

uatuc info



Union of Autonomous Trade Unions of Croatia

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Dear readers,

Croatia has been shocked by a sudden move of the Prime Minister Mr Ivo Sanader to resign from all his political duties. This unexpected resignation will only additionally aggravate the critical economic situation in the country.

The country has faced the highest decrease of GDP in the last 16 years - 6,7%! Unemployment is on the rise, with more and more jobs and minimum wage under threat and second revision of the budget under way. Social partners are trying to find solutions in terms of shortening the working week for companies which are strongest hit by the crisis, mostly in the industry sector.

The Constitutional Court lifted the ban on Sunday work in commerce sector.

Public sector unions have been successful in their demands and the agreement has finally been reached, after long and tough negotiations and after a two-day strike.

Privatization of shipyards is about to be carried out, however the unions demand its postponement with the argument that it is not smart to privatize in this time of crisis, insolvency and huge losses.

UATUC is launching an ambitious campaign to recruit new members, as a joint strategy of all the affiliated unions to provide greater protection for broader scope of workers.

These and many more issues are dealt with in the latest UATUC INFO. <<

Dijana Šobota

Head of UATUC International Department

SHOCKING RESIGNATION OF THE CROATIAN PRIME MINISTER



Zagreb, 1 July 2009 - Croatian Prime Minister Mr **Ivo Sanader** resigned as prime minister of Croatian government and chief of biggest Croatian political party HDZ at a press conference held today at 14.00 hours. "I have decided to withdraw from active politics and will not run as a candidate for Croatian president" in presidential elections due in 2010, Mr Sanader told a specially convened press conference in Zagreb. The surprise announcement by Croatian Prime Minister Ivo Sanader that he was resigning and withdrawing from politics has sent shock waves through the country. The move comes as a surprise, as it had been widely speculated in Croatian media that he would run for president of the country and had a good chance of winning the post, and since there have been no indications of this move and above all since Mr Sanader gave no real and tangible explanation of the reasons for withdrawing from the post at the time of one of the worst crisis in the country. Mr Sanader said he had not taken the decision easily. He also denied being ill or dropping his

"Resignation at this moment is not a moral act!"

post to "engage in EU institutions.". "I have always said that politics is not an end in itself," he said. He said that his resignation does not have to do anything with hard economical situation in which Croatia is, and that he was always a fighter. Ms **Jadranka Kosor**, who was vice-prime minister and family minister in the government, has thus become the first women Prime Minister. Along with Sanader, minister of education **Dragan Primorac** also resigned from government, as he announced that few days ago. On a journalist question is this is the end of his political carrier, Sanader answered no. President of the country, Mr **Stjepan Mesić**, while saying that he had co-operated well with Sanader, said that it was surprising that the prime minister had chosen to step down while Croatia was facing a critical economic situation. "The president cannot avoid expressing his bewilderment at the prime minister's choice of a moment when he decided to leave, because there is no doubt that Croatia is in a very serious, maybe even critical economic situation, and that our association talks with the EU are at a standstill because of neighboring Slovenia's blockade, which has worsened relations with that country," Mesić's office said in a statement.

Within Croatia, opposition parties hit out at Sanader for attempting to continue to wield influence over the running of the country by using Kosor as a proxy, and there was at least one call for elections to be held. Sanader's decision to resign was reason enough for the Croatian opposition to demand new parliamentary elections, Social Democratic Party official **Zoran Milanović** said, however that does not seem likely. Reacting to the news, EU enlargement commissioner **Olli Rehn** said: "I have highly appreciated to work with Ivo Sanader on the EU accession of Croatia even if we sometimes had difficult issues to discuss in the negotiations. His leadership and commitment to European integration was instrumental to the progress we made." (...) "I encourage Croatia now to settle his succession rapidly so as to continue with the important reforms still ahead to get ready for EU membership."

The **UATUC** declared this resignation was not a moral act! Instead of a press conference at which Mr Sanader informed the public of his resignation, he should have taken over the responsibility and called upon all the citizens, workers, social partners, ... to national agreement, and told the truth about the current situation in Croatia and took all the measures to solve the crisis. Leaving the country at this critical moment and without any explanation is not moral, and many now feel cheated.<<

SOCIAL PARTNERS NEGOTIATIONS ON SHORTENING THE WORKING WEEK

After weeks of joint advocating the idea by both UATUC and Croatian Employers Association (CEA/HUP), at the end of July Croatian Government finally accepted to start negotiations with social partners about possible shortening of the work week. Following the models already introduced in some EU member states such as Austria and Germany, social

partners have been pushing for a possibility of state subsidy for nonworking Friday in the companies most severely hit by the crisis.

According to the projections of the Ministry of economy, such measures could cost around 50 million EUR for six months period. Minister of Economy **Damir Polančec** stated that currently there is no money in the budget for such a measure, but the funds could be provided in this year's second budget rebalance, which is likely to take place during July.

UATUC President **Ana Knežević** stated that the proposal coming from social partners aims primarily at the export orientated companies which are suffering the most from the crisis, namely in the wood industry, with 4000 jobs lost this year, and chemical and non-metal industry, with 5000 jobs lost.

While negotiations with Government continue, both UATUC and CEA announced leaving the Economic and Social Council if the proposal is not accepted in next two weeks.

With the objective of better understanding of different models used to cushion the effects of the crisis, at the initiative of the industrial unions affiliated to the UATUC, on 12 May 2009 a seminar was organized on short-term work and reduced working hours as one of such models. ÖGB expert, **Alexander Prischl** presented the Austrian model of short-time work to the representatives of trade unions affiliated to the UATUC and UATUC experts, and talked about the effects of the current crisis. <<



TWO-DAY STRIKE OF PUBLIC SERVANTS

As trade unions representing public servants did not follow the example of civil servants who accepted giving up salary increase of 6% that was granted by existing collective agreements, the start of strike in education, healthcare, social services and cultural institutions was announced for 13 and 14 May, the day after public servants received first decreased salaries. Although tough negotiations between the trade unions and the Government lasted long into the night of the 12 May, no agreement has been reached and the strike started next morning.

The response to strike has been even higher than trade unions expected, counting for around 90% in education and science institutions. Culture and social services were supposed to start strike the next day, 14 May. Among the public services only healthcare expected to evade significant strike, since less than 50% of doctors voted for strike on referendum in April, but some of the members were ready to join the strike. Altogether, around 100,000 public servants (out of total 180,000) joined or were ready to join the strike. Accompanying the strike, demonstrations on Ban Jelačić Square, the central square of Zagreb, were announced for 16 May, just a day before local elections.

Even before the strike started, the Government called for next round of negotiations, which lasted the whole day of 13 May and long into the night when the agreement has finally been reached and strike and demonstrations cancelled.

The agreement, which was in June supported on the referendum by around 90% of the trade union members, accepts temporary giving up of 6% increase, but includes most of trade union demands regarding the long term regulation of salaries in public and civil sector. 6% salary increase will be reinstated once the GDP remains positive for two consecutive quarters and as of 1 January 2010 salaries will be regularly adjusted with inflation. Furthermore, from 2011 to 2016 salaries will be continuously increased so that by the end of this period starting salary in the public sector comes to the level of the average salary in the private sector. Applied formula should grant total increase of 77% by 2016.

“With this agreement all our demands that were based on strong arguments were accepted, which is a real rarity”, said **Spomenka Abveršek**, President of the Autonomous Trade Union of Health and Social Welfare of Croatia and UATUC Vice-president for the public sector. “This shows our strength in situation when trade unions act united and present realistic and well argued demands. It is a clear example how trade unions should work.” <<



CONSTITUTIONAL COURT LIFTS BAN ON SUNDAY WORK

Zagreb, 19 June 2009 - On 19 June the Constitutional Court of the Republic of Croatia has annulled the regulations of the Law on Commerce that were prohibiting Sunday work in this sector. The new Law on Commerce, which entered into force from 1 January, banned Sunday work for most categories of the shops, except during the tourist season (June - October) and in December. Since then the Law, and especially its timing, has been heavily criticised by the employers. As ban on Sunday work coincided with the country entering the recession, employers claim it caused loss of approximately 20,000 jobs in the commerce sector.

The case in front of the Constitutional Court was raised by one municipality council and eight commerce companies on the argument of limitation of entrepreneurial freedoms, discrimination of merchants and affecting the financing of local government. The Constitutional Court did not accept all of these arguments, but has concluded that ban on Sunday work disturbs the equal treatment of all merchants, without objective and reasonable justification.

The Trade Union of Commerce, affiliated to UATUC, disapproved the decision, stating that the loss of income in commerce was not caused by ban on Sunday work, but by the crisis followed by decrease in citizens' purchasing power and increase of prices. The main reason for trade union' support for the ban on Sunday work was not banning the work itself, but eliminating unpaid overtime work, which could not have been achieved in the other way due to inefficient labour inspections.

Croatian Employers Association welcomed the decision of the Constitutional Court, while the Economic and Social Council decided to form a tripartite workgroup in order to discuss and propose permanent solution for regulating Sunday work that would be applicable to all sectors and not only to commerce. The measures that should be proposed in the first half of July should not ban Sunday work, but find the way to secure workers rights on paid overtime work and weekly resting days as well as to sanction employers who violate those rights.<<

SHIPYARDS PRIVATISATION

Zagreb, 17 June 2009 (hrt.hr) - After long negotiations in Brussels Croatia agreed with the European Commission on the model of privatisation of all six shipyards, and the tender for their privatisation will be published in the beginning of July, said the Vice-president of the Government **Damir Polančec** after the

meeting between the Croatian negotiating team and European Commissioner for Competition **Neellie Kroes**. A smaller reduction of the total capacities of Croatian shipyards was agreed in Brussels. At the end of the restructuring process the total capacity of Croatian shipyards will be 413,000 tonnes instead of 393,000 as was discussed before.

In the process of privatisation of *Uljanik shipyard*, the only profitable shipyard, 25 percent of shares will be offered to workers under special conditions. The nominal value will be the initial price also for the sale of shares of Special Vessels Shipyard (SBO) in Split for the total ownership package. For shipyards *Brodosplit*, *Brodotrogir*, *3. Maj* and *Kraljevica* the initial price for the ownership package will be one kuna.

EU rules do not allow the discrimination in tenders, i.e. do not allow taking into consideration only those investors offering to continue with shipbuilding activity but also those investors who plan some other activities within shipyards. However, the state will not need to accept offers from those investors offering the highest price, but the priority will be given to those investors who plan the continuation of shipbuilding activity, said Polančec.

This agreement meets the benchmarks for opening the Competition chapter, one of the most difficult chapters in EU accession negotiations. Croatia needs to open another 11 chapters. Nine of them are completely ready for opening, but are blocked by Slovenia. The two remaining chapters are Competition and Judiciary and Fundamental Rights.

Acting president of the Croatian Metalworkers` Trade Union of Croatia **Vedran Dragičević** points out that, even though the model of privatisation of shipyards is in accordance with what trade unions and the Government agreed last year, now is not a good time to sell anything, especially shipyards. These are times of insolvency and losses. It would be much easier to privatize shipyards in other "more normal" times. Therefore he appeals to the Commission for Implementation of Tenders, composed of the representatives of the Government, trade unions, Croatian Privatisation Fund and shipyard management, to approach the drafting of tenders in a responsible way, to build into tenders buyers` obligation to technologically restore shipyards, with the emphasis on the first two years.

- This would enable the continuation of the activity because it is hard to believe that a buyer would, after investing a lot of money in for example buying a new crane, all of a sudden start building a hotel or something similar, said Dragičević and concluded optimistically that in 90 days we will be at the beginning, creating a new Croatian shipbuilding industry ready for competition and survival at the market.<<

"Postpone privatization for 'more normal' times"



REHN'S PROPOSAL TO SOLVE CROATIAN-SLOVENIAN DISPUTE COMING TO A DEAD END

Although talks about unblocking Croatian accession negotiations have been described by DG Enlargement as "progressing well" in last months, no agreement has been reached after the last meeting of the Croatian and Slovenian Foreign Ministers in Brussels on 18 June. Negotiations about last proposal coming from Commissioner **Olli Rehn**, which envisaged forming of five-member arbitral tribunal to solve the border dispute, have thus come to a dead end, as Slovenia was ready to accept the proposal

only with amendments that Croatia found unacceptable.

As Czech Presidency did not succeed to make any progress in solving the Slovenian blockade of Croatian accession process, the EU-Croatia intergovernmental conference planned for 26 June was cancelled two days earlier.

Swedish Foreign Minister **Carl Bild** already stated that incoming Swedish Presidency does not plan any fresh attempts to solve the dispute. Bild repeated recent statement coming from the Commission that the issue is of bilateral nature, adding that it is time for a period of reflection in the both countries.

After the fail of Rehn's proposal become obvious, Croatian Prime Minister **Ivo Sanader** presented his new proposal for solving the dispute, which would include the parliaments of the two countries, as well as the Commission and the Council, adopting the statements saying that none of the documents used in accession process are prejudging the border between two countries. As this solution has already been proposed by Croatia and declined by Slovenia months ago, no real solution of the dispute is still on the horizon.<<

MORE MEMBERS CAMPAIGN

Zagreb, 2 June 2009 - Presidency of the UATUC Council adopted a decision on the joint and coordinated action of increasing the number of members. It will be based on increasing the number of members in companies and institu-

tions where affiliated branch unions already have their local unions, on establishing new local unions, recruitment of individual members in the Autonomous Trade Union of Croatia (a UATUC affiliate) if they do not belong to any of the branch unions, as well as on organizing migrant workers. This campaign is the result of the worrying trend of decrease of trade union membership and the increasing need to protect workers in the current economic and social circumstances. The structure of the employed is changing, companies are fragmented into small and micro, there is an increasing use of the short-term fixed-term with a frequent wish of future members to have a status of "secret membership". In these circumstances it is necessary to adapt recruitment efforts and approach to potential members, to modernize and update the data basis, etc. Precondition for this is to set recruitment and organizing as a priority - of all the levels of the UATUC and its affiliated unions, together and in a coordinated manner.<<

ITUC: SHORT TERM CONTRACTS UNDERMINE WORKERS' RIGHTS TO ORGANIZING IN CROATIA

Workers' organising in Croatia is obstructed by workers' dependence on short-term contracts, which especially affects women workers, and by inefficient courts and labour inspectorates, says the Annual Survey of violation of human rights 2009, published by International Trade Union Confederation (ITUC).

The survey also states that Croatian Government has been using the European integration process to

push extensive amendments of the Labour Law that would reduce the rights of workers and trade unions, although European legislation strictly prohibits such action. The involvement of national trade union centres in the Labour Law reform has been a mere formality and efforts to improve the draft before Parliament discussions, through bipartite social dialogue, have been blocked by employer organisations, says the report. Suggested amendments would cause wide formation of employer-controlled trade unions and impose stricter conditions on collective bargaining.

The survey also brings individual examples testifying that private employers in small enterprises resist union organising (dismissal threats in companies "Eurokabel" and "Hidraulika d.d.").

Croatian justice system is criticised for excessive court delays (the average being three years) and problems with enforcement of court decisions, as testified by the European Court of Human Rights.

The most severe case included in report is the one from 2007, when members from UATUC-affiliated PPDIV trade union in "Iverica d.d." have been dismissed, demoted and bullied. In 2008, local County Court finally convicted company CEO **Petr Nikl** for criminal violation of workers' rights, but his work permit in Croatia (he is Czech citizen) has not been withdrawn before further continuous interventions by PPDIV.<<

Organising obstructed by short-term contracts and inefficient judiciary



STUDY VISIT TO LO-NORWAY

Oslo, 15 June 2009 -

The six-member delegation of the UATUC (composed of **Ana**

Knežević, President, **Ana Miličević Pezelj**, head of Organization, Education and Publishing Department, **Dijana Šobota**, head of International Department, **Željko Slunjski**, PR and chief journalist and editor, **Ljubomira Lončar**, General Secretary and legal advisor in the Trade Union of Tourism and Services and **Jasenka Vukšić**, General Secretary and legal advisor in the Construction Trade Union of Croatia) went to a study visit to Norway to meet with colleagues from the LO. The topics of the discussion were the Nordic/Norwegian model, tripartite and bipartite social dialogue and collective bargaining, gender equality, EFTA-EEA etc. The delegation met with the Confederation of Norwegian Enterprises (NHO), Equality and Antidiscrimination Ombuds, Norwegian Parliament MP Mr **Vidar Bjørnstad** of the Labour Party, from the ranks of LO-Norway and others. The two sides discussed the possibilities of future cooperation, especially through EFTA-EEA projects, once Croatia joins the EU.<<



COMMUNICATION IN TRADE UNIONS



Koločep/Dubrovnik, 29 May 2009 - Within the joint LOFF-UATUC project a seminar was held on information and communication in trade unions on the island of Koločep, near Dubrovnik, on 27 - 29 May 2009. The project is financed by the Norwegian Ministry of Foreign Affairs. About ten participants from the UATUC and its affiliated trade unions who deal with information/communication and public relations were informed about the LO's information and communication activities. The aim of the project is to develop UATUC communication strategy and internal communication plan, to improve trade union publications in Croatia and to promote the use of the new media channels, with the general objective of improving the image of trade unions in public and reaching the broader audience and TU membership with the timely and accurate information. The next stage of the project will be run in September 2009.<<

SEE INFORMAL ECONOMY SUB-REGIONAL WORKSHOP

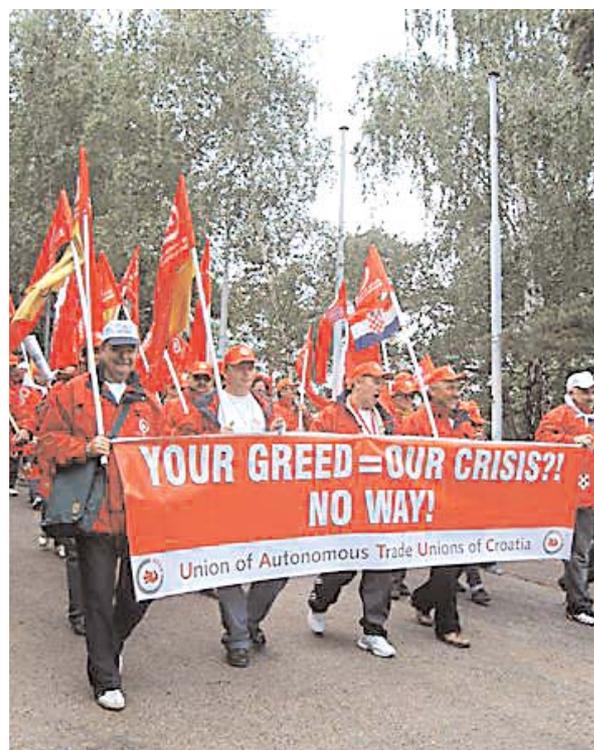
On 16-17 June 2009 SEE sub-regional workshop was held in Kotor, Montenegro within the ITUC-PERC framework of the Informal Economy project supported by the FNV and co-financed by the LO-TCO. The event was attended by Albania, Serbia, Croatia, Bosnia & Herzegovina, Montenegro trade union representatives responsible for the work with IE workers. UATUC expert **Domagoj Ferdebar** participated in the work of the workshop, together with colleagues from NHS, and they presented successful experience in social partnership reaching reduction of informal economy in the counties of Croatia. Together with local authorities 12 local councils were established. Croatian experience was successfully used by Serbian colleagues from the SSSS and UGS Nezavisnost.

During the event the participants summed up the activities of the past 2 years, presented the latest phase of the project action plans, exchanged experience, discussed sub-regional network-building plans for IE and the links between the current crisis and the informal economy. The Project scientific tutor **K. Petkov** said that region's trade unions reached enormous progress over the last few years. Good results of the first half of the year were achieved in Albania, which was a little behind according to the other countries in the region. **Jasmin Redžepović** BWI social dialogue project coordinator in SEE presented the project that ILO Budapest implements on the IE reduction in a constructional sector with help of social dialogue.

Project target countries are Montenegro, Bosnia & Herzegovina, Albania. J. Redžepović welcomed the ITUC-PERC, BWI and the ILO close cooperation in joint SEE region programs. In order to ensure successful project implementation the project advisory group was established that includes representatives of BWI Jasmin Redžepović, ILO Budapest **Svetla Shekerdjieva**, and ITUC/PERC **Sergejus Glovackas**. (ITUC-PERC, S. Glovackas) <<

UATUC AT DEMONSTRATIONS IN PRAGUE

Prague, 16 May 2009 - About 30,000 participants gathered in Prague at Euro-demonstrations organized by the European Trade Union Confederation (ETUC) within the campaign against the crisis and said NO to the abuse of financial capitalism which is leading to ever more social injustice and inequalities. European trade unions called for the new social deal which puts social justice, solidarity and more and better jobs at the heart of the priorities. - We want social and employment policies which emphasize security, not flexibility. Such policies are a prerequisite for a social Europe, said trade unionists. The UATUC delegation at the demonstrations sent a clear message to the whole Europe: "Your greed = our Crisis?! No way!". <<



CAMPAIGN AGAINST CRISIS: DEFEND RETIRED PERSONS' RIGHTS

Zagreb, 7 May 2009 - The Retired Persons' Trade Union of Croatia (SUH), affiliated to the UATUC and FERPA, started a campaign in all the counties of Croatia for the defence of the rights of retired persons, under the title Sign and support the Fighting list of SUH. The Fighting list contains 32 demands that transparently express the positions and objectives of SUH. Pension that allows decent living; reaching the average pension at the level of at least 60% of the average wage; recognition of the pension bonus as an integral part of a pension in case of the so-called new pensioners - these are just some of the demands from the Fighting list. In the first phase of the campaign, which will be run by the end of this year, SUH will distribute promotional leaflets with the Fighting list (these will be distributed in senior citizens' homes, health centres, markets, etc.). The Fighting list includes also a membership form for joining SUH Trade Union. Campaign will also include gatherings, round tables, etc. After this general, "broad" part of the campaign, the rest of the campaign will be focused on several key demands.

On the 14th May 2009 the Retired Persons' Trade Union of Croatia organized its all-day activities on main squares in the capital city Zagreb, distributing leaflets with SUH's demands, as well as other activities of interest for older citizens (pressure, blood sugar and fat measurements). - "In the conditions of the economic crisis, it is necessary to develop a special protection programme for retired persons in order to preserve the dignity of that category of population, whose almost each member is in the poverty zone", said **Stjepan Krajačić**, SUH President. <<



ECONOMIC AND SOCIAL INDICATORS IN THE REPUBLIC OF CROATIA MAY 2009

GROSS DOMESTIC PRODUCT

Gross domestic product (GDP) of the Republic of Croatia for the fourth trimester of 2008, according to the data of the Central Bureau of Statistics, was estimated to the amount of 82.75 billion kuna (11.18 billion EUR). In the fourth trimester of 2008 the real increase of GDP was 0.2% as compared to the same period of 2007. Personal consumption decreased by 3.2%, investments increased by 3.5%, and national consumption increased by 2.7%. In the fourth trimester, export growth rate was -2.5% and the import growth rate -7.1 percent. The real increase of GDP for 2008 in relation to 2007 is 2.4%, on the basis of quarterly estimates.

CONSUMER PRICE INDEX

According to consumer price index, in April 2009 the recorded growth was 3.9 as compared to April 2008. According to main groups of purpose of consumption, in April 2009 as compared to January 2009, the prices of alcoholic drinks and tobacco (9.1%), and prices of clothes and footwear were increased the most (for 4.0%).

Highest GDP decrease
in 16 years - 6,7%!

EMPLOYMENT AND WAGES

The average monthly paid off net wage in legal entities in the Republic of Croatia, in March 2009 was 5.367 kuna (737 EUR), which is, as compared to March last year, the average wage is 6.5% higher and real increase is 2.6%.

In April 2009 there were 263,785 persons registered at the Croatian Employment Service so the unemployment rate in this month was 14.8%. In April 2009 the Croatian Employment Service registered 3,459 unemployed persons more than as compared to the previous month, and 18,580 more persons than in the same month last year. Unemployment in April 2009, as compared to March 2009, was decreased by 1.3%, and as compared to April 2008 increased by 7.6%.

The lowest net wage in March 2009 was paid off in the economic activity of administrative and assistant services (3,632 kuna = 498 EUR, which is nominal increase of 2.4% and real increase of 1.3% as compared to March 2008), whereas the highest average net wage was paid off in the economic activity of information and communication (8,483 kuna = 1165 EUR, which is nominal increase of 29.1% and real increase of 24.4%, as compared to March 2008).

Together we are stronger



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