

Decent Work Country Agenda between Croatia and the International Labour Organization 2010-2011

Introduction

The primary goal of the ILO is to promote opportunities for women and men to obtain decent and productive work in conditions of freedom, equity, security and human dignity. A Decent Work Country Agenda promotes decent work as a key component of development policies and as a national policy objective of the Government and social partners. The present Country Agenda is influenced by international development agendas such as the Millennium Development Goals and strategic documents of the EU as well as being based on national development objectives. It also takes into account the priorities of ILO constituents, as expressed in consultations held with them. The Agenda outlines the policies, strategies and results required to realise progress towards decent work for all.

This document reflects the strategic planning of ILO cooperation activities with Croatia for 2010-11. Reflecting the constituents' as well as the ILO's assessment of past cooperation, the Agenda aims at ensuring greater synergies and stronger coherence of ILO's support to Croatia and thus contributes to achieving sustainable outcomes.

Country Context

Croatia has been seriously affected by the global financial and economic crisis. GDP contracted by 5.8% in 2009 and is forecast to grow by just 0.2% in 2010 and 2.2% in 2011 as domestic and foreign demand gradually recover¹. Real GDP declined by 2.5% year on year in the first quarter of 2010 according to the Central Bureau of Statistics, compared with a decline of 4.5% in the fourth quarter of 2009. The drop in real GDP remained at the same level (2.5%) in the second quarter of the year. The data for industrial output, unemployment and retail sales point only to a slow economic recovery. In the meantime, unemployment, which reached 14.9% in 2009 rose to 18.4% in March 2010 before declining to 16.4% in August.

A key objective of the Croatian government is to join the European Union. Following the approval of the Lisbon treaty in late 2009, and the recent understandings reached with Slovenia, the pace of negotiations has picked up. Nevertheless, it is thought that 2012 is the earliest possible date for Croatia's accession to the European Union.

Croatia faces a number of significant challenges in overcoming the negative impact of the crisis and securing a path to sustainable economic recovery, including in the areas of employment generation, skills development, social dialogue and enhanced labour law enforcement.

¹ Economist Intelligence Unit Country Report on Croatia, October 2010.

Decent Work Country Agenda Priorities

The Croatia Decent Work Country Agenda is a shared responsibility of the ILO and its constituents (Ministry of Economy, Labour and Entrepreneurship and social partners) that will together mobilize their energy and resources to achieve mutually agreed outcomes. Following tripartite consultations held in July 2010 in Zagreb, the following priorities aimed at meeting the national constituents' needs are proposed.

The ILO will include Croatia as one of the target countries in a new project on Supporting Strategies to Recover from the Crisis in Central and Eastern Europe. The project aims to enable ILO constituents to design recovery packages that respond to country-specific needs. The project's objective is to create a regional knowledge base on feasible and effective anti-crisis packages for South Eastern European labour markets, which can be used by ILO constituents to develop appropriate policies for sustainable economic recovery. The crisis has affected men and women differently and the project will take account of gender specific impacts and mainstream gender throughout.

The ILO will further assist Croatia in the process of labour market reform by providing expert analysis and advice on labour market demographics with a focus on ensuring an adequate and sustainable pension system; active and passive labour market measures; skill matching and employment generation, particularly focused on the needs of young people. An important element of this component of the Agenda will be awareness-building about the potential for the promotion of the green economy in Croatia. The creation of green jobs is a practical and effective option for reviving economies, developing sustainable enterprises and ensuring a low-carbon, job-centred economic recovery.

The ILO will assist the Croatian government and social partners, and support the Economic and Social Council, where needed, to promote the ratification of ILO conventions and will continue to provide technical advice on issues related to labour legislation and representativity in line with ILO and EU standards.

The ILO will also contribute to increasing the value of employers' and workers' organizations to provide new or better services to existing and potential members. This will include training of trainers in occupational safety and health risk assessment.

Decent Work Country Agenda Modalities

The Decent Work Country Agenda will be implemented jointly by the constituents and the ILO. The ILO will provide the technical expertise and assistance to facilitate the achievement of the expected outcomes to which the constituents are committed.

The new cooperation framework is the continuation of the previous successful cooperation between Croatia and the International Labour Organization and builds upon achievements and lessons learnt.

The ILO and the Croatian constituents will review implementation of the Agenda periodically in order to assess progress made, while maintaining the necessary flexibility to adapt to emerging changes in the national context.