

# uatuc info



Union of Autonomous Trade Unions of Croatia

No.2 Nov/Dec 2008



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Dear readers,

It has been a true pleasure to read your positive reactions to the first issue of our UATUC INFO. We will do our best to continue improving our work to facilitate and improve our communication and cooperation.

The economic crisis is hitting hard Croatian economy and social consequences are already becoming visible. Trade unions have strongly opposed the proposed measures of the Croatian Government for dealing with the financial crisis, including the unacceptable social pact, which contains real imbalances and shortages. Labour Code amending process has reached its final stage and the unions still have a hard battle to win to preserve workers' rights, and Croatian shipbuilding is faced with the greatest challenge ever and imminent privatization. UATUC and employers' organization are taking an initiative regarding carbon emission. These and many more issues are dealt with in the latest UATUC INFO.

On behalf of the UATUC, International Department and on my own behalf we send you the warmest season's greetings! May the forthcoming year bring all the joy, happiness and success for you and your families. <<



*Dijana Šobota*  
Head of UATUC International Department

## LABOUR LAW IN PARLIAMENT PROCEDURE WITHOUT TRADE UNION CONSENT

photo: European Commission



Although negotiations with social partners concerning amending the Labour Law (as part of harmonization with EU legislation) have still not resulted in mutually acceptable solution, the Croatian Government has adopted the draft of the Law on 19 December, and forwarded it to the Parliament procedure. A week earlier, trade unions restrained from voting in the Economic and Social Council, while the Government and employers voted in favour of the Law, and UATUC President Ana Knežević left the meeting earlier as a sign of protest against certain provisions of the proposed Law. It is now expected that the Labour Law will be discussed in the Parliament in mid-January 2009.

The two main objections to the proposed draft law concern the way in which the Government interpreted Directives on the organization of working time and on fixed-term work. Concerning the organization of working time, the UATUC is of the opinion that the Government did not take due regard of the provision of the Directive which explicitly prohibits the reduction of

the general level of protection afforded to workers in the process of harmonization with the *acquis communautaire*. New provisions, which will allow the employers to arbitrarily reschedule working time thus making it possible to extend working week much over the maximum 40 hours, clearly mean reduction of workers' rights with regard to current situation.

On the other hand, the way in which the Law transposes the Directive on the fixed-term work does not manage to prevent abuse arising from the use of successive fixed-term employment contracts, which is envisaged as the objective of the Directive. In this way, the Directive is formally implemented, but not in the efficient way, which should be the final criteria in this matter, as was repeatedly emphasized in the rulings of the European Court of Justice.

Reacting to the way in which the Government is amending the Labour Law, the UATUC President Ana Knežević sent open letters to the Croatian Prime Minister Ivo Sanader, reminding him of his promise to once again meet with trade unions and consider their arguments, as well as to Katja De Sadeleer, EU negotiator for Chapter 19 - Social Policy and Employment, asking for a meeting with the UATUC representatives and insight in the opinion of the European Commission in this matter. <<

"Formal, but not efficient implementation of the Directive"

## DISPUTABLE PLAN OF RESTRUCTURING AND PRIVATIZATION OF THE SHIPYARDS

The restructuring and privatization of Croatian shipyards has been one of the most disputed issues in the accession negotiations with the European Union during the last year, and not only for the trade unions. Croatian shipbuilding industry, which employs (directly) around 16 thousand workers and counts for up to 15% of the Croatian export, has been able to survive the last decade only owing to the high state subventions. The

importance of this issue for EU accession is underlined by the fact that state aid in the shipbuilding sector is one of the two cases in which Croatia is not fulfilling obligations taken by the Stabilization and Association Agreement, which entered into force in 2005. The restructuring of shipbuilding industry is also one of the benchmarks for opening the chapter on the competition policy.

Although the Croatian Government has been repeatedly stating that EU is requesting the privatization of shipyards, the truth is that EU only asks for restructuring and cutting down the state aid. But the problem of restructuring this industry is more than a decade long and, as the Government Vice-President Mr. Damir Polančec finally clearly stated last month, Croatia had had its opportunity to restructure this industry in recent years, but had failed to do so and now there was no time or money to do anything else than to privatize the sector.

The Restructuring and Privatization Programme, which is decisive for the fate of six big shipyards, was supposed to be made in agreement with social partners. Nevertheless, the final result that was agreed between the Croatian Government and the European Commission did not get the approval of trade unions. As agreed with the EC, tenders for privatization, which should be issued during the next year, are not supposed to include any future obligations for potential buyers who would buy the shipyards for the price of 1 Kuna (0.13 EUR), which means that it could be possible to dismiss all the workers, close down the facilities, and build tourist resorts on the site.

Such conditions are clearly unacceptable for the Metalworkers' Trade Union of Croatia (SMH), which demanded the obligation to keep the production and majority of the workers, as well as selling 25% shares to the workers. Trade unions are also not satisfied with negotiated reduction of Croatian shipyards' capacities for 25%.

At the moment, the Government is waiting for European Commission's analysis of the tender, which is supposed to be published on 20 January. In the meantime, trade unions organized protests in shipyards in Split and Rijeka on 22 December. Gathered workers have sent the message that they are ready to fight for the shipyards, as they did in the war during 1991 and that they will not be the price paid for the Croatian membership in the EU. The demonstrations and the trade union pressure led to the negotiations meeting held on 23 December 2008 between the trade union and Government representatives, where an agreement was reached, accepting the major demand of the trade unions: the tender will not include the possibility to change the activity! However, if the European Commission does not accept such tender, including the obligation of maintaining the shipbuilding production, trade unions and shipyard workers announced further demonstrations in Zagreb and Bruxelles. <<



## CROATIAN GOVERNMENT MEASURES FOR DEALING WITH THE FINANCIAL CRISIS

The first idea from the Croatian Government on fighting the financial crisis came in November with the initiative from the Prime Minister Ivo Sanader to abolish all Christmas parties and presents in the public sector. The news, accompanied with pictures showing Sanader as Grinch, spread throughout Europe. Later same month, the Government decided to propose wage freeze in the public administration in 2009. According to collective agreements currently in force, wages are supposed to increase by 6% next year. The Government argued that this was the only way to make a budget without fiscal deficit (which would be the first such budget since

Croatia's independence in 1991) and called the social partners to sign the so-called Agreement on Social Partnership in New Circumstances.

After few rounds of negotiations in the second half of November and first days of December, all five trade union confederations, in spite of some differences in their positions, rejected the proposal for wage freeze. The trade unions posed the question why should the workers be the only ones to carry the burden of the crisis on their shoulders, and asked from the Government to rather save on the wages of state officials and expensive infrastructural projects which are not certain to return the investment in the short term, such as the controversial Pelješac bridge. Trade unions also criticized the Government for not showing any clear data or projections about the influence of the crisis on the Croatian budget before proposing any kind of similar measures.

First reaction of the Government: NO to Christmas and pay rise

The same were the conclusions of the UATUC Presidency, which on 14 November stated that UATUC would not accept wage freeze as a measure for fighting the crisis, because the workers' wages in Croatia are already insufficient for covering basic costs of living. Stating that any changes to the level of wages can be made through collective agreements only, UATUC Presidency called the Government to present systematic analysis of the situation and proposed measures. UATUC also opposed gigantic investment projects and proposed stimulating greater number of small infrastructural projects, which would employ local workforce, use domestic materials and quickly return the investment.

Negotiations on wage freeze finally failed on 2 December, as the trade unions declined final Government proposal for pay rise of 3.5% in 2009. On its next meeting, the Government decided not to cancel the existing collective agreements, and proposed the budget which included 6% pay rise and 1.7% fiscal deficit, at the same time blaming the trade unions and their resolute positions for all possible problems with the public finances which could emerge during 2009.

By the end of November, the negotiations about Government proposal for Agreement on Social Partnership in New Circumstances also failed. Beside the problem with the pay rise, trade unions could not accept that, according to the text of the agreement, they were the only ones to take precise obligations. While the employers' organization would only have to make recommendations to their members, the Government just listed its regular duties and obligations as a part of this agreement.

The second initiative launched by the Croatian Government with the aim of preventing serious consequences of the financial crisis was the establishment of the Economic Council, a joint consultative body of the Government and Economic and Social Council. The Economic Council consists of the most prominent Croatian experts in the field of economy, including those close to the Government, to the opposition or the independent ones, as well as representatives of the trade unions and employers' organization. So far the Council has held three meetings, and backed up most of the measures proposed by the Government in last weeks, including the wage freeze. <<



## TRADE UNION "NO" TO LONGER WORKING HOURS

UATUC President Ana Knežević sent a letter to the Members of Croatian Parliament expressing clear trade union demands regarding revision of the Working Time Directive. The letter sent to Croatian MPs as well as to all the media informed the public of the scheduled vote of the European Parliament regarding the proposals for the revision of the Working Time Directive. The UATUC warned that the Working Time Directive is one of the most important Directives in the field of safety and health of workers, but also a Directive which should ensure greater productivity, paid working hours, better reconciliation of work and family life. Furthermore, the letter expressed the concerns and demands of the European trade union movement, led by the European Trade Union Confederation, who demonstrated on 16 December in Strasbourg under the slogan "**Priority to workers rights, not longer working hours**", to show determination to stand up for workers' rights and to defend the basic principles of the Working Time Directive. The UATUC asked the Croatian MPs to call upon their peers in the European Parliament, as well as party peers at the European level, to vote and support trade union and workers' demands and efforts in the campaign for more just and better regulation of the issue of working time, with a view of preserving Social Europe. The European trade union movement managed to win the first victory in this battle - on 17 December MEPs decided that there must be no exceptions to the 48-hours-maximum working time calculated over a reference period of 12 months and say the opt-out must end three years after the adoption of the Directive. They also confirmed that any period of on-call time should



count as working time. The last straw for the trade union patience, and that of the MEPs, was the recently accepted provision of the Council that the on-call time is not counted as working time. However, battle is still not over - in case of disagreement between the Council and the European Parliament, the European legislation provides conciliation, hence probably a compromise solution would be found. <<

UATUC call  
upon the  
Croatian MPs

## EUROPEAN COMMISSION 2008 PROGRESS REPORT ON CROATIA

More positive  
than before,  
however...

On 5 November, the European Commission published its 2008 Progress Report on Croatia. This year's report is more positive than the ones Croatia received in previous years, and includes awaited indicative timetable for conclusion of the technical part of negotiations, stating that it is possible to do so by the end of 2009, provided that Croatia meets all necessary conditions. However, in spite of the general positive tone of the whole report, which acknowledges Croatia's substantial progress in most of the negotiation chapters, some formulations are again repeated in the completely identical form as the last year, such as conclusions about the lack of serious developments in the reform of public administration and judiciary system, as well as fighting corruption and organized crime.

Croatia is especially criticized for the lack of coherent economic policy and budget planning, which are still being guided by ad-hoc approach, without even mid-term projections and strategies. Regarding the structural reforms, which are being carried out slowly, there is often a serious gap between legislative intent and actual implementation.

Croatia is still not fulfilling all obligations taken by the Stabilisation and Association Agreement, primarily concerning state-aid provisions, in particular those granted to shipbuilding sector, and the excise duty system for cigarettes.

As in previous reports, Croatia again received poor ratings for the slow process of refugee return and compensation for the use of private property taken under war legislation during 1990s, as well as regarding the cooperation with the ICTY and allowing the Court to access to the documents in Croatia. Croatia is also asked to improve its managing of the EU funds. <<



## SLOVENIAN BLOCKADE OF THE CROATIAN ACCESSION NEGOTIATIONS

On 19 December 2008 the UATUC President Ana Knežević sent a letter to the President of the Association of Free Trade Unions of Slovenia (ZSSS) Dušan Semolič regarding the Slovenian blockade of the Croatian accession negotiations. This letter refers to the Trade Unions Without Borders Charter,

signed between the UATUC and ZSSS on 27 April 2007 in which the two confederations committed to creating trade unions without borders, building bridges of cooperation and assistance and mutual support, in the interest of Slovenian and Croatian workers.



Our mutual meetings, on the one of which participated the then Prime Minister of the Republic of Slovenia Mr. Janez Janša and the Prime Minister of the Republic of Croatia Mr. Ivo Sanader, sent a clear message to the public of the readiness of the two states for solving all the problems we have, i.e. that no borders can divide us, because with the accession to the EU Croatia will also become a member of that community without borders. The prime ministers of Croatia and Slovenia called for the intensification of the cooperation in all fields, whereby the Republic of Slovenia, as a Member

State of the EU, should give greater contribution and assist the Republic of Croatia as a candidate country.

The trade unions of Croatia and Slovenia have an excellent cooperation and it should be extended to all areas - economy, governments, parliaments, etc., and this was supported by both prime ministers. In line with the agreement and the signed Charter, the UATUC called upon ZSSS to act towards the Government of the Republic of Slovenia, urging to solve open bilateral border issues in an appropriate and adequate manner. The blockade of the Croatian preaccession negotiations due to open bilateral issues, that are not part of the *acquis communautaire*, would be a precedent in the negotiations with the candidate countries and is contrary to the European principles. Such political decisions have as their consequence negative feeling and the creation of a significant and long-term disturbance of good neighbourly relations of the two friendly countries and their citizens. Tense Croatian-Slovenian relations will have a negative effect also on the economy of the two countries. It already happens that emotional, inappropriate and unacceptable initiatives appear, such as the call on the boycott of Slovenian products. Such initiatives are politically and economically harmful both for Croatia and for Slovenia and the UATUC strongly condemns them. UATUC asked ZSSS to send a clear and strong message to the Government of the Republic of Slovenia on the multiple negative effects of the decision on the blockade of the Croatian preaccession negotiations, emphasizing that the Croatian citizens and workers need a fair chance for the recognition of the progress made by the Republic of Croatia as well as of the significant reforms that have been done and that are still ahead of us. We sincerely hope that Croatia will soon become a member of the large European family and the 28th Member State of the EU, and then the borders, that now present a dispute between our two countries, will disappear. <<

## SOCIAL PARTNERS' INITIATIVE REGARDING CARBON EMISSION

On 27 November 2008, on the occasion of the presentation of the *Draft Plan of the Distribution of CO<sub>2</sub> Emission Quotas in the Republic of Croatia (2010-2012)*, which has a decisive effect on the competitiveness of the Croatian economy, and the *Energy Development Strategy of the Republic of Croatia*, the

Croatian Employers' Association (HUP) and the Union of Autonomous Trade Unions of Croatia (UATUC) held a joint press conference under the title *Will the CO<sub>2</sub> suffocate Croatia?!*

HUP and UATUC signed a joint letter that was sent to the Prime Minister and the Government of the Republic of Croatia to express their positions on the inevitable cooperation of the public, private and civil sector in recognizing the market hindrances for the development and implementation of low carbon technologies, as well as to warn for the necessity of launching the talks on the process of adjustment to climate change and alleviation of its consequences. HUP and UATUC warned the Government of the strategic importance of reduction of CO<sub>2</sub> emission for the Croatian economy. "Climate change is too serious a problem to exempt us for our irresponsible behaviour. It is not just environmental problem, but also a problem of sustainable development as a whole, a threat to sustainability of the Croatian economy, but also of the social component of development.

At the same time, the past experience of the social and economic development has shown that a threat can be translated into a (new) opportunity! Hence, climate change and energy package, if CO<sub>2</sub> emission reduction process succeeds, can at the same time be a trigger-off of the new economic development and the creation of new and better jobs. And reversely, reduction of CO<sub>2</sub> emission will not be successful without considerable investment in research and development, without development of new professions with better and more productive jobs such as waste disposal, production of biofuels, renewable sources of energy, and ecological saving and healthier low carbon technologies, in industry and transport, which is a special area of responsibility of public authorities." (...) "It is due to this we find it necessary to express our common concern for the future and to initiate positive steps towards solving the said problem. This definitely presents a detachment from the current deep-rooted practice that this problem is discussed only from the environmental point of view, because that is definitely not the case. This is a strategic issue", it was said in the letter. <<

Climate change not just an environmental problem but a strategic issue



## SEE TRADE UNION FORUM AND THE REGIONAL COOPERATION COUNCIL

Zagreb, 24 November 2008 - Following the conclusions of the SEE Trade Union Forum meeting held in Zagreb on 29-30 September 2008, a meeting between the SEETU Forum and the Regional Cooperation Council took place on 24 November 2008 at UATUC headquarters in Zagreb. Ana Knežević, SEETU Forum chair and UATUC President, Ana Miličević Pezelj, Head of UATUC Organization, Education and Publishing Department, Dijana Šobota, Coordinator of the Centre for Regional Cooperation and EU Integration, based in Zagreb, and Head of UATUC International Department, and Jasmin Redžepović, SEETU Forum Coordinator met with Mr Nand Shani, expert on economic and social development of the Regional Cooperation Council (RCC), based in Sarajevo. The RCC and SEETU Forum representatives shared information on the current state of affairs regarding the transfer of the initiatives on employment (Bucharest employment process), social dialogue, occupational healthy and safety, public health that were established under the Initiative for Social Cohesion of the former Working Table II of the Stability Pact for SEE. <<



## JOSIP PAVIĆ RE-ELECTED AS PPDIV PRESIDENT

Šibenik, 29 November 2008 - At the 6th Congress of the largest trade union affiliated to UATUC - Trade Union of the Employed in Agriculture, Food, Tobacco and Water Industries of Croatia (PPDIV) Josip Pavić was re-elected for the position of the President. In secret ballot he got 89 delegates' votes, whereas his counter-candidate Šimo Orešković got 49 votes. The Congress adopted fourteen resolutions, among others: on merger of PPDIV and Trade Union of Tourism and Services, on protection of decent work, on health and safety, on strengthening trade union movement in Croatia, on limitation of temporary and fixed-term employment, social pact etc. <<



## NEW MANDATE FOR STJEPAN KRAJAČIĆ

Zagreb, 26 November 2008

- Delegates at the 11th Congress of the Trade Union of Retired Persons of Croatia

(SUH) re-elected Stjepan Krajačić for the position of SUH President. Delegates adopted the amendments to SUH Statutes, limiting the possibility of election on two mandates in succession. The major concern of the 11th Congress was the proposed health reform and the manners of ensuring decent living in the old age.

SUH demands are, among others, that the average pension amounts to at least 60% of the average wage; new model of pension alignment, on the basis of calculation of the minimum pensioner's "basket", as well as the introduction of standardized social benefit for all persons aged 65 and older, who are not entitled to pension. SUH furthermore demands urgent determination of a unique minimum pension, above the poverty threshold, financed from the tax system, and not solely from the pension contributions. Delegates sent a clear message that they do NOT support the proposed health reform, arguing that it represents new burdens for the pensioners. <<



## JUSTICE AT LAST FOR CAPTAIN LAPTALO

Rijeka/Patras, 27 November 2008 - Croatian captain Kristo Laptalo, master of the Coral Sea, has finally been found innocent in a Greek court of any involvement in cocaine smuggling.

The judgement was made in the Patras Appellate Felony Court and vindicates the captain and those who have supported him through his 17 month ordeal.

ITF Maritime Coordinator Stephen Cotton commented: "This is justice at last for Kristo Laptalo. He has been treated as a political football for 17 months and that has finally been made to stop by his efforts, by his legal team's and by the international campaign that raised an outcry against the abuse of justice so loud that it was heard in this courtroom today." He continued: "Happy though we are for him we must not forget that every seafarer is potentially in the firing line. Authorities have to learn to stop reaching for the easy option and condemning the - usually foreign - ships' officers as a gift to public opinion when things go wrong." Cotton concluded: "We would like to applaud Captain MacDonald, Secretary General of the IFSMA, who testified for the Captain on our behalf, the Seafarers' Union of Croatia (SPH) and its unceasing efforts, and indeed all of those who have backed Captain Laptalo and questioned the grave injustice to which he had been subjected."



Laptalo, master of the Coral See, first officer Me-telev and bosun Narcis Garcia, were arrested on 13 July 2007, after 51.6 kilos of cocaine was found stashed in two boxes among more than 27,000 boxes of bananas that were unloaded at the Greek port of Aegion in July 2007. All three of them were held in custody from the arrest until the final verdict. In July 2008 captain Laptalo was sentenced to 14 years of prison and a 200 000 EUR fine, and two of his colleagues were acquitted.

From the very beginning SPH argued that there were no elements to prove the guilt of captain Laptalo and that he could not have known about the cocaine at the Coral See. <<

## DECENT WORK FOR METALWORKERS

Zagreb, 6 November 2008 - Representatives from metalworkers' trade unions from Bosnia and Herzegovina, Bulgaria, Cyprus, Czech Republic, Hungary, Kosovo, Macedonia, Malta, Poland, Romania, Slovakia, Slovenia, Serbia, Turkey and Croatia gathered at the two-day conference Social Dialogue in Metal Industry held in Zagreb on 5-6 November, the final conference within the European project Decent Work for Metalworkers implemented by the International Training Centre of the ILO in Turin and the European Metalworkers' Federation (EMF), financially supported by the European Commission. The project started with an international seminar in Turin, Italy, followed by five sub-regional seminars in Romania, Bulgaria, Slovenia, Slovakia and Malta. During the implementation of the project 150 representatives from 18 metalworkers' trade unions from 12 countries were trained. Vice-President of the Croatian Government and the Minister of Economy, Labour and Entrepreneurship Damir Polančec also participated in the opening of the conference as well as other numerous guests such as State Secretary in the Ministry of Economy, Labour and Entrepreneurship Leo Begović, UATUC President Ana Knežević, EMF Deputy General Secretary Bart Samyn, Head of the ILO Bureau for Workers Activities Dimitrina Dimitrova, Member of the European Economic and Social Council Metka Roksanđić from Slovenia, Head of the Regional Office of the Friedrich Ebert Foundation Frank Hantke, Director of the Industry Sector of the Croatian Employers' Association (HUP) Vladimir Kovačević and others. The conference tackled the major challenges for the social dialogue in the Croatian metal industry. <<



## CROATIAN SOCIAL PARTNERS ON THE EUROPEAN SOCIAL DIALOGUE

Zagreb, 6 November 2008 - Within the joint project of the European social partners - BUSINESSEUROPE, UEAPME, CEEP, and the European Trade Union Confederation (ETUC), under the title *Participation of Social Partners in the European Social Dialogue: What are the Social Partners' Needs?*, a national seminar was held in hotel Dubrovnik in Zagreb. Participants in the seminar were the representatives of the Croatian Employers' Association, the UATUC and its affiliated trade unions. This seminar is the continuation of the seminar held on 1 and 2 October 2007 in Zagreb, during which the Croatian social partners defined the action plan to strengthen their operation. The participants in this seminar discussed the implementation of different parts of the action plan and future priorities. European social partners' project is financially supported by the European Commission. <<

## UATUC SUPPORT TO STUDENTS

Zagreb, 5 November 2008 - The Union of Autonomous Trade Unions of Croatia supported the 5th November protest of the students from the University of Zagreb in their fight for free higher education. Croatia, which is on its way towards

the EU, must have more highly educated citizens, whose expertise will be needed in order to achieve all the tasks in the globalized world of high technology. If students, or their parents, will have to bear all the expenses of educating their children, then the number of highly educated citizens will not be increasing, and that trend will have a negative impact on all areas of economic and social life in Croatia. Croatia, which has only 8 percent of highly educated citizens, has according to the analysis of the World Bank 17 percent of poor citizens - those whose monthly income is less than 1845,00 kuna (259 EUR).

At the same time almost 60 percent of students pay for their education! In this situation it is meaningless to speak about commitment to the "knowledge-based society" which begins with the education of an individual. The increase of scholarship fees is contradictory to the living standard of citizens and leads to social division into the minority of the rich and the majority of the poor. The impossibility to get higher education due to high scholarship fees, even when the young people are talented, represents the violation of human rights. The right to education is the basic human right! Therefore to mark the World Day of Fight Against the Commercialisation of Education all progressive organisations of the society must support students in their fight for free higher education in the Republic of Croatia. <<



## TRADE UNIONS IN THE 21ST CENTURY

Donja Stubica, 3 November 2008 - "Trade unions in 21st century - ideas for the reform of the organisation" was the title of the presentation held by Frank Hantke, Head of the South-East Europe Office of Friedrich Ebert Foundation, at

the extraordinary session of the Presidency of the UATUC Council held in Terme Jezerčica hotel. The introduction preceding his presentation was held by Ana Knežević, UATUC President, on the subject "Situation and perspectives of trade union movement".

The basic ideas given by Hantke do not represent a model but only a framework in which individual solutions can be created. Tasks of trade unions in the 21st century remain the same, but means and ways of achieving them must be redefined. It is especially important to find new ways of approaching workers in today's working environment, in which large companies are being closed, and small and medium enterprises established, and it is exactly in those SMEs that the majority of new jobs is being created. Trade unions must go to places where they have never been before. Working environment of South-East Europe has changed. There is a change from processing to service-based society; private sector is increasing and public decreasing, people change jobs more frequently, etc. Trade unions in South-East Europe are increasingly becoming members of international trade union organisations but they remain passive because their officials lack the knowledge of foreign languages and trade unions lack experts with the knowledge of international affairs. "Trade union members are predominantly old; young people are reluctant to join trade unions and they do not know much about trade unions and trade unionism, which, among others, contributes to the declining trade union membership. I would like for Croatia to develop a model which would then be studied by others, and not that we always examine other models", said Ana Knežević. <<



## UATUC ANNOUNCES STORMY 2009

Zagreb, 23 December 2008 - Considering the crisis which has still not hit Croatia as hard as the majority of European countries, for Croatian workers the year 2009 will be even more troublesome than the also-not-very-good 2008, which brought along high and faster increase in living expenses as compared to wage growth, as well as insufficient decrease of unemployment, said the UATUC President Ana Knežević. In

line with such expectations, the UATUC announces stormy trade union year 2009, and the possibility of trade union demonstrations related to problems in shipyards, some legislative changes, and the marking of the April 2008 trade union demonstrations. If the trade union demands are not met, demonstrations will demand the change of the ruling party and the extraordinary elections. Ana Knežević said that the UATUC would not accept the adoption of the Labour Law as is currently proposed, and which includes only two improvements for workers - prolongation of annual leave and the reduction of the possibility of overtime work. There is a number of other provisions which are disputable, such as the ones related to weekly organization of working time, payment of overtime work, redistribution of working time, extension of collective agreements, fixed-term work etc. This legislative proposal clearly favours the capital, to the detriment of workers.

The year to come will be additionally burdened by higher gas and electricity prices but also the lack of fall in prices that, in 2008, were increased under the pretence of the growth of oil prices, despite the now significant decrease of oil prices. Due to that, the UATUC will demand the urgent January meeting of the Price Monitoring Commission.

The UATUC also regards disputable the reduction of the unemployment benefits contained in the Law on Mediation in Employment and Entitlements during Unemployment, the possibility to postpone the application of rights on maternity and parental leave under the Law on Maternity and Parental Benefits, too low amount of social assistance as well as some other provisions related to health care reform.

The UATUC does not agree with the provisions of the Minimum Wage Act, emphasizing that the linkage of minimum wage growth with real GDP growth in 2009, in the time of crisis, can mean that there will be no growth. The UATUC hence proposes that the minimum wage amounts to 3.500 kuna gross (491 EUR), and that the maximum wage is limited to seven minimum wages, i.e. to 24.500 kuna (3441 EUR). The UATUC strongly opposes the proposal of the Economic Council to decrease the wages in sectors which are facing difficulties due to the crisis.

The UATUC is ready to lead the demonstration of workers in shipyards. According to Ana Knežević, none of the past governments has done anything to reposition the Croatian shipbuilding. On the other hand, the UATUC welcomed the adoption on the Law on Prevention of Discrimination, as well as the Law on Free Legal Assistance. <<

### Forecasts

of the Governor of the Croatian National Bank Mr. Željko Rohatinski for 2009:

- 1% growth rate
- Foreign debt increase: from 89% to 93% share of the foreign debt in GDP
- Economic slowdown
- Announced redundancies and major dismissals
- Increased indebtedness of citizens
- Credit squeeze, especially corporate
- Export stagnation
- 5% import decrease
- 3.5% inflation rate

# ECONOMIC AND SOCIAL INDICATORS IN THE REPUBLIC OF CROATIA NOVEMBER 2008

## GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) of the Republic of Croatia for the second trimester of 2008, according to the data of the Central Bureau of Statistics, was estimated to the amount of 75.29 billion kuna. In the second trimester of 2008 the real increase of GDP was 3.4% as compared to the same period of 2007. Personal consumption increased by 2.2%, investments by 12.6%, and national consumption by 3.2%. In the second trimester, export growth rate was 4.6%, and the import growth rate 8.1 percent. The real increase of GDP for 2007 in relation to 2006 is 5.6%, on the basis of quarterly estimates.

## CONSUMER PRICE INDEX

According to consumer price index, in October 2008 the recorded growth was 5.9 as compared to October 2007. According to main groups of purpose of consumption, in October 2008 as compared to September 2008, prices of clothes increased the most (3.4%).

## EMPLOYMENT AND WAGES

The average monthly paid off net wage in legal entities in the Republic of Croatia, in September 2008 was 5.203 kuna (730 EUR), which is, as compared to the same month 2007, nominal increase of 9.7 percent and real increase 3.1%.

As compared to August 2008, average monthly paid off net wage was 0.4% higher in nominal terms and 0.2 percent in real terms.

In October 2008 there were 228,501 persons registered at the Croatian Employment Service so the unemployment rate in this month was 12.9%. In October 2008 the Croatian Employment Service registered 6.284 unemployed persons more than as compared to September, and 21.586 less persons than in the same month last year. Unemployment in October 2008, as compared to September 2008, was increased by 2.8%, and as compared to September 2007 decreased by 8.6%.

The lowest net wage in September 2008 was paid off in the economic activity of fisheries (4.164 kuna = 584 EUR, which is nominal increase of 6.5% and real increase of 0.1% as compared to September 2007), whereas the highest average net wage was paid off in the economic activity of financial intermediation (6.863 kuna = 963 EUR, which is nominal increase of 4.5% and real increase of 1.8%, as compared to September 2007).



Merry Christmas  
and a Happy New Year!

**UNION OF AUTONOMOUS TRADE UNIONS OF CROATIA** 

*Together we are stronger*



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