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Prime Minister of the Republic of Croatia

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REF. JWG/lt

Brussels, 12 August 2009

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Restriction of the Right to Collective Bargaining in units of local and regional self-government in Croatia

Dear Prime Minister,

We have been informed by our colleagues of the Trade Union of State and Local Government Employees of Croatia that a recent legal government initiative violates the right to collective bargaining and freedom of association. These rights have been regulated by international conventions (ILO), the European Social Charter of the Council of Europe, the Fundamental Rights of the EU and the Constitution of the Republic of Croatia. They have also been part of what was good practice in Croatia. EPSU is concerned about these developments and requests your government to engage in social dialogue with the unions concerned.

We are informed that the Croatian Government drafted and referred to the Croatian Parliament the Local and Regional Self-Governments' Salaries Bill at its meeting 24 July 2009. The Government failed to involve neither its social partners nor the representatives of the associations of local and regional self-government

Units in the drafting of this Bill. This is foreseen however in *the Program of Cooperation between the Government of the Republic of Croatia and the Non-Governmental and Non-Profit Sector in the Republic of Croatia*. It also did not consult such bodies, as provided for by the *Rules of Procedure of the Croatian Government*.

The above stated Program of Cooperation between the Government of the Republic of Croatia and the Non-Governmental and Non-Profit Sector in the Republic of Croatia, adopted in 2000, stipulates the obligations of the Republic of Croatia. The government will seek improves in the quality of its work and actions when developing its work. It lays down the way in which the government consults trade unions and the NGO sector when a process of adoption of new legislation is started. Such consultation should be done in good time and in such a way as to allow those concerned enough time for a considered quality response.

The Rules of Procedure of the Croatian Government stipulate that the Ministries are obliged to request the opinion of professional organizations and associations for all proposals in the making that are intended for the Government, when such proposals deal with issues concerning the scope of such organizations and associations.

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The government also did not apply good practice in this case. Good practice was established in the drafting and adoption of the Act on Public and Government Services Salaries, in a way that working groups were established for drafting of these bills. These included representatives from trade unions of public and state services.

After the Croatian Government laid down the Bill on Salaries in Local and Regional Self-Government Services, hereinafter referred to as “Bill”, the Bill passed through the first of the two steps in the Croatian Parliament on 28 June, in spite of the objections and well-argued criticism of the representatives of the units of local and regional self-government as well as trade unions of local Government employees and the academic community. This Bill lays the basis for the calculation of the salaries of local Government employees. This Basis is then used to calculate the salaries of Government employees. The ranges of coefficients for the calculation of salary have now been reduced in relation to the previous years. The total amount has been determined and the budget for the local governments has been reduced. It is not sufficient to meet the needs of workers and citizens.

Such regulations deprive the local self-governments of the possibility of disposing of the resources they have earned within its self-governmental scope, resources which are intended for the salaries of the employees of their administrative bodies as well as of the institutions established in the form of companies and owned by such bodies. Thus, the salaries of the local self-governments are reduced irrespective of the fiscal capacities of the local authorities concerned.

Furthermore, by determining the basis for the calculation of salaries the Bill makes negotiations for salaries impossible at local level. This compromises also the possibilities for the unions to organize workers and to bargain at local level. Wage bargaining to ensure workers a decent income is an important purpose of the unions and without it, the government undermines the unions.

We note also that for two other areas of local administration – in both the public and the Government services – the basis used for the calculation of salaries is determined through negotiations with trade unions of public and Government services, the same type of negotiations which the Bill has now made impossible for the local and regional self-governments. Only several days after the disputed Bill, the government has introduced the Basis for the Calculation of Salaries in Public Services Bill to the Croatian Parliament. According to this Bill, the basis used for the calculation of salaries in the public services shall be determined by the collective agreement entered into between the Croatian Government and the public services trade unions. It thus establishes different standards likely to discriminate

Furthermore, the disputed Bill provides for the abrogation of the provisions of the collective agreements in local self-government units, stipulating the criteria for the determination of salaries and benefits in its transitional provisions. Practically all collective agreements with employers on the local self-governmental level have thus been annulled. Long-term collective bargaining processes and achieved standards have received a severe set back.

EPSU, the European Federation of Public Service Trade Unions, is concerned about these developments. EPSU represents over 8 million workers and their 250 trade unions in all EU, EFTA and Eastern Neighborhood and EPSU is a recognized social partner at the European level. EPSU is also a member of the ETUC, the European Trade Union



Confederation and is the recognized regional organization of Public Services International (PSI), the global public services trade union federation.

As a candidate country we expect of the Croatian government to live up to the European Social Model. We therefore request the Croatian Government to present a report on the contents and reasons for proposing the disputed Bill. We are keen that the Croatian government informs us how it will guarantee freedom of association and the right to collective bargaining.

As it stands the Bill is not acceptable and should be withdrawn given its violation of the right to collective bargaining and freedom of association and how it impairs on local self government.

We look forward to your response and your negotiations with the trade unions.

Yours sincerely,

Jan Willem Goudriaan
EPSU Deputy General Secretary