

CROATIA

Trade Union Monitor

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POLITICAL, ECONOMIC AND SOCIAL DEVELOPMENTS AND FACTS

POLITICAL DEVELOPMENT

The centre-right Government led by the Croatian Democratic Union (HDZ) remained stable in spite of its narrow parliamentary majority and turnover in ministerial posts unseen in any previous Croatian Government – since assuming the post of the Prime Minister in 2016. Andrej Plenković has replaced 15 of his ministers, due to charges of corruption, conflict of interest or allegations of incompetence. Local elections, held in May 2021 brought fresh political forces to power in the capital city of Zagreb. The green-left political platform *Možemo!* (We can!), formed by a group of civil society activists, swept the elections for the city council with 41 per cent of the vote. Its leader Tomislav Tomašević convincingly won direct elections for mayor, scoring 64 per cent of the vote in the second round. Elsewhere, HDZ kept the position of the strongest party with the largest number of mayors and local councillors, while the Social-democrats (SDP) continued their decline. The fate of SDP remains unclear, as the party undergoes a massive restructuring in terms of personnel and programmatic renewal. In terms of personnel, a high number of party officials was removed from SDP due to charges of nepotism or corruption – even the parliamentary group was split in half. The programmatic renewal of the SDP might be a window of opportunity to strengthen cooperation with the Trade Unions again, as a part of the new party leadership shows high interest in labour laws and labour relations.

Political developments of relevance for the trade unions were dominated by continuing talks on the new Labour Act, amendments to the Minimum Wage Act and the measures related to the pandemic. Trade unions also closely monitored and voiced their opinions on the Government's reaction to the growing prices of energy and consumer goods.

The process of drafting the new Labour Act, initiated in autumn of 2020 and followed by months of intensive talks between the Government and social partners, has by March

2022 failed to produce any concrete results. In October 2021 the Ministry of Labour, Pension System, Family and Social Policy has presented the first draft of the new law to social partners, but subsequent discussions made it uncertain how much it would be changed in the process. At the moment of writing, due to prolonged consultations and possible resignation of the Labour Minister who is facing charges for corruption on his previous post as head of the Pension Insurance Institute, it seems likely that Government's plan to adopt the new law by June 2022 would be abandoned and that the process will be prolonged at least until the end of the year.

In December 2021, amendments to the Minimum Wage Act entered into force. The definition of the minimum wage was extended to include not only the minimum wage set annually by the Government, but also lowest wages for different categories of jobs set by sectoral collective agreements with extended application. The latter refers to the Labour Act provision which allows the Labour Minister to extend application of sectoral collective agreements to all employers and workers in the sector, if this is assessed to be in the public interest. Corollary of this legislative change is that wage provisions of sectoral collective agreements (although only those with extended application) for the first time fell under competences of the labour and tax inspection. While the legally obligatory wage additions for overtime work, night work and work on Sundays and public holidays have already been excluded from the calculation of the minimum wage, additions for hard working conditions were now also added to this list (although they are not legally obligatory). In spite of calls from some trade unions to do this, the Government has refrained from legally prescribing the amount of mentioned wage additions, which are traditionally set by the collective agreements, but has expressed intention to reassess this position in two years. This was intended as an incentive for sectoral collective bargaining, allowing a time for the social partners to conclude more such agreements which would cover a much larger share of workers than is currently the case, if they want to keep negotiations on these additions in their domain.

In July 2021, Government drafted legislative changes which would regulate working time in commerce, with the effect of closing shops on Sundays and public holidays (16 working Sundays throughout the year were to be allowed). This long-time demand of trade unions was included in the governing Croatian Democratic Union (HDZ) election programme in 2020, and featured prominently during the campaign. However, in autumn 2021 the law was quietly shelved.

Specific job retention subsidies related to the COVID-19 pandemic remained in force throughout the period of this report, although the number of employers who used them was significantly smaller than in the previous year. In July 2021 Government announced a plan to exclude non-vaccinated workers from the subsidies, as part of efforts to boost the vaccination campaign which was going much slower than expected (up to the date, Croatia remains among EU countries with the lowest COVID-19 vaccination rates). This was opposed by the trade unions which, although supportive to vaccination, claimed that such criteria would be unlawful and unjust, and would, moreover, provide incentive for employers to violate workers' rights, pressuring them to vaccinate (which is a private issue and not legally connected to the employment relation). In the end, Government went for a slightly modified approach, connecting intensity of support to the proportion of workers which are either vaccinated, had COVID-19 or were regularly tested. A report of the State Audit Office, published in November 2021, found that in 2020, especially during the spring lockdown when more than 225 000 employers applied for subsidies, there were grave problems in implementation of this measure. Due to emergency, subsidies were paid out before complete assessment of applications, resulting in more than 19 thousand employers which were later found ineligible for support and requested to return already received subsidies in total amount of 35.6 million Euro.

In November 2021, as the infection rate surged to unprecedented level, the Government introduced obligatory testing for all workers in the public sector (including state-owned companies) which were not vaccinated nor had COVID-19. They were to test twice per week, with the expenses fully paid. Those who refuse were banned from entering the work premises. In the first weeks of its application the measure was met with wide criticism, although a vast majority of workers complied. Public sector trade unions in general advised their members to comply, but have requested an opinion of the Constitutional Court, which in December 2021 ruled that the measure was lawful and justified.

In March 2022, Government announced set of measures aimed to support citizens and businesses against raising energy prices. The package of measures, which is to enter into force in April, will include lower VAT on natural gas and a range of food items, subsidy for natural gas for households as well as small and medium businesses, an increased amount and scope of recipients of energy vouchers for socially vulnerable and a special energy addition for pensioners. The total value of the package was estimated at almost 5 billion HRK (0.66 billion EUR). Prices of car fuel were al-

ready limited in October 2021 (for 60 days) and again in February 2022 (for 30 days), while in March 2022, faced with price increase fuelled by the Russian invasion of Ukraine, Government went for a different measure, temporarily lowering the special taxes and limiting trading margins. Trade unions welcomed all of the mentioned measures, but continually warned that wage increases were ultimately the only way to protect the workers' standard.

In the city of Zagreb MožeMo spent its first year in power mostly dealing with problems and debts inherited from the previous administration and trying to reorganise both the local administration and Zagreb Holding, created in 2006 by merging a majority of city-owned communal companies. While at the national level MožeMo! continued to often share its positions with the trade unions, on local level two sides openly clashed over restructuring of Zagreb Holding and the plan to dismiss some 450 out of its approximately 7.800 workers. The plan was repeatedly criticised by most of the trade unions active in the company, culminating in the public demonstration announced for late March 2022. The trade unions claimed plan was not based on proper assessment of company's operations and needed workforce, nor were they pleased with the way it was discussed with the workers' representatives.

ECONOMIC AND SOCIAL SITUATION

According to the first estimates of the Croatian Bureau of Statistics, the GDP in real terms increased for 10.4 per cent in 2021, which is the largest annual increase in country's recent history and one of the highest in the EU. However, as in 2020 Croatia has one of the highest GDP decreases in the EU (-8.4 per cent), this is only a sign of slightly faster than expected post-pandemic recovery. Largest contribution to GDP growth came from sharp increase in export of services, mostly due to recovery of tourism which surpassed even the pre-pandemic 2019. Household expenditure also rose substantially.

Public finances also recovered as a result of the economic growth, although public budget deficit remained relatively high at 4.7 per cent of GDP, which was partly influenced by still high costs of pandemic, as well as the purchase of new army airplanes, a project which has been planned for more than a decade but constantly postponed due to budgetary limitations. In November 2021, public debt was in absolute terms 4.7 per cent higher than at the end of 2020, but due to high level of economic growth its share in GDP returned to decreasing trajectory. According to the Croatian National Bank data, in third quarter it stood at 82.4 per cent of GDP, which was 4.9 percentage points lower than at the end of 2020 (87.3 per cent).

Reconstruction of buildings that were damaged or destroyed in Zagreb and Petrinja earthquakes in 2020 is still going much slower than expected, with many people in Petrinja region still living in damaged homes or provisional accommodation (such as metal containers). Available funds,

both from EU Solidarity Fund and national budget remain heavily underused, while sharp global increase in prices of construction materials during 2021 further complicated the process.

Croatia remained on the path to joining the Euro zone. In June 2021 Government announced 1 January 2023 as target date for adopting the Euro, while the law on introducing the Euro was sent to Parliament in March 2021. While planned introduction of the Euro is causing concerns that further price increases will come on top of already high inflation, the Government is planning to address this issue by obligatory dual display of prices which should start already in September 2022 and remain in practice for at least a year. The European Commission should publish its assessment of Croatia's readiness to join the Euro zone in May 2022.

Results of 2021 census, published in early 2022, showed that Croatia has a population of 3.89 million, compared to 4.28 million in 2011. While this is a significant decrease (9.2 per cent), the result was expected due to increased emigration to old EU member states since they opened their labour markets for Croatian citizens. The number of foreign workers increased significantly since 2016, especially in construction and tourism, but proper political discussions on this issue are still missing, as well as a coherent migration policy. Individual measures, such as Government's attempt to attract digital nomads to Croatia, or subsidise Croatian citizens returning from abroad or moving to less developed and depopulated parts of the country, are not expected to produce significant results.

According to the Labour Force Survey, employment rate (15-64) in the third quarter of 2021 stood at 69.0 per cent, while the unemployment rate (15-64) was 6.3 per cent. While at the moment data is not comparable to that from 2020 due to change in methodology on EU level, both indicators moved in positive direction since first quarter of 2021, when employment rate was 61.4 per cent and unemployment rate 9.7 per cent. Differences remain sharp between the regions, with the capital and northern Croatia scoring much better than the national average, while eastern and Adriatic region scoring below the average on both indicators.

The average monthly net wage in December 2021 was 7,280 HRK (962 EUR), which was nominally 4.0 per cent higher, but really 1.4 per cent lower than in December 2020. The average monthly gross wage in the same month was 9,835 HRK (1,299 EUR), which was nominally higher by 4.6 per cent, but really lower by 0.8 per cent than a year before. The median net wage in December 2021 was 6,131 HRK (810 EUR), 4.14 per cent higher than a year before. First decrease in real value of the wages in more than a decade, which came after few years of robust wage growth, was the result of inflation which amounted to 5.5 per cent in 2021. The minimum wage for 2022 was set at 4,687,50 HRK (619 EUR) gross, 10.3 per cent increase from 2021. While the minimum wage has raised substantially in recent years, it remains among the lowest in the EU. Moreover, the fact that the minimum wage grew much faster than the average

wage meant there was shrinking of wage differentials in the lower part of the wage spectrum, with growing number of workers who receive minimum wage or just slightly above it. With prices which are much closer to the EU-average than the wages, average purchasing power of Croatian workers remains among the lowest in the EU.

TRADE UNION CONTEXT

With the economy recovering from the effects of pandemic and 2020 lockdown, conditions become more favourable for collective bargaining, which intensified in the private sector, in most cases resulting with wage and material rights increases. However, by the end of 2021 growing inflation has annulled many of the wage gains, as well as caused discontent and demands for wage growth in both private and public sector.

Negotiations for Basic Collective Agreement for State Servants and Employees in Public Services, which sets the base for wage calculations in the whole public sector, were opened in November 2021. Prior to start of negotiations the counting of members was undertaken, in order to show which trade unions are representative for negotiations. Results showed unionisation rate of around 48 per cent in the public sector as a whole, with the public servants more strongly organised (around 69 per cent) than workers in public services (around 42 per cent). High rate of unionisation in state administration results from high share in total employment and strong unionisation of workers employed by the Ministry of Interior, including police. Since 2017, unionisation rate in public services has slightly decreased, while it has increased in state administration. In subsequent negotiations trade unions demanded increase of wages and other material rights, including the payment of 13th monthly wage, which is a rare practice in Croatia and a demand was never before raised in the public sector. While the unions demanded increase of the basic wages for 8 per cent in three steps during 2022, in February 2022 the Government finally offered only 2 per cent and decidedly rejected possibility of 13th monthly wage. As the trade unions rejected this offer, negotiations were still ongoing in March 2022.

In February 2022, Trade Union of Education, Media and Culture (SOMK) announced strike in kindergartens in Rijeka, one of four regional centres in the country, with the demand for a wage increase of 16 per cent, which would, according to the union, put wages of kindergarten staff on equal footing with those employed in elementary schools, as prescribed by the Act on Preschool Education and Care. The city of Rijeka was initially ready to offer substantially less. Strike was called off in the last moment, as the settlement was reached on 10 per cent increase. The announced strike was part of wider wave of workers unrest in communal services of Rijeka, with fire-fighters, public transport drivers and employed in city's water supply company also calling for wage increases and considering strike actions during February and March.

In late 2021 negotiations on wages were opened for both important sectoral collective agreements in private sector, those for construction industry and catering. In both cases negotiations were spurred by the Government's increase of the minimum wage, which left basic wage for the first category of jobs in both agreements below the level of statutory minimum wage. While social partners in both sectors acknowledged the need to align the wage levels with the new statutory minimum wage, its significant increase presented a challenge for negotiations, as employers were not ready to raise all wage levels proportionally, while any different solution would influence wage differentials, which were already low in both agreements. In early 2022 it seems that agreement is closer for the catering sector, but outbreak of the war in Ukraine, which is expected to significantly affect touristic season, negatively influenced chances for both signing the new agreement and otherwise traditional extension of its application to all employers in the sector.

In autumn 2021 there were talks about possible sectoral negotiations in few other sectors, especially after Union of Autonomous Trade Unions (SSSH) and Croatian Employers' Association (HUP) signed the agreement on mutual cooperation, which referred to both bipartite and tripartite social dialogue. Moment seemed favourable for such initiative, due to theoretical incentive for sectoral bargaining provided by the changes of the Minimum Wage Act. However, initiative for sectoral bargaining in road public transport was hampered by business difficulties of the sector, while negotiations in commerce, ongoing since employers cancelled the previous sectoral agreement in 2013, once again got blocked on the issue of wages. It seems that trade unions' interest for sectoral bargaining in metal, wood and food processing industry is not shared by their counterpart employers' organisations.

While reliable statistics on collective bargaining remain unavailable, reports from the media and trade union websites indicate more intensive company-level collective bargaining than in previous years, especially comparing to 2020. New collective agreements with increases of wages or other material rights were signed in a number of large private companies such as Konzum (supermarket chain), Tisak (kiosk chain), Hrvatski telekom (telecommunications), Croatia osiguranje (insurance), Kraš (confectionary producer) and Saponia (detergent and personal hygiene producer). First collective agreement was also signed in Croatian subsidiary of Ikea. New collective agreements were also signed in some of the state-owned companies such as Hrvatske šume (forest management), Janaf (crude oil transport).

In two previously completely unorganised sectors new unions were formed during 2021. Trade Union of Digital Platform Workers' (SRDP), founded in June, started as an initiative of Uber drivers, but aspires to organise all those working for digital platforms, no matter of their formal employment status. Trade Union SKUPA (Together), founded in December, is focused on non-profit sector but in the long term aspires to also include different atypical and precarious workers.

In October 2021 trade union debate on green transition was organised by SSSH, NHS and MHS as part of Croatian contribution to the Conference on the Future of Europe. Among other, the participants agreed that the most important task for trade unions is to advocate for more ambitious climate policies, as well as a socially fair transition, with appropriate role given to the social dialogue. They also called for more active approach to the issue by the trade unions themselves. SSSH Congress scheduled for December 2022, preparations for which started by a series of regional meetings with shop-stewards in March, is expected to give strong emphasis to the issue of green transition.

There were no important changes in the tripartite social dialogue. The Economic and Social Council continued to meet regularly, but with the absence of important reforms focused its discussions on topical issues, such as general situation of the labour market, introduction of the Euro or inflation.

TRADE UNIONS IN CROATIA – FACTS AND FIGURES

TRADE UNION LANDSCAPE

First workers' societies, soon followed by proper trade unions, were formed in Croatia during second part of 19th century. By the first decades of 20th century some of them have become respectable organisations, providing their members with various services. During the period 1945–1990 trade unions performed somehow different role than in liberal democracies. There was a strong focus on providing social services to members but, due to specific features of Yugoslavian »self-managing socialism«, trade unions were also involved in managing the economy, especially on the company level. While in legal terms not obligatory, trade union membership was still extremely strong social norm, with membership rate exceeding 90 per cent.

First non-communist trade unions started to operate unofficially in early 1980's, and officially in 1989. In 1990 the Union of Autonomous Trade Unions of Croatia (Savez samostalnih sindikata Hrvatske – SSSH) was founded as the first democratic trade union confederation. The founding members included both reformed »old« communist trade unions, and a number of newly established ones – development which was unique among transition countries. However, in challenging times, in which political and economic transition took place simultaneously with the war for independence, trade union unity did not last for long. Various divisions started to affect the movement, including those between public and private sector unions, those resulting from different concepts of trade union organising, those of quasi-political nature (alleged »communist« vs. »real Croatian« unions), as well as those resulting from ambitions of individual trade union leaders.

By the early 2000's, the trade union scene disintegrated to include at one point six representative confederations, and more than 600 registered trade unions, most of them effec-

tively being a company-level organisation only. The trade union competition became common – both between confederations competing for affiliated unions, as well as between different unions competing for the members in the same company.

While in the early 1990’s vast majority of previous members opted to re-join democratic trade union movement, the membership rate started to continuously decrease soon afterwards. Main reasons included structural change of the economy, with trade union organising being much harder in growing number of newly established companies, and demographic factors, as younger workers become less likely to join. However, with the latest available estimates putting un-

ionisation rate at around 24 per cent, Croatia has still managed to retain respectable rate of unionisation, especially compared to most of other post-communist countries.

TRADE UNION LANDSCAPE

Savez samostalnih sindikata Hrvatske – SSSH (Union of Autonomous Trade Unions of Croatia) was established in May 1990, remaining by far the strongest confederation throughout the decade. Although its membership figures are today more similar to other confederations, it remains the strongest in organisational and human resources terms. It is the only confederation predominantly organised on industry-level,

Table 1
The most significant trade unions confederations in Croatia

Trade Union Confederation	Chair and Vice Chair	Members	International memberships
Savez samostalnih sindikata Hrvatske – SSSH (Union of Autonomous Trade Unions of Croatia)	Chair: Mladen Novosel	approx. 95,000	ETUC, ITUC
Nezavisni hrvatski sindikati – NHS (Independent Trade Unions of Croatia)	Chair: Krešimir Sever	approx. 97,000	ETUC, ITUC
Matica hrvatskih sindikata – MHS (Association of Croatian Trade Unions)	Chair: Vilim Ribić	approx. 61,000	ETUC

Table 2
Main sector federations and individual trade unions in Croatia

Sector federation / trade union	Confederation	Chair and Vice Chair	Members	International memberships
Sindikat hrvatskih učitelja – SHU (Croatian Teachers’ Union)	MHS	Chair: Sanja Šprem	approx. 22,400	ETUCE, EI
Sindikat policije Hrvatske – SPH (Police Union of Croatia)	SSSH	Chair: Dubravko Jagić	approx. 13,200	EUROFEDOP
Samostalni sindikat radnika u komunalnim i srodnim djelatnostima Hrvatske – SSKH (Autonomous Trade Union of Workers in Public Utilities and Related Services of Croatia)	SSSH	Chair: Baldo Kovačević	approx. 10,000	EPSU, PSI
Sindikat zaposlenih u poljoprivredi, prehrambenoj i duhanskoj industriji i vodoprivredi Hrvatske – PPDIV (Union of Workers in Agriculture, Food and Tobacco Industry and Water Management)	SSSH	Chair: Denis Paradiš	–	EFFAT, IUF
Nezavisni sindikat zaposlenih u srednjim školama Hrvatske – NSZSŠH (Independent Trade Union of Workers in Secondary Schools of Croatia)	MHS	Chair: Nada Lovrić	approx. 9,700	ETUCE, EI

its affiliates including most of the strongest branch unions in the private sector (such as the metalworkers', commerce, construction industry, tourism and services, energy, chemistry and non-metal industry etc.), and some of the public sector ones (communal workers, healthcare, police). It is also the only confederation predominantly organising workers in the private sector (around two thirds of members). Besides regularly developing comprehensive policies on overall socio-economic development of Croatia, SSSH has also organised debates and voiced opinions on issues such as digital and green transition. In recent years it has made inroads into campaigning on social networks, and has actively supported organising initiatives in sectors such as digital platforms and non-profit organisations. However, this has yet failed to translate into growing membership numbers, at least partly due to the fact that many of its affiliated unions are modernising their organising practices at much slower speed. SSSH is by far the most active confederation on international level, its reputation and influence outweighing its relative strength in numbers. SSSH has had seven different Presidents, including two women. Its current President, Mr Mladen Novosel, is leading the organisation since 2010.

Founded in 1999, Nezavisni hrvatski sindikati – NHS (Independent Trade Unions of Croatia), affiliate many company-level unions (thus the term »independent«), although their membership also includes few large sectoral unions, such as local and state servants and bank and financial sector employees. NHS is a loose confederation gathering more than 100 trade unions from both private and public sector, with the strong base in public companies. The image of NHS is inseparable from that of its only ever President, Mr Krešimir Sever, who was in 2019 elected for his sixth term. Owing to his rhetorical skills and shrewd work with the media, Mr. Sever has often managed to be get himself perceived as a spokesperson for Croatia's trade union movement, although his confederation, while roughly the same in membership numbers, is in many fields much less active than SSSH.

Matica hrvatskih sindikata – MHS (Association of Croatian Trade Unions) was founded in 1993, its core affiliates being unions from public services (especially education and healthcare). Smaller in numbers than SSSH and NHS, MHS and its largest unions draws their strength (and financial stability) from still high rate of unionisation in public services. MHS and its affiliated unions have managed to keep decent unionisation rate in the public services and have at times achieved significant wage increases and other benefits for their members (especially in education), but are traditionally much less interested in overall functioning of the labour market and other issues which are important for private sector unions. While not at all times officially its leader, Mr Vilim Ribić, from the Independent Trade Union of Science and Higher Education, has since beginning been the driving force and public face of the MHS.

It is almost impossible to get reliable data on the membership of individual trade unions, but the overall unionisation rate is still decreasing albeit probably somewhat slower than

in 1990s or 2000s. Rare research into this area points that the main reason for falling membership numbers is age structure of trade union members, with new recruits unable to match the number of those leaving due to retirement. The largest trade unions are still the ones organised on industry level, both in public and private sector, such as in education, healthcare, agriculture and food processing industry, metal industry, commerce, tourism and services etc. There is also number of professional unions (most notably in the healthcare sector, where besides the industry-level union there are separate ones for nurses and medical technicians, and for the doctors), and a few general-type unions. The highest rate of unionisation is in the state administration and public services (especially education and healthcare), followed by state owned companies, as well as companies which existed prior to 1990 and thus had previous tradition of unionism. As a rule, companies established after 1990 have significantly smaller chances of being unionised.

WORKING CONDITIONS OF TRADE UNIONS

Freedom of trade union organising is guaranteed by Croatian Constitution and the Labour Code, the latter regulating the industrial relations in more detail. It takes ten persons to register a trade union. Trade unions must be democratic organisations who abide to their statutes, which must stipulate collective bargaining as one of main purposes of the organisation.

On the company level, trade unions are entitled to appoint their representatives (shop-stewards). They enjoy legal protection from discrimination or dismissal due to their trade union work, as well as the right to represent the interest of trade union members in front of the employer. Their rights in exercising this function, including number of working hours which can be spend on trade union activities, are customarily defined by the collective agreements.

There is also a second channel of representation on the company level, that of so-called workers' representatives, including works-councils (which can be elected in companies with more than 20 workers), workers' representatives for health and safety, and workers' representatives in governing boards. Workers' representatives are elected by all the workers, and enjoy information, consultation and even some so-determination rights, as well as time-off for exercising their functions. In unionised companies, trade unionists usually hold these functions, although it is possible to compete the elections with an independent list.

Many of more than 600 trade unions in the country are strictly company level organisations. Larger branch unions usually also have company level organisation with significant level of autonomy, including a financial one. The reasons for this lay in tradition of strong company level trade union organisations in the period 1945–1990, while high trade union fragmentation which started in the 1990s did not encourage development in other direction. Company level unions, without the need to fund branch organisations, can spend large

share of their income on social services and direct financial transfers for the members, forcing in effect the company level organisations of branch unions, where trade union competition is present, to behave similarly.

The trade union fragmentation and abovementioned consequences are weakening the overall strength and effectiveness of the trade union movement. Rivalry among trade unions in the same company, as well as among trade union confederations on the national level, often de-motivates workers to join the movement.

TRADE UNIONS AND THEIR CORE TASKS

The main functions performed by the trade unions, and services offered to their members, include collective bargaining, legal assistance and influence on public policies.

There is no single collective bargaining system, with practices varying significantly between public and private sector. There is certain element of coordination in the public sector, with the Basic Collective Agreement covering horizontal workers' rights and the base for wage calculation, and seven sectoral agreements regulating specific issues for different parts of the public sector (such as healthcare, primary education, secondary education, tertiary education and science, culture etc.).

Collective bargaining in the private sector predominantly takes place on the level of individual employers, with only a few sectoral agreements (most important of them being those for construction industry and tourism and catering). Lack of stronger sectoral collective bargaining can be attributed both to reluctance of employers' associations to sign agreements which would legally bind their members, especially in financial terms, and weak pressure power of trade unions at that level. Many companies, however, have strongly developed traditions of collective bargaining, including regular cycles (mostly annual or bi-annual). Most of the state-owned companies also have company level agreements.

Industrial actions are not rare, but in the private sector strikes are much more caused by non-payment of wages than by disputes over wage levels. Strikes for wage increases, however, are not uncommon in public services, especially in education and health-care.

Workers' rights are mostly respected in the public sector, but violations of the Labour Code are not infrequent among the private sector employers. Thus, free legal assistance, which includes representation in front of the court, is important service offered by the private sector unions. It is provided either by trade union lawyers, or outsourced.

Many trade unions also provide different social services to their members, including exclusive discounts, organisation of trade union sport games or excursions, and providing financial support for members facing difficult situations.

Attempt to influence public policies is carried out by trade union confederations, with varying effectiveness. Confederations regularly cooperate on most important issues, such as labour law or pension reform. However, plurality of trade union confederations and the fact that approximately one third of members belong to trade unions not affiliated to any confederation are detrimental to the overall strength at the national level.

TRADE UNIONS AND THEIR (POLITICAL) WEIGHT

Trade union movement in Croatia, including all confederations and vast majority of individual unions, is politically independent and neutral. As a matter of principle, trade unions find it important to treat all political options indiscriminately (except those expressing extremist views incompatible with democracy and universal human rights), being ready to talk, cooperate with or demonstrate against political actors holding the public offices on the merits of individual issues and policies. Reluctance to form alliances with political parties is historically rooted. During communism trade unions were embedded in political system, which later caused the need to distance themselves from political parties. In the 1990s, political elite-based independence and state building project on unity of the nation, and saw trade union activities as voices of unwanted class conflict.

Institutional tripartite social dialogue, which dates to late 1990's and more or less took its current form in early 2000's, is formally quite structured and well developed. Its main body is tripartite Economic and Social Council, formally an advisory body to the Government, but in fact a forum for the exchange of opinions between the Government and the social partners. Its sessions are supplanted by different procedures for social partners' involvement in drafting of laws and other public policy documents. However, the formal level of development of all those mechanisms is not matched by their actual importance and influence on the policy-making processes. This is not to say that the trade unions occasionally don't have a strong political weight, but that it depends more on the public support to their cause, than to formal arrangements.

The referendum initiative is probably the strongest weapon the trade unions can use in order to change the Government's policies. It takes signatures of 10 per cent of the voters in order to initiate a referendum (or force a Government to change its policy in order to avoid one), and during last two decades this has been achieved four times by the trade unions, and only once by other actors (with a number of unsuccessful attempts). However, due to the fact that it requires a complicated logistical operation and a national campaign, both of which are expensive, it can be triggered only for most important issues.

Other forms of direct action, such as demonstrations, are much less effective in exerting pressure on the Government, probably due to the reason that trade unions find it hard to mobilise citizens for this kind of actions, which thus remain

limited to trade union members, brought out in organised way. In recent years at least, some of confederations and trade unions are also making inroads into campaigning in digital media, although clear results of such campaigns (not counting their support for traditional ones, such as referendum initiatives) still remain to be seen.

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