. Hence, the UATUC has been carrying out the campaign Stop Undeclared Work - Cities Without Undeclared Work; launched a petition - collection of signatures; furthermore, the campaign is widely publicized in the articles in the trade union newsletter *Sindikalna akcija* and at the internet page; raising awareness and mainstreaming of campaign objectives in the UATUC policies.

The Women's section of the UATUC continues with the activities for the ratification of the ILO Convention No. 183 on Maternity Protection; a survey "Women in short-term employment" was carried out by the UATUC Women's Section and Women's Network of Croatia, on 2000 women employed in the textile industry, commerce, tourism and catering, agriculture and food industry, as well as the demonstrations and protest rally on 8 March 2008.

The UATUC has also adopted a Declaration on the position of workers in Croatia, promoting the Decent Work Decent Life campaign as an action complementary to demands of the UATUC and its affiliated trade unions.

A survey based on the questionnaire with a view of gathering data and analysis on the decent work in Croatia was carried out among workers as well as shop stewards in 5 chosen (largest) companies per each branch of activity where the UATUC affiliated unions are active. The data was analyzed in order to get insight into the situation in particular activity as well as in different counties of Croatia.

On 6 October, the UATUC, in cooperation with NHS trade union confederation, organized a Round table "5 do 12 za

The working conditions as well as the overall situation of the labour market in Croatia, of the two most vulnerable categories in particular - women and youth, are far from decent, shows a survey conducted by UATUC.



dostojanstveni rad” (Last Call for Decent Work).

Marina Kasunić Peris, head of UATUC Industrial Democracy Department, spoke on working conditions and presented the preliminary results of the survey conducted by the UATUC. UATUC President Ana Knežević presented the position of women employed on short-term contracts. Dijana Šobota, head of UATUC International Department and Youth Officer, presented the position of youth at the labour market and the project Complaints Book. The opening and final remarks were given by Ana Knežević and NHS President Krešimir Sever.

The overall conclusion was that the working conditions as well as the overall situation of the labour market in Croatia, of the two most vulnerable categories in particular - women and youth, are far from decent. It is only together that we will be strong in the defence of the dignity of workers and decent working conditions of all workers in Croatia. The current burning issues - amendments to the Act on Labour are a battlefield where we will have to show our unity and power fighting for decent work!

The youth sections of UATUC, NHS and HUS were also actively working together on the Decent Work for Decent Life for youth. On 7 October 2008 youth sections of these three confederations sent their demands and positions to the Croatian Prime Minister Mr Ivo Sanader.

The Complaints Book that was a highlight of the campaign, as an ad hoc analysis of the position of youth and as a basis for the concerted trade union youth strategy, will however not be submitted to the Prime Minister, though it was first planned so, because of the huge interest expressed by young workers to contribute with their comments in the Complaints Book.

Youth sections will continue with gathering signatures/comments until the International Labour Day 1 May 2009. The comments have however already confirmed the problems and theses we noticed as predominant when it comes to the position of youth and problems they are facing.



## ENTERING THE FINAL YEAR OF CROATIA-EU NEGOTIATIONS?

Three years after starting accession negotiations between Croatia and EU in 2005, Croatian Government has set out autumn of 2009 as target date for finishing the technical negotiation process. Current European Commission, whose mandate expires on 31 October 2009, would also like to present closing up negotiations with Croatia as one of its achievements.

Official statement if this is considered possible is expected to be found in this year's Progress Report on Croatia, which will be issued by the Commission in November.

Although officially started in 2005, accession negotiations have been going quite slowly until the beginning of this year - until the end of 2007 only 16 out of 35 chapters have been opened. At the same time only the two easiest chapters, Science and Research, and Education and Culture, have been closed.

From the beginning of 2008 the Croatian Government has put the negotiating process in "the fifth speed", as Prime Minister Ivo Sanader likes to say. During this year five more chapters, including some quite difficult ones, have been opened, and one more chapter, the first one including so-called closing "benchmarks", Enterprise and Industrial Policy, has been closed. Opening of the remaining 14 chapters is expected in few upcoming months, and closing altogether 32 chapters is planned in next 12 months.

The activity of the Government and the Parliament in harmonizing Croatian legislation with the *acquis communautaire* has evidently increased, and the efforts in implementing needed reforms quickly received compliments from Bruxelles. However, this speeding up of the negotiation and harmonization process raises new issues and concerns, primarily focusing around the question if speed will effect the quality of the accession process, thus preventing Croatian citizens of entering the Union under best possible terms and without losing any unnecessary rights and benefits along the way.

Croatia had the opportunity to learn on experiences of 12 new member states that entered the Union in 2004 and 2007, but it seems that too few lessons have been learned. Speeding up the legislation harmonization process has resulted in adopting great amount of new laws without adequate analysis of their costs and benefits, especially economic and social ones, without adequate public discussion and finally, without the real social dialogue. The ongoing process of amending the Labour Law, which Government tried to use for the erosion of workers' rights not connected with the accession process (more details in another part of this newsletter), clearly showed Government's real intentions behind proclaimed commitment to the social dialogue and cooperation with the trade unions.



Although Croatian trade union movement has always been strongly supporting European integration process, it is now worried with fact that the Government is sacrificing its quality for sake of its speed. It is not crucial if Croatia will enter the EU in 2010, 2011 or 2012, but that the institutional reforms, and economic and social preparations for joining the common market of goods, services and labour force, are done thoroughly because it is the only possible way for Croatia, and its citizens, to benefit from joining the European Union.

## FLEXICURITY AND DEVELOPMENT OF LABOUR LEGISLATION IN EU

Zagreb, 30 September 2008 - Two-day regional workshop, organized by ETUI-REHS and Centre for Regional Cooperation and EU Integration, was held on 29-30 September in Zagreb and was attended by legal experts from all SEE Forum member organisations.

The workshop addressed some of the hottest

points on the agenda of development of labour market - flexicurity, particularly employment policies and the linkage to the future of labour law in the EU and beyond.

The programme started with briefing of the participants of the current stage of the EU accession process and the challenges for the region, individual countries and trade unions. The speed of adopting new, "harmonised" legislation in labour and social field in Croatia and the pressure on trade unions to keep pace with it is an excellent example of the need for the rest of countries as soon as possible to start understanding and internalising EU laws ("acquis") but along with it also patterns of thinking and acting. In that line two of the biggest challenges are the development of relevant labour market/employment policies, where Flexicurity provides the core of EU debates and policy designs at the moment and the coming future. And second, the current developments and vision for future labour law that intensively interact and shape the reality of the labour market.



The workshop addressed issues of contemporary shifts in the nature of work and structure of the labour force as well as the key role of the concept of "flexicurity" in driving these changes and other impacts in the EU and beyond. Second key line interacting with "flexicurity" comprises the EC policy on future labour law and key decisions of the European Court of Justice in the last couple of years which have had formative impact on the tendencies to reorient the nature of EU wide labour standards.

Discussions were concentrated on deepening the understanding of the policies and their repercussions on SEE countries and trade unions both as closely linked to the EU patterns of operation and as future candidates that will be obliged to transfer the "acquis" and join the common employment policies. Third aspect also linked to the previous ones covered another hot issue in the region - pension systems reform and the response of trade unions to the complex challenges in that area.

*(Grigor Gradev)*

## FORUM OF SOUTH-EAST EUROPEAN TRADE UNIONS MEETING IN ZAGREB

and some 30 trade union leaders and experts from the countries of South Eastern Europe, representatives of the PERC, ILO, ETUI - REHS, EPSU and national sister organisations from Europe, the CGT France, LO Norway and CGIL Italy discussed the transformation process of the Bucharest Employment Process in SEE, the current development in the field of

The South-East European Trade Union Forum, with the support of the Friedrich Ebert Foundation, held its third meeting on 29 - 30 of September 2008, in Zagreb, Croatia. The meeting was chaired by Ana Knežević, President of the UATUC and Vice-president of the Pan-European Regional Trade Union Council, and some 30 trade union leaders and experts from the countries of South Eastern Europe, representatives of the PERC, ILO, ETUI - REHS, EPSU and national sister organisations from Europe, the CGT France, LO Norway and CGIL Italy discussed the transformation process of the Bucharest Employment Process in SEE, the current development in the field of social dialogue in SEE countries with special attention to the social dialogue in the EU, tripartite social dialogue, difference between social dialogue and civil dialogue, the Social Memorandum and Energy treaty, the findings of an analytical paper on the Trade Union education Evaluation program in SEE, the role of trade unions in promoting workers rights in the informal economy and the work of the Centre for Regional Cooperation and EU Integration, based in Zagreb, which provides support to the Forum and continues the projects of the previous ETUC Balkans Forum, particularly the SEE Legal Expert Network project.



## EUROPEAN WEEK FOR SAFETY AND HEALTH AT WORK

As a part of the European Agency for Safety and Health at Work (EU-OSHA) campaign called "Healthy Workplace: Good for You - Good for Business", 20 to 24 October is marked as European Week for Safety and Health at Work. The aim of this campaign, which includes hundreds of events

all over Europe, is to raise the awareness of importance of risk assessment and make workplaces safer, healthier and more productive.

As part of its efforts in this campaign, UATUC organized 4th counselling on the protection at the workplace in the Alps Adriatic Region. The counselling, held on 16 and 17 October in Opatija, gathered around 300 experts on health and safety at work, specialists of labour medicine as well as employers' and trade unions' representatives.



The main topics of the counselling were risk assessment at the workplace, professional diseases of skeletal muscular system and noise. Recent studies show that noise at the workplace is one of the most frequent causes of professional diseases and beside some industrial sectors such as agriculture, mining and construction, it is also present in the services sector, especially in workplaces such as call-centres.

Participants of the counselling also gave their support to the establishment of the Croatian Institute for Protection of Health and Safety at the Workplace, which is supposed to start operating early next year.

## SHIFT TOWARDS NEW SYSTEM OF VALUES NEEDED

Emergence of the terrorism in Zagreb, manifested in street murders in the middle of the day, is pointing to the need of shifting towards a new system of values. During last years, the work ceased to be a measure of value in Croatian society, replaced by the motto "it's important to have and to spend",

without concerning the origin of the money. We are witnessing the moral collapse of the society, which resulted in the reality we are experiencing on the streets of Zagreb today, says the communication from the UATUC issued on 24 October 2008.



We are witnessing non-functioning of the state of law, as well as the need of establishing a new system of values in which the only measures of value will be work, knowledge and personal integrity, said UATUC President Ana Knežević. UATUC is advocating for Croatia in which every citizen will be able to work safely and to live from his/her work. Accomplishing those tasks is the duty of the ones who are elected and paid by the citizens, added Knežević.

# ECONOMIC AND SOCIAL INDICATORS IN THE REPUBLIC OF CROATIA, SEPTEMBER 2008

## GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) of the Republic of Croatia for the first trimester of 2008, according to the data of the Central Bureau of Statistics, was estimated to the amount of 69.24 billion kuna. In the first trimester of 2008 the real increase of GDP

is 4.3 percent as compared to the same period of 2007. Personal consumption increased for 4.3 percent, investments for 9.8 percent and national consumption for 0.5 percent. In the first trimester, export growth rate was 3.8 percent, and the import growth rate was 7.0 percent. The real increase of GDP for 2007 in relation to 2006 is 5.6 percent, on the basis of quarterly estimates.

## CONSUMER PRICE INDEX

According to the consumer price index, in August 2008 the recorded growth was 7.4 percent as compared to August 2007. According to main groups of purpose of consumption, in August 2008 as compared to August 2007, prices of recreation and culture were increased the most (for 1.7 percent).

## EMPLOYMENT AND WAGES

Average monthly paid off net wage in legal entities in the Republic of Croatia, in July 2008 was 724 EUR, which is, as compared to the same month 2007, nominal increase of 7.8 percent and real decrease of 0.5 percent. As compared to June 2008, average monthly paid off net wage was 1.3 percent higher in nominal terms and 1.2 percent in real terms. Average monthly gross wage in July 2008 was 1,050 EUR, which is, as compared to July 2007, nominal increase of 7.3 percent and real decrease of 1.0 percent. As compared to June 2008, average monthly gross wage was 1.4 percent higher in nominal terms and 1.3 percent in real terms.

In August 2008 there were 219,334 persons registered at the Croatian Employment Service so the unemployment rate in this month was 12.3 percent. In August 2008 the Croatian Employment Service registered unemployed persons less than in the previous month and 23.517 persons less than in the same month previous year. Unemployment in August 2008, as compared to July 2008, is 0.2 percent lower, and, as compared to August 2007, 9.7 percent lower.

The lowest average net wage in July 2008 was paid off in the economic activity fisheries (588 EUR, which is nominal increase of 10.3 percent and real decrease of 1.8 percent, as compared to July 2007), whereas the highest average net wage was paid off in the economic activity financial intermediation (965 EUR, which is nominal increase of 6.5 percent, and real decrease of 1.7 percent, as compared to June 2007).

Unemployment benefit (July 2008)

Maximum amount: 164,38 EUR

Minimum amount: 140,57 EUR

Average amount: 161,48 EUR

Source: Croatian Employment Service

GDP per capita  
(2007) 8.450,00  
EUR

Average annual  
inflation rate  
(Aug 2008) - 5,6%

Poverty rate in  
Croatia:  
16.3%  
Poverty line:  
253.37 EUR  
monthly

Source:  
Central Bureau  
of Statistics

MONTH/YEAR	7/2007	7/2008
Employed*	1,510	1,558
Employed in legal entities*	1,196	1,245
Unemployed*	245	219
Unemployment rate	14.0	12.4
Gross wage**	968	1,050
Nett wage**	665	724

\* in thousands, \*\*in kuna  
Source: Central Bureau of Statistic, Croatian Employment Service

## CROATIA RANKS 61 IN THE GLOBAL COMPETITIVENESS REPORT 2008-2009

Croatia ranks 61st among 134 countries in the Global Competitiveness Report 2008-2009, falling four places compared to the 2007-2008 report released by the World Economic Forum.

Among countries from the Southeastern Europe, Slovenia ranks 42nd, Montenegro

65th, while Romania holds the 74th place, climbing six places compared to last year. Bulgaria ranks 76th, rising four places compared to the 2007-2008 report.

The United States tops the overall ranking, followed by Switzerland, Denmark, Sweden and Singapore.

Regarding the twelve pillars of competitiveness, Croatia showed improvement in the following: Health and Primary Education (41st), Technological Readiness (47th), Higher Education and Training (48th) and Innovation (50th). Decrease in ranking was shown in Goods Market Efficiency (76th), Institutions (74), Business Sophistication (72nd) and Labour Market Efficiency (68th).

*Together we are stronger*



**UNION OF AUTONOMOUS  
TRADE UNIONS OF CROATIA**

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