



COMMERCIAL TRADE UNION OF CROATIA

Trg kralja Petra Krešimira IV broj 2, Zagreb, Croatia

Industrial relations in Croatian trade

Social dialogue – imperative and benefit



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THE PICTURE OF CROATIAN COMMERCE:

- There are 33.193 active companies (37% of the total number of companies in Croatia) in commerce
- The total number of employees is 208.770 or 17,7% of the total number of employees, and the trend is growing
- The share of commerce in the Croatian GDP is around 10,7%, and the trend is growing
- In the last years commerce is a great driver of economic growth and development for the Republic of Croatia and a great generator of employment. The Global Retail Development Index Study developed by A.T.Kearney classified Croatian commerce in 2006 at the 9th place in the world according to market attractiveness for retailers (which is lower than in 2004 when Croatian commerce was at the 5th place)
- Croatian commerce is in the accumulation phase characterised by numerous mergers and acquisitions in which the most prominent became the domestic retail chain Konzum, the market leader. In the period from 2002 to 2006 there were 140 acquisitions with a total value of US\$ 102 billion. Accumulation will be followed by a focusing phase.
- Trends: linking with suppliers, development of offers for special target groups, development of attractive sales formats, strengthening of recognisable brands, fostering consumer loyalty, creation of additional services and clearer management of categories, shelves and retail space.



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10 LARGEST RETAIL COMPANIES

No.	Retail company	Country	Market share
1.	Konzum	Croatia	21,2%
2.	Getro	Croatia	7,2%
3.	Billa	Germany	6,7%
4.	Kaufland	Germany	5,4%
5.	KTC	Croatia	4,5%
6.	Kerum	Croatia	2,5%
7.	Mercator-H	Slovenia	2,4%
8.	Presofleks	Croatia	1,8%
9.	Metro	Germany	1,8%
10.	Ipercoop	Italy	1,4%
	Total:		54,9%

Source: GfK, Consumer market survey for 2005, published in 2006.



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TRADE UNION REPRESENTATION

- There are 600 trade unions registered in the Republic of Croatia, 254 of which are united in 6 TU confederations. The TU confederations are currently in the process of merging. 45% of employed workers are organised in trade unions.
- All 6 confederations are present in commerce with their unions registered at national level. In addition there are 4 local unions. CTUC began the process of merging with the trade union of workers in tourism STUH and agriculture PPDIV.
- CTUC is the most represented union in commerce with 16.784 members mostly in large or medium Croatian enterprises.
- Only 12% of workers in commerce are members of unions. The main problem lies in the fact that most workers work in small or family stores in which it is almost impossible to organise a trade union.



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COLLECTIVE AGREEMENTS IN CROATIAN TRADE

- **National collective agreement on the amount of the lowest (minimum) wage**

- the lowest (minimum) wage in Croatia from 1. January, 2007 is 2.298,00 kunas or 314 EUR

PROBLEM: Collective agreements for some branches have determined lowest wages that are lower than the amount of the lowest (minimum) wage for the Republic of Croatia.

This disturbs the interrelation of wages between jobs of different complexity.

- **Branch collective agreement for commerce**

- regulates minimum rights of workers in commerce
- its implementation has been broadened to include all enterprises and workers in commerce
- minimum wage is 1.600,00 kunas or 219 EUR (for a job complexity coefficient of 1,00), the coefficients range from 1,00 to 3,20, minimum wage for salesperson without working experience is 2.400,00 kunas or 327 EUR.
- June 2007. CTUC initiates new negotiations with the Commerce Employers' Association with a proposed minimum wage in the amount of 2.298,00 kunas or 314 EUR

- **Company collective agreements**

- 12 collective agreements or 14% of the total finalised collective agreements at the level of enterprises in the Republic of Croatia with better material and working rights. CTUC has covered 20.246 workers and 7.774 of its members with such collective agreements (46% of CTUC members)



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AVERAGE NET WAGES PER BRANCH IN THE REPUBLIC OF CROATIA

- The market price of labour in trade is not regionally nor locally uniform. The average net wages of salesperson range from 2.200,00 kuna (€300) to 4.500,00 kuna (€612) depending on the years of employment of worker and company or the company's shopping centre (examples of Billa and Metro in which workers of each shopping centre have differently defined wages – reason for avoiding of collective bargaining by this employers)
- Data of the Croatian State Bureau for Statistics indicate high average net wages in commerce. The reason for this lies in incomparably high management wages whose amounts are not available to trade unions.

Average monthly net wage per branch 1999.-2006.								
	1999.	2000.	2001.	2002.	2003.	2004.	2005.	2006.
Average net wage	396 EUR	436 EUR	474 EUR	502 EUR	521 EUR	553 EUR	596 EUR	627 EUR
Retail and wholesale	81%	81%	83%	86%	87%	85%	84%	84%

Source: ASO-market labour study report, November 2006



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EMPLOYMENT CONTRACTS

	TYPES OF EMPLOYMENT CONTRACTS
Basic contracts	employment contracts
	contract for the rendition of services
	student-work contracts
In relation to the term of the contract	full-term employment contract (permanent)
	fixed-term employment contract (temporary)
In relation to the number of contracts	full working time contract
working hours	half working time contract (20h / week)
	shortened working time contract (25-35h / week)
New types of employment contracts	employment contract for teleworking
	employment brokerage agency contract (temporary empl.)



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CONSEQUENCES OF WORK FLEXIBILISATION IN COMMERCE IN THE REPUBLIC OF CROATIA

- **Over 87% of new employment contracts in 2006 in commerce were fixed-term contracts (temporary).** In relation to sex and age structure of its workers, commerce in Croatia is a feminised and young branch.
- **Young people** which, after finishing their education, enter the labour market for the first time, **are not informed with their social and working rights and the importance of being a member of a trade union.**
 - For the last 3 years CTUC actively participates in the educational project “Young people on the labour market”, led by the civil society organisation DIM. Until today, over 600 educational trainings have been held in vocational schools covering over 14.000 students. 90% of the students assess the information presented to them at the educational trainings as ‘exceptionally useful’.





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- CTUC noticed in 2006 that **employers do not extend fix-term (temporary) employment contracts to pregnant women.** Instead, they send them to the Unemployment bureau where they receive unemployment benefits from the state budget.
- On Women's Day in 2007 (8 March), CTU's Women's Section initiated at the UATUC – our TU confederation's Women section and the Women's network Croatia a number of debates on the insecure position of women on the labour market along with the request for the ratification of ILO's Convention on the protection of maternity.

ISTINA O ŽENSKOM RADU

Kakav je položaj žena na hrvatskom tržištu rada?

BROJKE NE LAŽU:

1. Stopa zaposlenosti žena je značajno niža od stope zaposlenosti muškaraca.
2. Stopa nezaposlenosti žena je značajno viša od stope nezaposlenosti muškaraca.
3. Žene su većina među dugotrajno nezaposlenima.
4. Rizik siromaštva za žene je znatno veći nego za muškarce.
5. Žene imaju prosječne plaće 15-20% niže od muškaraca, iako su obrazovane.
6. Među menadžerima je samo 6% žena.
7. Sve je više žena koje rade a nepotpunim radnim vremenom.
8. Žene čine većinu među zaposlenima na određeno radno vrijeme.
9. Žene su većina među zaposlenima na čmo.
10. Žene češće od muškaraca dobivaju otkaz, posebno kad su trudne ili na porodičnom dopustu.
11. Od žena se traži da potpišu kako neće imati djecu za vrijeme trajanja ugovora o radu. Kao uvjet zapošljavanja, neki poslodavci traže test na trudnoću.
12. 50% zaposlenih žena radi u četiri izrazito potplaćena sektora: tekstilna industrija, obrazovanje, zdravstvo, socijala.
13. U nezakonitom prekovremenom radu inspekcija većinom nalazi žene.
14. Nezakonit noćni rad također uglavnom najviše pogađa žene.
15. Žene su više izložene seksualnom uznemiravanju i ucjenjivanju, jer najčešće rade na određeno vrijeme ili na čmo.

Iako država promovira obitelj kao temeljnu vrijednost, planiranje obitelji i osiguravanje stambenih uvjeta ženama je otežano, jer zbog rada na čmo i na određeno ne mogu ostvariti kredite.



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- **0 – 24 h working hours are permitted as is work on Sundays and public holidays.** The decisions on working time in commerce are made by local or city authorities. Around 40.000 salespersons work on Sundays and public holidays. Of these, 15.000 are mothers to pre-school children while kindergardens do not work on either of these days. Longer working hours, working on Sundays and public holidays cause serious social problems (e.g. growing numbers of single mothers in commerce). The only non-working days to Croatian salesmen/saleswomen are Christmas, Easter and New Year's Day.
- **Collective agreements are not being implemented** (overtime, work on Sundays, public holidays, work in night-shifts, split shifts are not being paid at all or paid only partially; transport costs of workers are not being paid in some companies)
- **CTU's analyses show that, during 2005, workers in commerce in Croatia worked 53,5 million unpaid overtime hours.** This volume of work could accomodate 25.000 newly employed workers. Employers earned 1,4 billion kuna (€191 million) by this.



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- **Legal provisions related to safety at work are not being implemented**
 - toward the end of 2005 CTUC formed the Coordination for safety at work. Educational programmes for shop stewards were held to enable them to perform the function of health and safety stewards/representatives
- **There is no defined mandatory education for workers in commerce.** All educational profiles of workers work in commerce
 - the reform of vocational education is ongoing. Employers are using the reform process to promote further flexibilisation of commerce by introducing new non-qualified and low-wage jobs.
- **Fluctuation of the work force**
 - in some shopping centres with low wages, the quarterly fluctuation rate of workers amounts to more than 21%
- **Mobbing**
 - CTUC plans to form a Mobbing Committee in Autumn 2007. Its duties will include the resolution of union members' complaints



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- **In commerce, legal regulations pertaining to the mandatory use of the Croatian language are not respected** because in multinational companies information and records of working time are kept most often in German since these companies mostly come from the German speaking countries
- **There is no development strategy for the branch of trade/commerce**
- Because of all the highlighted consequences of work flexibilisation in Croatia, **organizing workers into unions is difficult** (workers fear termination of their employment contracts, their contracts not being prolonged or mobbing).



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EXAMPLE OF KAUFLAND IN THE CITY OF OSIJEK

- Kaufland in Croatia employs 1.488 workers of which 197 are TU members. In its shopping centre in the city of Osijek workers had fixed-term (temporary) employment contracts which were also for shortened working time (25, 30 and 35 hours/ week). The workers, in accordance with the contracted duration received lower wages than the wage for full time work.
- In 2006 CTUC requested an inspection of the company because overtime work, work on Sundays and night work were not paid. The State Inspectorate subsequently closed Kaufland's shopping centre in Osijek for a month and the company was fined.



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CONSEQUENCES OF WORK FLEXIBILISATION IN COMMERCE IN THE REPUBLIC OF CROATIA EXAMPLE OF KAUFLAND IN THE CITY OF OSIJEK

- In subsequent negotiations with Kaufland, CTUC managed to transform the workers' shortened time employment contracts into full working time contracts with a full wage, albeit with a duration until 31 December 2007. Average net wage for salesperson is 2.500,00 kunas or 340 EUR, but average net wage for company which include management wages is 3.900,00 kunas or 531 EUR
- CTUC's goals are:
 - full-term (permanent) employment contracts
in all of Kaufand's shopping centres, because Kaufland currently employs a bare minimum workforce that is, according to all sales standards valid in Croatia, necessary for conducting business normally and providing quality customer service.
 - collective agreement for Kaufland in Croatia



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SOCIAL DIALOGUE IN COMMERCE

- **“BLACKLIST OF EMPLOYERS” which forbid their workers to join unions or do not implement collective agreements.** In commerce these are domestic commercial chains Magma, Kerum, Pevec, as well as foreign dm-drogerie markt and the Mercatone. CTUC is active in those chains as a “resistance movement” and is forced to keep the identity of its individual members secret. CTUC has reported these employers on a yearly basis through the TU confederation UATUC to the ILO.
- During collective bargaining employers often avoid presenting basic business data necessary for the course and substance of collective bargaining to the unions.
- **PROBLEM:**
 - Insufficient number of finalised collective agreements (CTU initiated and is currently conducting another 12 negotiations for collective agreements at the level of companies), but
 - Multinational enterprises avoid collective bargaining and collective agreements (examples of Mercatone, Ipercoop, Kika, Metro and, before, Billa)



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Conclusion

Social dialogue is an imperative and a benefit

**Thank you for Your attention
and**

**You are welcome to ask questions and participate in the
debate**