

**D**ear readers,

The parliamentary elections held on 4 December resulted in a landslide victory of the centre-left *Kukuriku* coalition, led by the Social Democratic Party of Croatia (SDP), which gained the absolute majority of 80 seats and a clear majority to form a new Government, which was confirmed by the Parliament on 23 December. Apart from leading the country in its first years as an EU member state, the new Government has a difficult task to deal with harsh economic circumstances and the need to implement structural reforms, while maintaining the social solidarity and protection for most vulnerable groups. Asking for the positive changes in the economic and social policy, and job creation as a principal measure of success of every policy, the UATUC will throughout the next four years continue to monitor, remind and demand that the new Government fulfils the promises on which it sought, and won, confidence of the citizens.

Croatia signed the Accession Treaty to the European Union at the European Council in Brussels on 9 December 2011. Croatia is thus set to become the European Union's 28th member in July 2013 after the Croatian accession referendum to be held on 22 January 2012, and the subsequent ratification of the Accession Treaty by all 27 member states. UATUC called upon its members to cast their vote on the referendum, highlighting the accession is in the interest of Croatia but underlining the responsibility of all of us for the consequences of the decision for joining the EU.

After somewhat more than a year as the UATUC President, Mladen Novosel assesses the situation in UATUC and the results achieved, situation at the trade union scene and the main challenges.

This issue also brings the information on the establishment of the first labour court in Croatia, first bipartite sectoral council, UATUC projects and conferences, initiatives as well as basic economic and social indicators in 2011 and forecasts for 2012. We hope the articles will be an interesting and useful read.

Dear friends and colleagues, with the difficult and challenging year behind us, the UATUC wishes you a Merry Christmas and a Happy New Year 2012, with lots of strength and solidarity for the challenges ahead of us in fighting for the working people ■

*Dijana Šobota*

Head of International Department

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FIGURE OF THE MONTH

**22 January 2012**

**CROATIAN REFERENDUM  
ON THE EU MEMBERSHIP**

# CENTRE-LEFT COALITION WINS PARLIAMENTARY ELECTIONS

New Croatian Prime Minister is Social Democrat Zoran Milanović, who will beside leading the country in its first years as the EU member state have to deal with a difficult economic situation and the need to implement structural reforms, while maintaining the social solidarity and protection for most vulnerable groups



Zagreb, 23 December 2011 – Centre-left Kukuriku coalition, led by the Social Democratic Party of Croatia (SDP), emerged as a clear winner of the parliamentary elections held on 4 December 2011. Kukuriku coalition won 40.4 percent of the vote and will have 80 deputies in 151-seat Parliament (Sabor). Governing Croatian Democratic Union (HDZ) won 23.4 percent of the vote, gaining 47 seats. Following the announcement of official results and the clear parliamentary majority formed by the Kukuriku coalition, on 14 December the President of the Republic **Ivo Josipović** gave a mandate to form the Government to the SDP President **Zoran Milanović**. On 23 December, the new Government was confirmed by the Sabor with 89 votes, as beside the Kukuriku coalition the national minority MPs also voted for Milanović's cabinet.

The seventh parliamentary elections since independence in 1991, and the first since conclusion of the EU accession negotiations in June 2011, were held against the background of harsh economic situation and ongoing corruption investigations and trials against a number of former HDZ leaders, including the former PM **Ivo Sanader**. In late October, State Attorney's Office for the Suppression of Corruption and Organised Crime (USKOK) confirmed that the investigation has been expanded to the HDZ as a legal entity itself. In such circumstances, **Jadranka Kosor**, HDZ President and PM since Sanader's resignation in June 2009, decided to focus the campaign on the party's "return to the roots" (i.e. policies of the party founder **Franjo Tuđman**, which were supposedly abandoned by Sanader). Running the campaign with the slogan "The best in the hardest times", Kosor sought a third consecutive mandate for the HDZ on the basis of claim that the party had the courage to start combating corruption among its own ranks, and is therefore the only one capable to continue this fight.

Incumbent HDZ was contested by a four-party Kukuriku coalition, comprising of the Social Democratic Party of Croatia (SDP), Croatian People's Party – Liberal Democrats (HNS), Istrian Democratic Assembly (IDS) and the Croatian Party of Pensioners (HSU). The name "Kukuriku" (literally meaning "Cock-a-doodle-doo") originally comes from the restaurant in which the party leaders agreed the alliance in 2009, but was later taken to symbolise a "new dawn" for Croatia. Except the HSU, all the other Kukuriku parties participated in the first SDP-led government in 2000-2003, which was, until now, the only period since 1990 the HDZ spent in opposition.

The official campaign itself was the shortest in the history of Croatian democracy, lasting for only two weeks. However, as the results were highly predictable with the Kukuriku leading in the opinion polls throughout the election year, and most of the parties feeling consequences of the crisis on their campaign budgets, no one complained about the short timeframe of the campaign.

With both main contestants being strongly in favour of the EU membership, the EU accession did not play significant role in the campaign, which mostly focused on the economy and the issues of integrity in public life. However, many observers noted that the campaign lacked in the political content itself – HDZ's programme was more a list of wishes and promises than a set of clear policies and measures, while the Kukuriku aimed to get popular support not so much on the basis of radically different or even very concrete economic programme, as on the claim of having more integrity and competency than the HDZ. Further element missing from the campaign was the debate between the main contestants and especially their candidates for the Prime Minister. As such debate is not possible to organise during the official campaign, due to media regulations which require all the parties and candidates competing the election to gain exactly the same media coverage, national TV stations tried to organise such a debate before the official start of the campaign, but the invitation was refused by the incumbent PM Jadranka Kosor.



PHOTO [www.kukuriku.org](http://www.kukuriku.org)

## "CALL FOR CHANGE"

Following the meetings held with a number of political parties on the basis of the UATUC Election Platform (see [UATUC Info No. 16](#)), analysis of party programmes and the debate between six main contestants on the labour issues organised by the UATUC and Friedrich Ebert Foundation, the UATUC has called its members to cast their vote, and to vote for a change.

The positions of the Kukuriku coalition, Croatian Labourists and the Croatian Economic Initiative were assessed as closest to the demands expressed in the UATUC Election Platform, says the statement entitled "Call for change", adopted by the Presidency of the UATUC and published on 24 November 2011. However, the UATUC has warned that the programmes of the mentioned parties lack concrete measures and planned timeframe to achieve desired results. Asking for the positive changes in the economic and social policy, and job creation as a principal measure of success of every policy, the UATUC will throughout next four years continue to monitor, remind and demand that the new Government fulfils the promises on which it sought, and won, confidence of the citizens.



## CROATIAN LABOURISTS – NEW PARLIAMENTARY PARTY

One of biggest surprises of 2011 elections is the success of the newly established Croatian Labourists – the Party of Labour. Founded in March 2010, the Croatian Labourists are led by former UATUC President (1991-1996) **Dragutin Lesar**, with a number of other trade unionists active in the party.

According to Lesar, principal aim of creating the Party of Labour was to create an alternative to established parties which would genuinely represent the interests of the working classes, i.e. anyone who works to earn a living, whether a manual worker or intellectual. The party's programme is significantly more leftist than that of the SDP, calling for a stronger state intervention in the economy, abandonment of the neoliberal model, support for workers' rights and strengthening of the direct democracy.

The Labourists arose as convincingly third party on a national level, gaining 5.1 percent of the vote and six seats in the Parliament. Thus, the Croatian Parliament, which in these elections significantly shifted to the left, will for the first time have a parliamentary group positioned to the left of the SDP.

Among six elected Labour MPs is **Zlatko Tušak**, UATUC's Territorial Officer for Bjelovarsko-bilogorska County. Congratulating Tušak on his election to the Parliament, UATUC's President Mladen Novosel said that the voters have recognised his dedicated work as a trade unionist. "We believe that you will continue to equally represent the workers' rights as a Member of Parliament, and that you will not forget the trade union organisation in which you have spent the most active years of your career", said Novosel.

The election results were no surprise, with the Kukuriku coming first in eight out of ten regular constituencies, thus gaining the absolute majority of 80 seats and a clear mandate to form a new government.

The HDZ won 47 seats - 44 in regular constituencies (three of those belonging to smaller coalition partners) and all three seats belonging to the special constituency for out of country voters. It is interesting to note that the Kukuriku coalition actually won 126 thousands votes less than its parties gained contesting 2007 elections independently (958,318 comparing to 1,084,488). However, with HDZ scoring 268 thousand votes less than in 2007 (548,199 comparing to 834,297), and the mathematical effect of pre-election coalition in electoral system based on d'Hondt method, this was enough for a confident victory.

Although a number of smaller parties and independent candidates led active campaigns presenting themselves as a "third option" and a viable alternative to both HDZ and SDP, the election results were mostly disappointing for smaller contestants. Croatian Peasant Party (HSS), which is in constant decline since their best results of 16 MPs in 2000, was reduced to a single seat. Croatian Social Liberal Party (HSLs), a first democratic party to be established in 1989 and a crucial SDP partner in 2000 elections, also paid the price of loosing own identity in subsequent coalition with HDZ, and for the first time did not manage to obtain a Parliament seat. The Croatian Party of Rights (HSP), the only eurosceptic party in the last Parliament also did not manage to obtain a single seat, which however succeeded to one of the splinter "rightist" parties, HSP-dr. Ante Starčević.

The major surprise was the result of the Croatian Labourists – Party of Labour, established only in 2010 and lead by the first UATUC President **Dragutin Lesar** (see box on the left). The Labourists came convincingly third with 5.1 percent of the vote and six MPs. The Croatian Democratic Assembly of Slavonia and Baranja (HDSSB) grew from four to six MPs, for which they sufficed 2.9 percent of the vote, but concentrated in two constituencies in Eastern Croatia. The HDSSB is a regional, right-wing populist (but pro-EU) party established in 2005 after its founder Branimir Glavaš broke with the HDZ and Ivo Sanader. While Glavaš is currently serving a prison sentence for war crimes committed in 1991, if not formally he is still effectively the party leader. The only remaining list which managed to obtain seats in the Parliament was the independent list of retired priest Ivan Grubišić, which will have 2 MPs.

As the 22 officially recognized national minorities are granted special representation rights, the remaining eight parliamentary seats belong to the minority MPs – three for the Serbian minority, one for the Italian, Hungarian and Czech/Slovak minority each, one for five ex-Yugoslavian minorities and one for the remaining 12 minorities. The national minority MPs are elected in a separate constituency No. 12, with minority voters having option to vote either for the general list, or for their minority MPs. While the eight minority MPs formed part of the HDZ-led majority in the last two Parliaments, all of them have already stated their support for the new Kukuriku government.

Although domestic NGO observers and the OSCE Limited Election Observation Mission assessed the elections to be generally fair and democratic, they pointed to a number of remaining deficiencies in the electoral process. Main problem remains in regard to the voter register, which includes 4,092,323 voters, while the preliminary results of 2011 census point to around 3,175,000 adult citizens of Croatia residing in the country. Although the register has been checked for double entries so multiple voting should not be possible, this disproportion remains a reason for concern. Further problem lays in imbalances between ten constituencies Croatia is divided into. Although the law stipulates that the difference between the smallest and the largest constituency should not exceed 5 percent, this figure is currently 33 percent. As each constituency elects 14 MPs, this distorts the principle of equal value of all the votes.

The Kukuriku coalition has promised to address both issues after it assumes office, but experience so far shows that the issue drops off the agenda of every government soon after the elections, and comes in the focus of public interest only in the pre-election year, when amendments to electoral legislation are not possible anymore. We can only hope that this time the case will be different ■

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The new Croatian Government, formed on 23 December 2011, has 20 ministries (as compared to 16 in the preceding cabinet) and is composed of three out of four parties of the winning Kukuriku coalition, as the Croatian Party of Pensioners (HSU) was not interested in the Government seat. Thus, the Social Democratic Party of Croatia (SDP) has 16 seats in the Government (including the Prime Minister and three Deputy Prime Ministers, as well as two non-party seats filled from the SDP quota), Croatian People's Party – Liberal Democrats (HNS) has four seats (including the newly introduced function of the First Deputy Prime Minister), the Istrian Democratic Assembly has one seat.

PHOTO www.vlada.hr



The new Prime Minister is SDP President **Zoran Milanović**. Born in 1966, Milanović graduated law at the University in Zagreb and spent most of the 1990s as a professional diplomat in the service of the Ministry of Foreign Affairs. Among other, he served in Croatian missions to the EU and NATO in Brussels. His political career started in 1999 when he joined the SDP. Following the death of SDP's founder and long-term President **Ivica Račan** in 2007, Milanović was elected a party leader. Losing the parliamentary elections the same year in the close run with the HDZ did not cost him a party leadership, which was confirmed at 2008 SDP Congress, the first in which the party leader was elected by vote of all the SDP members. In 2009, Milanović announced a four-party pre-election coalition, a strategic move which put the SDP on a track to confident victory in 2011 parliamentary elections. What all observers agree is that Milanović is a "new type" of Croatian politician – well educated, highly civilised communicator, clean of any corruption accusations and strong advocator of the rule of law.

Milanović's principal coalition partner and the second person of the new cabinet is the HNS President **Radimir Čačić**, First Deputy Prime Minister and Minister of Economy. Serving as the Minister of Public Works, Reconstruction and Building in Račan's Government (2000-2003), Čačić is one of the few ministers with previous experience in the Government. Before entering the politics in late 1990s Čačić was successful entrepreneur, although occasionally accused in the media for being involved in privatisation affairs and for using his political influence to get public contracts for his companies. However, nobody denies his managerial skills and proactive approach – during his tenure in Račan's government, he was responsible for successful building of Zagreb-Split highway (strategic project planned since early 1970s) and initiating the project of social housing. Due to his strong personality, inclination to neoliberal economic policies and ambition to be a principal architect of Government's economic policy (in spite of the fact that the HNS is only a junior coalition partner), his relationship with Milanović will be a key test for success and durability of the new Government.



PHOTO www.vlada.hr

As the new Government will lead Croatia during its first years as the EU member state, high expectations are set on the SDP's Deputy PM in charge of Internal, Foreign and European policy **Neven Mimica**, and the HNS's Foreign and European Affairs Minister **Vesna Pusić**. Mimica was the first Chief Negotiator with the EU and the Minister of European Integration in Račan's Government, while Vesna Pusić, with academic background as a professor of sociology at the University of Zagreb, was Chair of the National Committee for Monitoring the Accession Negotiations with the EU since 2007.

Main changes in the distribution of ministries are related to labour and social policy. Former Ministry of Economy, Labour and Entrepreneurship is divided into three separate ministries, with SDP's **Mirando Mrsić** assuming the position of the Minister of Labour and Pension System, while the SDP's Vice PM **Milanka Opačić** will head the newly created Ministry of Social Policy and Youth.

While most observers consider the new Government to be more competent than the previous one, it assumed position in economically difficult times for Croatia, which is expected to slide back into recession during 2012. The first big test of Milanović's Government will be the new budget, to be adopted before the end of February, which should show if the new Government will be able to fulfil its main electoral promise of undertaking structural reforms and preserving the country's credit rating while at the same time strengthening the social solidarity and protecting the most vulnerable groups ■

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PHOTO www.vlada.hr

**Zoran Milanović** (SDP)  
Prime Minister

**Radimir Čačić** (HNS)  
First Deputy PM, Minister of Economy

**Neven Mimica** (SDP)  
Deputy PM for Internal, Foreign and European Policies

**Branko Grčić** (SDP)  
Deputy PM, Minister of Regional Development and EU Funds

**Milanka Opačić** (SDP)  
Deputy PM, Minister of Social Policy and Youth

**Vesna Pusić** (HNS)  
Minister of Foreign and European Affairs

**Slavko Linić** (SDP)  
Minister of Finance

**Ranko Ostojić** (SDP)  
Minister of the Interior

**Arsen Bauk** (SDP)  
Minister of Administration

**Tihomir Jakovina** (SDP)  
Minister of Agriculture

**Zlatko Komadina** (SDP)  
Minister of Maritime Affairs, Transport and Infrastructure

**Mirando Mrsić** (SDP)  
Minister of Labour and Pension System

**Rajko Ostojić** (SDP)  
Minister of Health

**Mirela Holy** (SDP)  
Minister of Environment and Nature Protection

**Željko Jovanović** (SDP)  
Minister of Science, Education and Sports

**Ante Kotromanović** (SDP)  
Minister of Defence

**Gordan Maras** (SDP)  
Minister of Entrepreneurship and Crafts

**Predrag Matić** (non-party)  
Minister of Veterans' Affairs

**Orsat Miljenić** (non-party)  
Minister of Justice

**Veljko Ostojić** (IDS)  
Minister of Tourism

**Ivan Vrdoljak** (HNS)  
Minister of Construction and Spatial Planning

**Andrea Zlatar Violić** (HNS)  
Minister of Culture

# CROATIA SIGNS THE EU ACCESSION TREATY



Zagreb, 9 December 2011 – The Treaty of the Accession of Croatia to the European Union was signed in Brussels on 9 December 2011. After the Croatian accession referendum to be held on 22 January 2011, and the subsequent ratification of the Accession Treaty by all 27 member states, Croatia is to become 28<sup>th</sup> EU member state on 1 July 2013.

PHOTO Council of the EU



The Accession Treaty was signed on a ceremony held during the meeting of the European Council, organised in a break between difficult discussions on the economic governance and the future of the euro zone. On behalf of Croatia the Treaty was signed by the President of the Republic **Ivo Josipović** and the caretaker Prime Minister **Jadranka Kosor**.

“Signing of the Accession Treaty is the act of equal importance as the Croatian Parliament’s decision on independence in 1991. It took 20 years for modern Croatia to return to the political and cultural area where it historically belonged for centuries. Unfortunately, that return also included the war. Croatia is the first new member state which in its transition to membership had to overcome, among other, difficult legacy of the war, which makes this act even bigger success for Croatia, but for the EU as well – the success of Croatia is the success of peace building as the deepest foundation of European project”, said President Josipović. Josipović also noted that the signing of the Treaty was not the end of the accession process and that Croatia would continue with undertaking reforms and implementing the European legislation. Josipović finished his speech by reminding on challenges that lay ahead of the EU and Croatia. “Until now, answers to different challenges have always created a stronger Union. Croatia is proud to participate in seeking for those answers. But I am sure in one, both the EU and Croatia need more, not less, Europe”, concluded Josipović.

Throughout next 18 months, until 1 July 2013, Croatia will not be a candidate country anymore, but an acceding country, which means that its representatives will participate in the work of the EU institutions, such as the European Council, European Parliament and others, but as observers without the right to vote. In the meantime, the European Commission will continue to monitor the implementation of reforms and EU legislation, and issue periodical progress reports ■



## UATUC AND THE EU REFERENDUM

In an open letter addressed to its members, the Presidency of the UATUC has called trade union members to cast their vote on the referendum on the EU membership to be held on 22 January.

“The final decision on the EU membership, to be made by the citizens of Croatia, will have important and long term effects for all of us. Therefore, it is of utmost importance that the turnout is as high as possible, so that the decision would to the highest extent represent the opinion of Croatian citizens. The UATUC considers that the accession process, as the main motivator of a number of necessary reforms throughout the last decade, already brought significant positive effects for Croatia. It is the position of the Presidency of the UATUC that the membership in the EU and participation in the European institutions and decision making processes is in the interest of Croatia.

Therefore, the UATUC calls all its members to vote on the referendum, taking into account long-term interests of the Republic of Croatia, its citizens and workers. European Union is the place where Croatia historically, culturally and economically belongs, but the decision on the membership, as well as the responsibility for the consequences of that decision, in the final instance belongs to the citizens themselves”, says, among other, the open letter signed by the UATUC President **Mladen Novosel** ■

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# Interview with Mladen Novosel, UATUC President: “UATUC IS TODAY A STABLE TRADE UNION CONFEDERATION”

*Financial problems and non-functioning of the decision-making bodies of the UATUC today belong to our difficult past, which we overcame with the maximum contribution of all affiliated unions and staff members themselves. With significantly more employees than all the other trade union confederations together, UATUC remains organisationally the strongest confederation in the country*



**SAVEZ SAMOSTALNIH  
SINDIKATA HRVATSKE**

A bit more than a year has passed since the Sixth UATUC Congress, when **Mladen Novosel** was elected President. He was faced with the internal UATUC crisis, economic crisis in Croatia and loss of 100,000 jobs, which consequently led to the drop in trade union membership, with the problem of non-payment of wages and contributions... Sufficient reasons for this interview.

## **Which events would you single out as the most important ones?**

If we would to single out the most important events, then these are first of all: campaign against work without wage and payment of wages without payment of contributions, which we launched in mid February, and which marked almost the whole 2011, then the continuation of work of the Economic and Social Council in mid March, organizing a UATUC – FES conference *Croatia in EU: What do Workers get and What do They Lose*, involvement in the election campaign for the parliamentary elections, based on the UATUC Election Platform and the elections themselves, and the signing of the Accession Treaty with the EU.

## **Has the financial and organizational functioning situation in the UATUC been stabilized?**

When we speak about the financial, organizational and functioning situation in the UATUC, we have to remind ourselves of the year 2010, when inadequate solving of these problems almost led to the dissolution of the confederation. Large financial problems, non-functioning of the highest decision-making bodies of the UATUC (Presidency of the UATUC Council and the UATUC Council) and impossibility of keeping the existing number of employees – all of this now belongs to our difficult past. With the maximum contribution of all the affiliated unions, as well as of the employed themselves, today, at the end of 2011, we can state that the UATUC is financially stable trade union confederation, that by the number of employees – currently 47, which is still significantly more than in all other trade union confederations together – we are organizationally still the strongest confederation, and that the decisions on all the UATUC bodies are now taken almost by consensus.

## **Since the HUS left the Coordination of trade union confederations, what is the level of cooperation with other trade union confederations?**

The “Coordination” of trade union confederations is a completely informal body, so the withdrawal of HUS from it was a pure farce since HUS has continued cooperating with other confederations on all levels. The UATUC is always ready to cooperate with all confederations, and with individual trade unions outside confederations, when it comes to issues of common interest, such as amendments to legislative proposals and possible joint trade union actions. However this cooperation has to be based on transparent shares in activities, in order not to repeat the experiences from the past when the UATUC bore the largest organizational and expert burden. We definitely need to strive for the merger and unification of the trade union scene, but at the moment there are too many obstacles to reach this goal. In any case, the UATUC is ready to respond to any challenge in order to protect and improve the rights of its members and all workers in Croatia.

## **New Act on Representativity has been in the process of drafting for a very long time now. Why it is important for the UATUC?**

The trade union confederations have not reached an agreement on criteria for the representativity of a confederation so far, and it is almost certain that they will not reach it. During 2011, after three confederations (HUS, Matica and URSH) rejected arbitration, independent group of national and international experts drafted a proposal that should be agreed upon in the forthcoming period. The current Act has for years posed problems for trade unions affiliated to the UATUC mostly due to the minimum criteria for collective bargaining, on company and branch level. At the same time there are illogicalities that some trade unions are bigger than some trade union confederations that currently participate in the Economic and Social Council.



PHOTO: Željko Slunjski

**The Agreement with the former Government foresees gradual abandoning of the institute of the employment rules, as a unilateral act of an employer, in favour of collective bargaining. Have the employers accepted the bargaining? What are the chances to reach agreement on the provisions of the General Collective Agreement?**

Abolition of employment rules would for certain strengthen the position of trade unions, but we must not allow that in that case employers conclude solely individual employment contracts with workers, because that would be even more unfavourable for workers. Because of this our position is that the employment rules should not be abolished until the agreement is reached on the General Collective Agreement. The UATUC considers that the General Collective Agreement should stipulate basic workers' rights such as minimum wage, working time, annual leave and other, and that higher level of rights should still be a matter of collective agreements at the company or branch level.

**After a long period of non-functioning of the Economic and Social Council, a new "rules of the game" were set at the beginning of 2011. How do you assess the work of this highest form of tripartite social dialogue in Croatia?**

The key reason why the trade unions stopped participating in the work of the Economic and Social Council in May 2010 was almost constant outvoting of trade union positions by the Government and employers.

The new agreement on the work of the ESC eliminated such possibility, and all the three sides as well as each trade union confederation in case of impossibility of consensus are entitled to dissenting opinion, which already happened in practice. After the recommenced work of the ESC, social dialogue has been at high level, however since the ESC is an advisory body, the former Government to a large extent did not implement the agreed conclusions. Although social dialogue has no alternative, its efficiency largely depends on the strength of trade unions and their readiness to win certain positions through trade union actions if needed.

**The agenda of the ESC on several occasions included the problem of non-**

**payment of wages and payment of wages without payment of contributions. The process of solving this problem was launched by the UATUC campaign at the beginning of 2011. What are the results of this campaign so far?**

In mid February 2011 the UATUC launched its campaign in order to trigger the solving of this years-long problem in Croatia where workers have not received wages for several months, and companies as a rule go bankrupt and workers remain without the earned wages. For a number of years trade unions were fighting individually against this. The key purpose of the campaign is, through coordinated action, to solve problems of individual companies which irregularly pay the wages to their employees but which have a chance to survive, and the adoption of legislative rules which will prevent work without timely payment of wage.

The other Croatian trade union confederations joined the campaign and it was "transposed" to the level of the ESC, which adopted a number of measures implemented in 2011, such as: amendments to the Act on the Court Register, which rendered impossible the establishment of a new company by an employer who is in arrears to his employees in his previous company, which was a regular practice in previous years; amendments to the Penalty Act which for the first time mentions the employer's criminal liability for non-payment of wages; intensified inspections on all levels; pooling of data on non-payment of wages among individual institutions.

The analysis done by the Croatian Tax Administration in October 2011 showed the reduction in the number of workers irregularly receiving their wage, amounting to the total of 16,000 workers, as compared to 2010 when the average total was 25,000 workers. In parallel to the work at the level of the ESC, the UATUC organized two whole-day meetings for representatives of trade unions and employers from 49 companies with the Vice-Prime Minister for Economy, competent ministers and state secretaries, which resulted in the adoption of concrete proposals for each company. Most of them have been implemented.

Although these results are respectable, we cannot be satisfied as long as there is a single worker who works without receiving his/her wage. In achieving this objective we remain consistent with our demand to the new Government for the establishment of the so-called guarantee fund for ensuring workers' claims due to employer's insolvency, along the same principle of functioning of the existing Agency for Insurance of Workers' Claims in Case of Employer's Bankruptcy. This demand has its foothold in the Revised European Social Charter which in its article 25 speaks of the protection of workers' claims in the event of the insolvency of their employer ■

Marijana TOMIĆ

PHOTO: Željko Sturjanski



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# UATUC YOUTH SECTION ASSEMBLY AND INITIATIVES



Zagreb, 28 November 2011 – The UATUC Youth Section held its ordinary Assembly in Zagreb, on 28 November 2011, gathering around twenty delegates from only six affiliated trade unions (Trade Union of Tourism and Services of Croatia/STUH, Metalworkers' Trade Union of Croatia-Industrial Trade Union/SMH-IS, Trade Union of Commerce of Croatia/STH, Construction Trade Union of Croatia/SGH, Trade Union of Energy, Chemistry and Non-Metal Workers of Croatia/EKN and the Trade Union of Transport and Communication of Croatia/SPIVH) out of the total of 17.

The delegates at the Assembly elected its new leadership: **Ivan Blažević** (STUH) for the President, **Marin Vuletić** (SGH) for the Vice-President and **Dijana Šobota** (UATUC/EKN) for the Executive Secretary, as well as the other members of the Executive Committee: **Marko Ljubanović** (STH), **Ante Muselin** (SMH), **Goran Nikolić** (STUH) and **Ivana Gulin** (SPIVH). The Assembly adopted the Activity Report and the Working Programme for the next period.



PHOTO **Marijana Tomić**

The UATUC Youth Section discussed its initiative, adopted by the UATUC Presidency, to mark the Labour Day by organizing a humanitarian concert, aimed at financially supporting students without family care, and by a contest and exhibition of the best illustrations on the topic of the Labour Day. The Section also discussed the Strategy drafted by a special ad hoc Working Group on the Trade Union Offer and Strategy of Activities of the UATUC, with the Special Emphasis of Youth, and adopted by the UATUC Presidency. The strategy aims at providing a new direction and forms of trade union work, in particular when it comes to young people. In the forthcoming period the Youth Section will work together with the Working Group on the elaboration of separate action plans for individual priority areas of the UATUC work. As of the next UATUC Presidency session, Youth Section representative will have an observer status in its meetings. The Assembly concluded with the discussion on the networking and activism, after the introductory presentation by **Nikola Buković** from the Croatian Youth Network ■

Dijana ŠOBOTA

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## FIRST LABOUR COURT IN CROATIA



Zagreb, 3 January 2012 – The first labour court in Croatia has started its work in Zagreb. With the purpose to reduce the number of unsolved labour disputes, its jurisdiction includes disputes on the cancellation of collective agreements, extraordinary dismissals and non-payment of contributions and wages.

The establishment of labour courts was agreed with the former Government, and so far the Zagreb labour court is the only one established. According to the trade union data from 2010, there were more than 15,000 labour disputes in all municipal courts, a half of them in Zagreb. More than 70 percent of disputes were on the issue of wages and other material rights, while the remaining 30 percent are linked to illegal termination of employment contract. The majority of labour disputes lasted between three and five years, affecting extremely negatively the labour and social status of citizens. Moreover, insufficiently specialized judges for labour disputes very often ruled harmful and unjust judgments for workers. These were the factors which also lead to the lack of trust in courts and many workers do not dare to file a complaint, remaining deprived of their rights. Furthermore, in as much as 30 percent of cases where the court ruled in favour of workers, they have not been able to benefit from the rulings due to the long process since their employer has been liquidated in the meantime.

Though the experts claim that the establishment of labour courts will not bring any major change, trade unions are persistent in their demand for the establishment of such courts in other larger cities in Croatia, as well as specialized departments in other cities, claiming this will lead to higher competencies and specialization of judges for solving labour disputes and hence to higher efficiency of the judicial system ■

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# TOGETHER FOR LGBT EQUALITY AT WORKPLACE

Although the trade unions still need to work on raising their own awareness about the need to promote equality and eliminate discrimination at the workplace, as well as to develop policies and raise their capacities in this field, trade union membership is the only efficient way of protecting the LGBT persons at the workplace



Zagreb, 14 November 2011 – With the support of the ETUC and financed by the EU, a regional conference gathering representatives of the EU Delegation in Croatia, trade unions and LGBT organizations from Croatia, Slovenia, and Serbia was held in Zagreb as a round-up of the EU-funded project “Together for LGBT equality at workplace”, managed by the Lesbian group “Kontra” in partnership with the Sexual and gender minorities rights center “Iskorak” and the Union of Autonomous Trade Unions of Croatia (Women’s Section).

The aim of the conference was to exchange good experiences and trade union policies in South East Europe in cooperation with the NGOs in order to strengthen the availability of

PHOTO Željko Slunjski



information for LGBT persons on their rights at the labour market and to encourage them to join trade unions. The conference also aimed to raise awareness among the trade unions about the need to promote equality and eliminate discrimination at the workplace, to develop trade union policies and practices for the protection against discrimination, to strengthen trade union capacities through project products such as manual and a number of seminars and to strengthen the cooperation with LGBT NGOs. Conference participants also adopted a Resolution highlighting the recommendations for trade union actions and measures to protect LGBT workers.

## SOME LGBT FIGURES IN CROATIA

**17%** of LGBT workers responded that they are members of a trade union

**66%** of employers responded they would not hire a homosexual, lesbian or bisexual person

**13.6%** of respondents were certain that their colleagues and employers are aware of their sexual orientation

**49%** of respondents said that homosexuals should be denied work in public services

**67%** of respondents said that homosexuals should be forbidden to work with children in the educational system

**54%** LGBT people argue that the knowledge of the employer about their sexual orientation or gender identity would had a negative impact in the interview for a job and **43%** regarding the advancement in work

**46%** of high school students considered homosexuality a disease and **64%** believe that homosexuals should be banned any public action

*(data from various surveys from 2005 to 2011 - Puls agency, Gay.hr, Henda!, GONG)*

In his opening speech, UATUC President **Mladen Novosel** said the LGBT group was still exposed to hatred talk in the SEE region. Novosel called the LGBT workers to join the union, saying that the trade union protection is the only efficient protection of LGBT persons at workplace. “Respect of human rights, including equality of workers regardless of their sexual orientation and gender identity, is one of the fundamental gains of the EU, which will persevere on the respect of those rights also in the states which will join the Union in the next round of enlargement”, said **Erol Akdag**, Human Rights, Minorities, De-mining and Civil Society Task Manager in the EU Delegation to Croatia.

“All workers in Europe have to be guaranteed equality, regardless of age, nationality or sexual orientation”, said an ETUC envoy at the Conference, **Adam Rogalewski**, emphasizing that a great number of people is afraid to reveal their identity and sexual orientation at the workplace and this is why Rogalewski assessed this project as a historic and extremely important one to raise the awareness of the existence of discrimination of LGBT workers in the whole region.

“Everyone failed in the protection of rights of LGBT persons at workplace, from the legislator to the courts and police”, said **Sanja Juras**, Coordinator of “Kontra” and a member of ILGA Executive Committee. “In most cases equality is only declaratory”, she added and invited homosexual and other workers to report cases of discrimination of LGBT workers (Report discrimination is one of the campaigns organized within the frame of the project) ■

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# 50 YEARS OF THE EUROPEAN SOCIAL CHARTER



Zagreb, 11 November 2011 – On the occasion of the 50th Anniversary of the European Social Charter, a conference was organized by the Pragma association and under the auspices of the President of Croatia **Ivo Josipović**. President Josipović emphasized he did not wish this document to remain only “a dead letter”. “In its Constitution Croatia is defined as a social state, it has signed the Revised European Social Charter and I expect this document to be ratified in the Croatian Parliament immediately after the parliamentary elections”, said the Josipović. “Fight against poverty is also a fight for social rights”, added Josipović, expressing his conviction that the time ahead brings some new winds and that it will no longer be possible to sit cold-heartedly in one’s chair without feeling for the problems of others. **Ante Zvonimir Golem**, State Secretary in the Ministry of Health and Social Welfare said the future will be judged by whether the European Social Charter was implemented in Croatia.

PHOTO [www.predsjednik.hr](http://www.predsjednik.hr)



## CROATIA AND THE EUROPEAN SOCIAL CHARTER

Croatia ratified the European Social Charter in 2003, as well as the Additional Protocol; it has accepted 40 out of 72 paragraphs of the Charter, 3 out of 4 Articles of the Additional Protocol, and has ratified the Amending Protocol to the European Social Charter and the Additional Protocol to the European Social Charter providing for a system of collective complaints procedure.

However, Croatia has not yet ratified the Revised European Social Charter (though it signed it in 2009) and has still not drafted a declaration enabling national associations to lodge a collective complaint. Ratification of the Revised European Social Charters has been one of the key UATUC demands throughout the years, and was also directed at newly elected Government

President of the Committee for Social Rights of the Council of Europe **Luis Jimena Quesada** emphasized that the ESC, after the European Convention on Fundamental Human Rights, was the most important document of the Council of Europe, adding that “the economic and financial crisis must not be an excuse for the reduction of the attained standards”.

The UATUC President **Mladen Novosel** also addressed the conference, highlighting in his speech that the Revised Social Charter can be an impetus for democracy development in Croatia, but this depends on all of us: trade unions, NGOs, active citizens and finally but actually primarily of the political will to jointly build credible institutions, and society based on solidarity and social justice. Novosel concluded that the UATUC will be fully engaged in the process of ratification of the Revised Charter, paying special attention to the choice of articles and commitments that the State intends to take over ■

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## UATUC AND INCA-CGIL SIGN THE PROTOCOL ON UNDERSTANDING AND COOPERATION



Zagreb, 22 December 2011 – UATUC President **Mladen Novosel** and **Luciano Caon**, a member of the INCA-CGIL Presidency, signed the Protocol on Understanding and Cooperation of the UATUC and INCA-CGIL, the institute of the largest Italian trade union confederation in charge of providing free legal assistance to workers from other countries working in Italy.

The objectives of the Protocol are quantitative and qualitative increase of the free protection offered by INCA-CGIL to Croatian workers working in Italy, increasing the possibilities that the UATUC provides quality information to its members and workers in general in advance, prior to their leaving for work in Italy, strengthening the cooperation between INCA-CGIL and UATUC and the holder of insurance and social institutes in Croatia and the programming of the extension of assistance at the European level through the network of INCA-CGIL offices ■

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In 2002 in Rijeka CGIL and UATUC opened the first **INCA office in Croatia** for assistance with workers’ social entitlements arising from work and related to the international regime. This is one of the concrete results of the long standing trade union cooperation of the CGIL and UATUC. In 2006 another office was opened in Pula. The INCA Coordinator for Croatia is **Erik Fabijanić**.

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## STJEPAN KRAJAČIĆ DIES

Zagreb, 12 December 2011 – After a long fight with a disease, **Stjepan Krajačić**, President of the Retired Persons' Trade Union of Croatia (SUH) and a member of the UATUC Presidency, died at the age of 81. Krajačić was also a president of the Coordination of pensioners' associations of Croatia and a member of the governmental National Council for Pensioners and Older Persons. He devoted his professional life to public health and the economics of healthcare, and during the last twenty years of his career he was dedicated to pensioners and older persons and to a fight for their decent life, quality of living, active ageing and health.

Numerous friends and colleagues gathered at the commemoration held on 13 December in the Workers' House in Zagreb to bid the final farewell. "We esteemed him as a socially exceptionally sensible and conscious trade unionist, full of understanding for the so-called common people and their problems. Educated, with enormous experience in the health care system, always with respectable ideas, he would warn of possible consequences, which may have not been so obvious to us others. And he would always emphasize: I am not saying this because of myself, but think of the generations to come!", said **Mladen Novosel**, UATUC President. Condolence letters were also sent by, among others, Bruno Costantini, FERPA General Secretary and Renata Bagatin, SPI-CGIL National Secretary.

By the decision of the SUH Main Committee of 20 December 2011, **Matija Voščun** was appointed Acting President of SUH until the regular Assembly to take place in 2012 ■

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PHOTO **Željko Slunjski**

## FINAL CONFERENCE OF PENSION REFORMS



Zagreb, 14 December 2011 – A two-day regional tripartite conference *The role of trade unions in the reforms of the pension systems in the countries of the South East Europe* was held in Zagreb

on 13 and 14 December. The conference was the final activity under the two-year project implemented in Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia, with the support of the Government of the Kingdom of Norway and together with the Norwegian Trade Union Confederation (LO), ITUC PERC and experts from the trade union confederations of the region. The conference was organized by the ITUC PERC and the IOE and Adriatic Region Employers' Centre (AREC).

After the opening speeches by the Norwegian Ambassador

HE **Henrik Ofstad**, PERC Executive Secretary **Grigor Gradev**, **Eric Oechslin**, IOE Senior Adviser and **Marija Hanževački**, Chairperson of the SEE TU Forum (and General Secretary of NHS), participants were introduced to the new Norwegian pension system. The adviser in the project, **Martin Hutsebaut**, presented the comparative overview of the pension systems in the region and the EU.

The discussions on sustainability, adequacy and modernisation of pension systems were the central part of the conference and were based on the expert analysis prepared under the project. This analysis, together with the overview of the systems and recommendations for the follow-up will be contained in a booklet produced in each country taking part in the project. Croatian partners to the project were the HUS, NHS and UATUC trade union confederations ■

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## CMC SISAK TO BE CLOSED?

Zagreb, 31 December 2011 – CMC, the owner of Ironworks Sisak since 2007, in October 2011 announced plan to shut down the plant, along with few plants in other countries, in order to improve its overall balance sheets. Since the acquisition of Ironworks Sisak, one of the two large iron mills in Croatia, CMC has in four years invested around 200 million USD in the plant in order to make it profitable. However, in 2011 the plant recorded operative loss of 150 million US dollars.

According to the former CEO of Ironworks Sisak, **Paško Vela**, the main reasons for this was the high price of energy in Croatia, as well as high protection EU duties on seamless pipes, which are effectively making European market closed for Ironworks Sisak until the date of Croatian accession to the EU. The closing of the

plant would mean loss of 1130 jobs in Sisak which would make a harsh impact on the employment situation in this industrial city near Zagreb.

On 31 December 2011, the newly appointed Prime Minister **Zoran Milanović** and the First Deputy PM in charge of economy **Radimir Čačić** visited the city to meet with the local authorities and representatives of trade unions. Milanović stated that the state does not have the financial resources to directly support the plant, but will try to secure necessary conditions, including the negotiations with the EU on abolishing the extra antidumping duty of 29 percent, in order to allow the plant to continue operating. At the same time, the Government will try to assist in finding the investor interested to take over the company ■

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# FIRST BIPARTITE SECTORAL COUNCIL IN CROATIA



Zagreb, 9 December 2011 – Representatives of three trade unions (including the UATUC affiliate SPIVH) and the Croatian Employers' Association – Transport Association signed on 9 December 2011 in the Office for Social Partnership the Agreement on the establishment of the Social council for the road transport sector. This Agreement established the first bipartite sectoral council in Croatia, along the model of similar bodies within the EU. Within this Council, trade unions and employers from the road transport sector will autonomously and independently develop the content and rhythm of the social dialogue, in the fields of joint interest, which will facilitate the articulation of problems and challenges in the sector vis-à-vis the competent state bodies.

Acting Head of the Office for Social Partnership in the Republic of Croatia, **Dubravka Matić** highlighted the importance of this step for the improvement of social dialogue in Croatia, this being the first example of the establishment of the European model of bipartite sectoral cooperation in taking joint strategies and developmental guidelines by those most called upon to decide – workers and employers.



PHOTO [www.socijalno-partnerstvo.hr](http://www.socijalno-partnerstvo.hr)

**Maja Pokrovac**, director of the Employers' Association in the Transport sector emphasized their satisfaction with the Agreement, adding that the transport sector is exposed to huge changes through our accession to the EU, and that our only chance for successful work in such demanding circumstances is a constructive cooperation of workers and employers.

"The transport sector is faced with two immediate challenges – new White Paper for the transport and for Croatia the signing of the Memorandum on the harmonization of the transport market in the region. Both processes introduce vital changes in the process of management of the road transport sector, in the work in the road transport and in the relationship of the road transport and transport in general with the rest of the national economy and society. In order to be able to participate in these processes for the benefit of our members and to be able to cope successfully with all the challenges, we need to strengthen our capacities, and this is precisely what the joint cooperation through the newly established Social council for transport sector enables", said **Mario Švigir**, General Secretary of the UATUC affiliate Trade Union of Transport and Communications of Croatia ■

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## STUH PRESIDENT RE-ELECTED



Umag, 10 November 2011 – **Eduard Andrić** has been re-elected as the President of the Trade Union of Tourism and Services of Croatia (STUH) with 92 votes in favour out of 97 votes cast at the 10th STUH Congress held in Umag in Istria, Croatia. New Presidency has also been elected and at its constituting assembly it elected **Ljubomira Lončar** as the STUH Secretary.

The Congress also adopted the two declarations: Declaration on the precarious work and the Declaration on the position of the youth. Following the Congress, an Extraordinary Assembly of the STUH Youth Section was held, which elected **Ivan Blažević** as the President of the STUH Youth Section ■



PHOTO **Željko Slunjski**

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# ECONOMIC AND SOCIAL INDICATORS IN THE REPUBLIC OF CROATIA

## WAGES

Average gross wage in October 2011:	<b>1034 EUR</b>
Average net wage in October 2011:	<b>722 EUR</b>
Average gross wage per hour in Sep 2011:	<b>5.87 EUR</b>
Average net wage per hour in Sep 2011:	<b>4.11 EUR</b>
Minimum gross wage for the period 1 June 2011 – 31 May 2012:	<b>374 EUR</b>

Source: Central Bureau of Statistics (DZS)

## UNEMPLOYMENT (end of November 2011)

Total:	<b>302.080</b> (women 163.193)
Registered unemployment rate in November 2011:	<b>17.9%</b>
LF Survey Unemployment Rate for the 2nd trimester 2011 (estimate):	<b>13.5%</b>

Source: Croatian Employment Service and DZS

## PRICES AND POVERTY

Average net wage covers <b>79.78%</b> of the consumer basket Consumer Price Index (November as compared to October 2011):	<b>100.2</b>
At-risk-of-poverty rate in Croatia for 2010: (18% in 2009)	<b>20.6%</b>

Source: Central Bureau of Statistics

## PENSIONS

Average pension paid in Dec for Nov 2011:	<b>286 EUR</b>
Share of average pension in the average net wage for October 2011:	<b>39.79%</b>
Number of users of pension – number of insured persons ratio, November 2011:	<b>1:1.23</b>

Source: Croatian Health Insurance Institute

## GDP

GDP in 2010:	<b>60.83 billion USD</b>
GDP per capita in 2010:	<b>13.750 USD</b>
Real GDP growth in 2010:	<b>-1.2%</b>

Source: Central Bureau of Statistics (DZS)

## EXPORT AND IMPORT of goods I-X 2011

Export:	<b>7.4 billion EUR</b>
Import:	<b>12.4 billion EUR</b>
Export-import ratio:	<b>59.9%</b>

Source: Central Bureau of Statistics (DZS)

## GROWTH OF PRODUCTIVITY, GROSS WAGES AND INFLATION

Productivity in 2010:	<b>6.3%</b>
Average gross wage growth in 2010:	<b>-0.4%</b>
Average net wage growth in 2010:	<b>0.6%</b>
Average annual inflation rate in 2010:	<b>1.1%</b>

Source: Central Bureau of Statistics (DZS)

State budget deficit in 2010:	<b>1.9 billion EUR</b>
Foreign trade deficit I-X 2011:	<b>5.0 billion EUR</b>
Foreign debt, end August 2011:	<b>46.4 billion EUR</b>

Source: Croatian National Bank (HNB) and the Ministry of Finance

<b>Inflation</b> in November 2011:	<b>2.6%</b>
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Source: Central Bureau of Statistics (DZS)

## PUBLIC AND FOREIGN DEBT

Public debt, as % of GDP, March 2011 (including guaranteed debt)	<b>58%</b>
Foreign debt as % of GDP, March 2011:	<b>102%</b>
Foreign exchange reserves and gold, December 2011:	<b>14.13 billion USD</b>

Source: Croatian National Bank (HNB)

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## FORECASTS OF THE CROATIAN NATIONAL BANK FOR 2012:

- Three possible scenarios: deficit explosion (7% of GDP), stagnation (no growth) or drastic cuts (expenditures by 9 billion kuna)
- Foreign debt increase: from 89% to 93% share of the foreign debt in GDP
- Public debt increase from 51 to 59% in 2012 and to 75% in 2013

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