

**D**ear readers,

The UATUC held its 6th Congress on 26-27 November, gathering 115 delegates from 17 affiliated branch unions, and a number of extinguished guests and friends from Croatia and abroad. The delegates unanimously elected **Mladen Novosel**, the only candidate, as the UATUC President and adopted general policy documents for the period 2010-2014. Following a long and serious financial and organisational crisis, caused by huge losses of jobs in various industrial sectors, as well as by the fact that a few branch unions left the confederation, newly elected president expressed his firm belief in the stabilization and strengthening of the organization. The Congress confirmed the UATUC dedication and focus in the following period on the revitalisation of Croatian economy, advocating for the policies that will enable preserving the existing jobs and opening of new ones. In the context of the new economic and social realities, the UATUC Programme Declaration 2010-2014 highlights the role of the UATUC in not just representing the traditional "industrial interests" of its members, but in the struggle to strengthen the social dimension of the processes of change.

The UATUC Congress was preceded by an international trade union conference on trade union organising in the conditions of globalisation, and the need for a strong, organized and modern trade union capable of responding to challenges, the topic of key importance in the Region, as highlighted at the SEETU Forum.

After Government's and Constitutional Court's decision that the referendum to prevent amendments to the Labour Code will not be held, the trade unions announced a series of demonstrations and a possible general strike. This resulted in Government agreeing to negotiate and finally a compromise has been reached – we will have a "referendum on the referendum", a compromise solution for the collective agreement provisions of the Labour Code, but also the Government's acceptance of few long standing trade union demands which should strengthen the collective bargaining processes and protection of the workers' rights.

The European Commission's annual Progress Report on Croatia says Croatia is getting close to fulfilling the EU membership requirements, acknowledging some progress in key problematic areas; however Croatia still needs to put substantial efforts in the reforms, including also practical implementation of the adopted measures for economic recovery. While the Progress Report is generally positive, the same cannot be said for the public support for membership, which is at only 48%.

The UATUC continues its campaign for the financially sustainable and socially acceptable pension system, insisting on holistic approach and inclusion and dialogue among all stakeholders.

These are just some of the issues you can read about in this UATUC INFO.

Dear friends and colleagues, with the difficult and challenging year behind us, the UATUC wishes you a Merry Christmas and a Happy New Year 2011, 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

**1 : 1.25**  
**RETIRED/EMPLOYED**  
**RATIO**

# 6<sup>TH</sup> UATUC CONGRESS

6th UATUC Congress elected the only candidate Acting President **Mladen Novosel** as the UATUC President and adopted general policy documents for the period 2010-2014



Zagreb, 27 November 2010 – 6th UATUC Congress, held in Zagreb on 26 and 27 November, gathered 115 delegates from 17 affiliated branch unions, representing approximately 100.000 members. **Mladen Novosel**, UATUC Acting President since June, stood as the only candidate and was almost unanimously elected UATUC President for the next four years. The Congress also adopted Programme Declaration for period 2010-2014 and resolutions on the position of women in the labour market, retired workers and youth.

In his address to the Congress, the new President Mladen Novosel admitted that throughout last two years the UATUC had been facing serious financial and organisational crisis, caused by huge losses of jobs in various industrial sectors, as well as by the fact that a few branch unions left the confederation. As a result, the UATUC was forced to cut number of its staff and their salaries, but the situation is now gradually stabilising, said Novosel. In the following period, the UATUC will focus its activities primarily on the revitalisation of Croatian economy, advocating for the policies that will enable preserving the existing jobs, and opening of new ones.

The UATUC Programme Declaration 2010-2014 acknowledges the new reality of economical and social environment in which the trade unions operate today, simultaneously marked by the globalisation and atomisation of work. In this context, the UATUC sees its role in not just representing the traditional “industrial interests” of its members, but in the struggle to strengthen the social dimension of the processes of change. In that respect, and taking into account Croatian economic and social reality, the UATUC will, among other, advocate for:

- Strengthening the production sector of Croatian economy
- Reviewing the existing privatisation model while keeping the natural resources in public ownership
- Socially regulated market economy
- Interdependence of economical, social and environmental standards
- Developing the culture of public dialogue and responsibility of all public subjects
- Combating the corruption, undeclared work, all forms of informal economy and tax evasion
- Reform of the public administration in order for it to become competent, efficient, uncorrupted and responsible public service
- Coordinated and mutually reinforcing public policies in order to raise employment, standard of living and social cohesion
- Strengthening the social security system, with a fundamental shift in the concept of the “reforms” undertaken so far
- Treating the education as public good
- Integration of currently fragmented and divided Croatian trade union movement

The Congress also adopted the Resolution on precarious and underpaid work of women proposed by the UATUC Women’s Section, the Resolution on intergenerational and intragenerational solidarity proposed by the Retired Persons’ Trade Union of Croatia and the Declaration on the position of youth in the labour market and in the trade unions, proposed by the UATUC Youth Section.

Besides electing the UATUC President, the Congress also elected the Statutory and Supervisory Committees and confirmed appointments of the members of the UATUC Council made by the affiliated branch unions ■

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FOTO Željko Slunjski

## PRESIDENT JOSIPOVIĆ: "CROATIA NEEDS A CULT OF WORK"



FOTO Željko Slunjski

6th UATUC Congress was attended by a number of high level guests from Croatia and abroad, including the Croatian President **Ivo Josipović**. Addressing the Congress Josipović said that Croatia needs to develop "a cult of work, a cult of respecting and paying for work". Society in which people work but do not receive salary for their work is not a healthy society, said Josipović, asking from the social partners to do all in their power to build better relations and mutual trust.

On behalf of the Prime Minister **Jadranka Kosor**, delegates were greeted by **Božidar Kalmeta**, Minister of the Sea, Transport and Infrastructure and current President of the Economic and Social Council. Mayor of Zagreb **Milan Bandić** expressed his support for UATUC's programme which advocates for

"social justice, equality and more just distribution of common goods", while the President of the Croatian Employers' Association **Damir Kuštrak** stated that economic recovery is impossible without improving the social dialogue.

Welcome addresses were also delivered by **Jozef Niemiec**, ETUC Confederal Secretary, **Dušan Semolič**, President of the Union of Free Trade Unions of Slovenia (ZSSS) and **Enisa Salimović**, Coordinator of the ITUC/PERC Office for SE Europe. The UATUC Congress was also attended by our colleagues and friends from CGIL, CISL and UIL (Italy), CTUBIH (BIH), CATUS (Serbia), FO (France), DGB (Germany), ÖGB (Austria), Liga and MSZOSZ (Hungary), BSPSH (Albania), SSM, KSS and UNASM (Macedonia).

## INTERNATIONAL CONFERENCE ON TRADE UNION ORGANISING IN THE CONDITIONS OF GLOBALISATION

The UATUC Congress was preceded by a half-day international trade union conference on the topic of trade union organising in the conditions of globalisation. In the first part of the conference, **Barbara Sušec**, Adviser of the President of the German DGB, **Helmut Tomasek**, Head of the Department for Organisation of the Austrian ÖGB and **Roberto Treu**, Coordinator of the International Department of the Italian CGIL, presented the different European models of organisation, role and responsibilities of trade unions. Presentations were followed by discussion on the issues and problems facing the trade union movement in Europe and the region today. The conference was organised with the support of the Friedrich Ebert Foundation ■



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## COMPROMISE ON THE LABOUR CODE REFERENDUM

After the trade unions announced a series of demonstrations and a possible general strike, the Government agreed to negotiate and finally compromise has been reached – we will have a "referendum on the referendum", compromise solution for the collective agreement provisions of the Labour Code, but also the Government's acceptance of few long standing trade union demands which should strengthen the collective bargaining processes and protection of the workers' rights



Zagreb, 13 December 2010 – After the Croatian Parliament avoided to decide on the issue of referendum on the Labour Code and instead shifted the responsibility to the Constitutional Court, on 20 October the Court decided that the referendum should not be held. The Court's logic said that since the Government has withdrawn the proposed legislative changes from the parliamentary procedure, there are no grounds to hold a referendum against it. Croatian trade union confederations, however, insisted that the referendum question was not "against the changes", but "for keeping the existing provisions on collective agreements", and were not ready to accept the Court's decision. Instead, a series of demonstrations in five largest Croatian cities, and a possibility of general strike, were announced.

As the trade unions engaged in preparations for a general strike, Prime Minister **Jadranka Kosor** finally agreed to further negotiate on trade union demands. Meeting held on 23 November resulted in signing a compromise agreement, which both sides presented as their success. The agreement stipulated that the referendum will be held, on the same day as the EU accession referendum, but with a different question – instead of the changes in the Labour Code, the voters will be asked if they support lowering the criteria for a public initiative on referendum to become valid and obligatory (200,000 signatures instead of 10% of electorate, i.e. 450,000 and 30 instead of 15 days for collecting them). After a half-year struggle to obtain their own referendum, trade unions saw this as an important achievement for strengthening the citizens' participation and direct democracy in Croatia.

The second part of agreement concerns changes that will be included in the Labour Code on the first occasion of its amending. Extended application of the collective agreements after their expiration will be limited to the period of one year, and cancellation of collective agreements concluded on fixed-term will be possible only due to significant unexpected changes of the economic situation. While this being a compromise between trade union demands and Government's initial proposition, the agreement also envisages removal of the institute of employment statutes (i.e. employers' unilateral act) from the Labour Code, which should strengthen the collective bargaining processes. This institute enabled employers to unilaterally decide on all employment relations issues in a company and thus evade the collective bargaining if they did not want to engage in it. The Government and the trade unions also agreed to jointly advocate with the employers' association for signing the general collective agreement.

Finally, the third part of the agreement includes Government's obligation to establish specialised labour courts in the period of one year, which was for a number of years very high on the trade union agenda ■

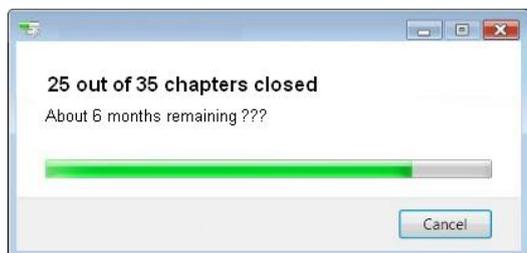
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## POSITIVE EC'S PROGRESS REPORT, NEGATIVE CROATIAN PUBLIC OPINION

While the European Commission's Progress Report says Croatia is getting close to fulfilling the EU membership requirements, the same can not be said for the purchasing power of Croatian citizens, or their opinion on the country's EU membership



Zagreb, 15 December 2010 – The European Commission's annual Progress Report on Croatia, published on 9 November can be considered slightly more positive than the ones from previous years, since it finally acknowledged some progress in key problematic areas such as combating corruption and organised crime and the judiciary reform. However, for the first time in two years the Report did not specify a target date for the conclusion of accession negotiations, although it is currently expected, both in Brussels and Zagreb, that negotiations should be closed by June 2011, which would set 1 January 2013 as probable accession date.



So far Croatia has provisionally closed 25 out of 35 negotiation chapters, with competition policy; agriculture; fisheries; regional policies; judiciary and fundamental rights; justice freedom and security; environment; foreign, security and defence policy; financial and budgetary provisions; and "other issues" remaining.

Notwithstanding the acknowledged progress, Croatia still needs to put substantial efforts in the reform of the judiciary system, combating the corruption and organised crime, depoliticization and reform of public administration and even mid-term planning of economic and fiscal policy. The European Commission considers that Croatian Government has tackled the global crisis well on the policy level, but that adopted measures and strategies still have to be implemented in practice and show their results.

While Croatia is getting ever more close to fulfilling the political and other conditions for the EU membership, recently published statistics say that by the average citizens' income calculated by the purchasing power, which amounts to 4808 Euro annually, country is at 34

percent of the European average, placing it at 29th position out of 42 European countries included in the survey conducted by the GfK GeoMarketing. Out of 27 EU members, only Latvia, Lithuania, Bulgaria and Romania are placed lower on the list.

Results of the recent public opinion survey commissioned by the Ministry of Foreign Affairs and European Integration showed public support for membership of only 48 percent. Survey also revealed the interesting fact that EU support is growing among the older population, while decreasing among the youth. While in the 15-24 age group only 34 percent of respondents supported the membership and 38 percent opposed it, membership is supported by 49 percent of retired persons, a group usually averse to any kind of changes. Membership support is strongest among middle age citizens (45-54 years old, 56 percent), while women are in general slightly more euro-sceptical than men, with 46 and 50 percent membership support, respectively. Survey concluded that referendum on the EU membership held at this moment would probably be successful (62 percent of those who would vote would vote YES), but far below enthusiastic results achieved in countries such as Slovakia or Slovenia (94 and 90 percent) ■

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## RETIREMENT SYSTEM BETWEEN FINANCIAL SUSTAINABILITY AND SOCIAL ACCEPTABILITY



FOTO Željko Slunjski

Zagreb, 1 December 2010 – The round table called “Croatian retirement system – between financial sustainability and social acceptability”, organised jointly by UATUC, NHS and HUS, detected the privileged pensions, employers’ evasion of payment of retirement contributions and unemployment as key problems of the Croatian retirement system. Besides Croatian trade unions and other national stakeholders, the round table gathered trade union representatives from Serbia and Macedonia, as well as from the ITUC and the ETUI. Norwegian Ambassador to Croatia **Henrik Ofsad**, whose Government financially supported the project on the trade union role in pension reforms in SE Europe, stated that the retirement systems presented an issue for a whole of Europe, which could not be solved without the dialogue between the Government and the trade unions ■

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## ABOLISHMENT OF THE SEPARATE OHS HEALTH INSURANCE INTRODUCED ONLY 3 YEARS AGO

Zagreb, 15 November 2010 – Croatian trade union confederations strongly opposed the draft law which would abolish the Law on Health Insurance of Health Protection at Work and join this type of health insurance to the regular one. Based on the law adopted three years ago with arguments of harmonisation with the European standards, the Croatian Institute for Health Insurance of Health Protection at Work was established, for which purpose the Government used two million euro of EU funds. It was expected then that the new regulation will result in more precise statistics and account of spending on the professional injuries and diseases. Now the Government is arguing for abolishment of the Law and the Institute on the grounds of “thorough analysis of the results”, but such analysis has never been published, let alone discussed with the social partners and other stakeholders. The coordination of trade union confederations therefore demanded for urgent withdrawal of the draft law from the procedure, although it is not to be expected that this will result in a change in Government’s agenda ■



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## FUTURE OF THE SHIPBUILDING INDUSTRY STILL UNCLEAR

Zagreb, 15 December 2010 – While the fate of the second privatisation tender and the future of the Croatian shipbuilding industry are still unclear, the workers and trade unions of “3. maj” shipyard in Rijeka have succeeded in securing Government’s warranties for construction of four tankers already contracted by a buyer from Sweden. As the trade unions announced massive “March of the shipbuilders” for 29 October, only the day before the Government has finally approved state warranty, after obtaining permission from Brussels to do so. However, it was stressed out that this case presented an exemption rather than a rule for future actions.

The same did not succeed to the workers and trade unions of “Brodosplit” in Split, who are demanding state warranties for two tankers and three cruisers already commissioned by Croatian and

US buyers. After the Prime Minister **Jadranka Kosor** failed to appear for a promised visit and negotiations in the shipyard, 15 minute stoppage of work and peaceful demonstration took place on 23 November, with more than 2,000 workers participating.

As in the case of other state owned shipyards, trade unions are demanding for a transitional period in which the state would be in charge of restructuring until potential buyers are found. In the meantime, they demand from the Government and Croatian negotiation team in Brussels to secure EU permission for continuation of issuing the state warranties for commissioned orders. “If the Government fails to help the shipbuilding industry, we will do all in our power to influence on negative result of the upcoming EU membership referendum”, said President of the Metalworkers Union of Croatia **Vedran Dragičević** ■

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## IRONWORKS SPLIT AGONY CONTINUES

Zagreb, 15 December 2010 – The Croatian Privatisation Fund is still negotiating with Polish Zlomrex about cancellation of its purchase contract for the Ironworks Split (Željezara Split). Croatian offer envisages mutual cancellation of unpaid financial obligations and repurchase of the plant for a symbolic value. Croatian company CIOS is checking the plant's facilities and considering to restart production by renting the plant until the ownership relations are not solved, but meanwhile the bankruptcy and liquidation procedure are still a possible option too.

On 21 October 150 out of total 401 workers demonstrated in front of the State Attorney's office in Zagreb to whom they delivered documents indicating irregularities and criminal actions during the privatisation process. As public gatherings in front of the Government building have been forbidden since 2005, the protest continued in front of the Zagreb Cathedral. In case of closing down the plant, they demand that the workers' claims, which amount to 80 to 100 thousand Kuna (11 to 13 thousand Euro) for each of 401 of them, should be settled before the start of the liquidation procedure ■

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## INTEGRATION PROCESSES WITHIN UATUC



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Zagreb, 17 December 2010 – The Metalworkers' Trade Union of Croatia – Industrial Trade Union (SMH-IS) launched an initiative for the merger of Croatian industrial trade unions, as a "logical step", in words of SMH-IS President **Vedran Dragičević**, and follow-up to a systematic destruction of the Croatian industry, decreasing number of workers, fragmentation of industrial unions, decrease of membership, financial instability of trade unions and a weak influence of trade unions in the process in overall society. The initiative has already been accepted by the Construction Trade Union of Croatia (SGH), and the objective of the first phase is to integrate all the industrial trade unions affiliated to UATUC. The Metalworkers' Trade Union has also concluded an agreement on the integration with the Trade Union of Crafts and SMEs (HSMP), also an UATUC affiliate, the process scheduled to be finalized by the end of June 2011 ■

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Please pass this newsletter on to your colleagues and contacts who might be interested.



Union of  
Autonomous  
Trade Unions  
of Croatia

*Together we are stronger*

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