



Central European
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Institute

Bargaining for working conditions and social rights of migrant workers in Central and Eastern European countries (BARMIG)

A circular graphic containing faint, light-colored silhouettes of people, likely representing migrant workers, is positioned on the left side of the page. Two red diagonal lines are drawn over the graphic, one above and one below the text.

National Report Croatia

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List of Abbreviations



AMIF	Asylum, Migration and Integration Fund
ARCI (hr.)	Red Cross Activities for the Integration of Relocated and Resettled Refugees
CAs	Collective Agreements
CAC	Collective Agreement for Construction
CBRC	China Road and Bridge Corporation
CBS	Croatian Bureau of Statistics
CCE	Croatian Chamber of Economy
CCD	Centre for the Culture of Dialogue
CCN	Croatian Chamber of Nurses
CEA	Croatian Employers' Association
CEA-AEA	Croatian Employers' Association - Association of Construction Employers
CEA-AHT	Croatian Employers' Association - Association of Hospitality and Tourism
CEA-AMI	Croatian Employers' Association - Association of Metal Industry
CES	Croatian Employment Service
CMDC	Croatian Medical Doctors Chamber
CMDTU	Croatian Medical Doctors Trade Union
CTUN-MT	Croatian Trade Union of Nurses and Medical Technicians
DPTUC	Digital Platform Workers' Trade Union of Croatia
EC	European Commission
EEA	European Economic Area
EFFAT	European Federation of Trade Unions of Food, Agriculture and Tourism
EIZ (hr.)	Institute of Economics Zagreb
FES	Friedrich Ebert Stiftung
IMIN (hr.)	Institute for Migration and Ethnic Studies
LDA	Latent Dirichlet Allocation
LFS	Labour Force Survey
MFF	Multiannual Financial Framework of the EU
MIPEX	Migration Integration Policy Index
MoI	Ministry of the Interior of the Republic of Croatia
MoH	Ministry of Health of the Republic of Croatia
NLP	Natural Language Processing
OG	Official Gazette
TUCIC	Trade Union of Construction Industry of Croatia
TUHSWC	Independent Trade Union of Health and Social Welfare of Croatia
TUMWC	Trade Union of Metal Workers of Croatia - Industry Trade Union
TUTSC	Trade Union of Tourism and Services of Croatia

Executive Summary



In recent years, general labour shortages have caused Croatia to become highly dependent on migrant workers. The national economy has been faced with a huge outflow of the labour force following accession to the EU, which has been most prominent in the public health-care sector. The construction sector is facing growing labour shortages and in the next ten years, most of the workers in that sector can be expected to be foreigners. Croatia recently amended its formerly rigid and restrictive legislative framework regulating the work of third country nationals. However, the country still lacks a consistent and forward-looking migration policy that would view labour force immigration as an opportunity for economic and social development. There is a further lack of policies that would facilitate the integration of migrant workers and their families into Croatian society. In national social dialogue forums, the topic of migrant work has not yet gained the importance that it deserves. This is due in part to the relatively small number of migrant workers as compared to Western European countries. In recent years, social partners have become more aware of the importance of third country nationals for the smooth functioning of the Croatian economy. Nevertheless, both trade unions and employers lack strategies for dealing with this group of workers.

The negative migration balance is very characteristic of Croatia. In the 1990s, the country lost some 300,000 people due to weak natural growth, and high emigration and low immigration rates. An additional 300,000 people have been lost in the last ten years. Since 2018, net migration in Croatia has stabilised with an approximately equal number of emigrants and immigrants per year (at around 40,000). Research on migrant workers in Croatia is scarce, though it generally shows that migrants are filling the jobs that require minimal (low) education, and that most migrant workers originate from the countries of the region. There has been an increasing number of articles discussing migrant work in the Croatian media in the last five years. However, the vast majority of these articles address this topic from a rather technical perspective, focusing on seasonal labour shortages in certain sectors, without debating more important issues such as the integration of migrants.

Until 2021, Croatia regulated the work of third country nationals based on a quota system, where proposals for annual quotas were provided for specific sectors and occupations. These proposals were given by the Ministry of Labour based on the opinion of relevant services and social partners. Unfortunately, this system was poorly adapted to the sudden changes arising on the labour market caused by unexpected events, such as economic or health crises. This was particularly evident in 2020, as most of the quotas designated for

that year in a decision made one year earlier remained unused due to the conditions caused by the Covid-19 pandemic.

With the entry of the new Aliens Act into force in January 2021, the quota system for regulating the work of third country nationals was replaced by a market test system. This means that employers wishing to employ third country nationals must request that the Croatian Employment Service (CES) conduct a labour market test before applying for a residence and work permit for the person from the Ministry of Interior. The market test has to confirm that there are no unemployed Croatian or EU citizens in country that meet the employer's requirements. During this procedure, the CES also checks if the employer meets other requirements. However, for occupations for which there is a permanent and large shortage within the entire national territory, the new Aliens Act prescribes that this labour market test is not necessary. The new Aliens Act was passed with the consensus of both social partners following two years of negotiations. It introduces a more flexible and forward-looking system. Nevertheless, the trade unions seem to be more satisfied with this new system than employers, who are striving for even more flexibility and less bureaucracy. Furthermore, this new system is not free from bottlenecks. The most common problem is that the Ministry of the Interior cannot issue a work permit without first receiving a certificate of impunity from the country of origin for a particular worker, and this can take several months for nationals of non-European countries. In the near future, this new Aliens Act will probably require amendments to better codify certain procedures.

In 2019, migrant workers (third country nationals) accounted for 2.17% of the employed population in Croatia. However, in reality this figure is likely higher since the available statistics register only annual immigration without presenting cumulative numbers. This study examines the situation regarding migrant workers from third countries in five sectors of the Croatian economy: construction, tourism and hospitality, metal industry, public healthcare, and digital working platforms providing physical services. In these sectors, the presence of migrant work is observable through the annual percentages of approved work permits. In 2020, the highest share was taken by construction (59.4%), followed by tourism and hospitality (16.4%), while shipbuilding and industry (10.7%) was in the third place. Less than 1% of all approved work permits were for the public healthcare sector. Statistically, the presence of migrant workers within the digital working platforms cannot be determined.

The statistical data on work permits for all sectors of Croatian economy is of limited quality, since they don't provide information on age, gender or other social characteristics of migrant workers. In the tourism and hospitality sector, most migrant workers work during the summer season and return to their countries of origin after the season ends. Circular migration is also present in all sectors, meaning that migrant workers work in Croatia for a year or two, after which they leave for third countries. This can be observed through a lower number of the prolonged work-permits issued.

The interviews conducted highlighted that most migrants in the construction sector and in tourism and hospitality work as physical labourers. In the metal industry, the overwhelming share of migrant workers also work as physical labourers, though most are highly skilled professionals. Migrant workers in the public healthcare sector mostly fall into two categories: doctors and nurses. Finally, in the digital platform sector providing physical services, most migrants seem to be unskilled or low skilled individuals. The Covid-19 crisis affected various sectors of the Croatian economy differently. Construction recovered quickly from the effects of the initial shock, while tourism and hospitality suffered more significant and permanent losses. Most migrant workers work on fixed term contracts which, as a rule, are drawn up for the duration of their work permits.

Croatia's last migration strategy expired in 2015, and the country is in urgent need of adopting a new document of this kind that would guide and inspire its migration policy. Therefore, it is not surprising that Croatia's integration policy is lacking. In order to cope with administration, the migrant worker needs to speak Croatian, which is an immediate obstacle on the path to integration. There are state programmes for the integration of workers under international protection, and they include both assistance in connecting workers and employers and state sponsored language courses. However, there are no state sponsored programmes for migrant workers immigrating for economic reasons and who do not enjoy international protection. Therefore, all costs related to language learning, recognition of diplomas and further education of migrant workers need to be covered by their employers, by the workers themselves, or in some cases by periodic programmes offered by civil society organisations. Third country nationals in Croatia have limited access to social rights, since these are linked to their employment or permanent residence status. These includes a full range of health care benefits but not the right to other social rights, such as unemployment benefits.

In Croatia, temporary employment agencies play an important role in the employment of migrant workers in the construction and metal industry sectors. However, their role in tourism and hospitality and in public healthcare is currently less pronounced. The role of intermediaries is of crucial importance in the sector of digital working platforms that provide physical services. In this sector, most workers (both domestic and migrant) are employed by aggregators or floaters who act as intermediaries between platforms and the workers themselves. Work through digital platforms has generally been inadequately regulated in Croatia, though this issue is expected to be resolved with the new Labour Act, which was drafted in mid-2021 and should come into force during 2022.

Collective bargaining is arguably most developed in the construction and tourism and hospitality sectors. In these sectors, there are many single employer agreements though both sectors also have sectoral agreements that are extended to the entire sector. The public healthcare sector is regulated by the national collective agreement for public sector workers and the sectoral collective agreement for public healthcare. In the metal industry, there

is no sectoral collective agreement, though about 85% of workers are covered by some 100 single employer agreements. Finally, in the digital platform sector, there are no collective agreements. None of the collective agreements regulating these sectors include any specific provisions for migrant workers. Moreover, with the exception of the new Aliens Act, there are no signs that the topic of migrant work was discussed as a topic in its own right in social dialogue forums at any level. The lack of provisions and discussions pertaining to migrant workers shows that Croatian social partners lack sufficient awareness and capacity to deal with this issue. Compared to the domestic workforce, migrant workers find themselves in greater difficulties due to their non-existent social networks, obstacles in exercising all social rights, and generally high exposure to potential discrimination.

In the five sectors that are the focus of this study, it is difficult to single out social partner strategies aimed towards migrant workers that would improve their employment status or level of social integration. At best, Croatian social partners are aware that in the near future, it will be necessary to develop such approaches. In the construction sector, employers are constrained in developing specific practices for migrant workers in terms of helping them to obtain work permits, organising accommodation and in some cases alimentionation. Nevertheless, there are no universally accepted standards or forums for sharing these experiences. The greatest problem for the sectoral trade union is access to construction sites where migrant workers could be contracted, which is frequently denied by the employers where there is no union organisation.

In the tourism and hospitality and the metal industry sectors, the situation is similar to that in construction, although the access of trade unions to migrant workers is usually less difficult. In public healthcare, social partners are aware that procedures for the recognition of foreign professional qualifications have to be simplified and some efforts have been focused in that direction. Currently this process can take from 6 to 12 months or even longer, which is demotivating for highly skilled migrant workers for which there is currently high demand. These procedures could easily be simplified at least for the citizens of neighbouring regional countries that speak Croatian and whose education systems are similar to the Croatian system. In all five sectors, trade union membership of migrant workers is non-existent or at best, as in construction, it is marginal and does not exceed 2%.

Regarding best practices, it should be noted that in both construction and the metal industry, the employer's association has petitioned the government to agree with the issuance of open-ended contracts for certain profiles of migrant workers in high demand. In the case of construction, this request was denied. Nevertheless, in the metal industry sector, a similar employers' initiative was successful and the Ministry of Interior allowed the issuance of open-ended contracts for migrant workers when they have a work permit for at least one year and when the employer expresses the desire and expectation to keep the worker after the expiry of the work permit. This shows that the employers' association is interested in

improving working conditions for migrant workers, and in this respect, sometimes it goes even further than the trade unions.

An example of best practice was the conclusion of a single employer collective agreement between the Trade Union of Construction Industry of Croatia and the China Road and Bridge Corporation (CRBC) in 2019. The CRBC corporation was previously contracted by the Croatian government to build the Pelješac Bridge, one of the largest bridges in the world. The collective agreement included certain rights that were greater than the rights guaranteed in the sectoral collective agreement. It must be underlined that most workers on the Pelješac Bridge were Chinese citizens. Finally, the establishment of the Croatian Digital Platforms Workers' Union in September 2021 also represents an example that could be singled out as best practice, since the trade union is aware of the issues related to migrant work and is planning activities to address them. The union was organised with the support of the Union of Independent Trade Unions of Croatia, one of the largest national trade union federations. For a start, the Croatian Digital Platforms Workers' Union was granted free premises in the building of the trade union federation and free assistance from its legal and other experts.

The main recommendations of the research are as follows:

- Croatia needs to develop a new migration strategy that will serve as the foundation for its future migration and integration policies. These policies should move away from perceiving immigration as a security threat. Instead, they should view it as an opportunity for economic and social development. This would benefit both the migrant workers and Croatian society.
- The state has to develop appropriate integration policies and measures that would allow faster integration of migrants. These have to include free language courses for migrant workers and their family members but also better access to a wider range of social security services.
- The social partners must develop their own strategies and policies towards migrant workers. Social partners in all social dialogue forums have to start discussing the issues of migrant work as a topic in its own right. This topic needs to be periodically discussed in order to prevent the discrimination of migrant workers and to further their integration.
- The work of the labour inspectorate needs to be strengthened and their employees educated about the specific vulnerabilities of migrant work. This particularly pertains to work of online platforms that provide physical services. Their activities, for the most part, pass under the radar of the state labour inspectorate.

Introduction



This report argues that Croatia is becoming increasingly dependent upon migrant workers for the smooth functioning of its economy. The key reasons lie in the huge outflow of the labour force from Croatia to other (predominantly EU) countries, low wages in most sectors, the practice of early retirement, and the aging of society. Labour shortages are particularly severe in labour-intensive sectors with a strong seasonal character, such as tourism and construction. However, the country lacks specific policies that would prevent circular migration and allow the proper integration of foreigners. Thus far, the social partners have paid insufficient attention to the specific characteristics and vulnerabilities of migrant work, since this type of work has not been widespread. Furthermore, the overwhelming number of migrants in the past originated from countries of the South East European region, meaning that they were easy to integrate. Nowadays, this is changing, with the number of migrants from non-European destinations increasing every year. This will require social partners to develop strategies that would improve the status of migrant workers on the Croatian labour market and to increase their membership in trade unions and employer associations.

This report has been prepared within the project entitled “Bargaining for working conditions and social rights of migrant workers in Central East European countries (BARMIG)” implemented between September 2020 and July 2022. The project was supported by the European Commission (EC) and coordinated by the University of Marie Curie Skłodowska (UMCS) from Lublin, Poland. The UMCS implemented this project in partnership with the Institute for Development and International Relations (IRMO) from Zagreb (Croatia); Association of Electro-technical Industry (ZEP SR) from Bratislava (Slovakia); the Central European Labour Studies Institute (CELSI) from Bratislava; and the University of Tartu (UT) (Estonia).

The Croatian report assesses the role of established industrial relations institutions in addressing the increased presence of migrant workers from third countries in domestic labour markets, and analyses how and with what capacities the trade unions and employer organisations in Croatia are responding to these changes and challenges. The aim of the Croatian report is to assess the constraints, opportunities and challenges for industrial relations actors stemming from the increased presence of migrant workers in five sectors: public healthcare, construction, tourism and hospitality, metal industry, and the digital economy (i.e., platform work). Of particular concern for this research is the labour market integration of migrant workers from countries neighbouring the EU, particularly Ukraine, Serbia and other Western Balkan countries. More specific aims are to map the opportunities for trade

unions and employer organisations to influence policy in the areas of migration policy, protection and representation of migrant workers' interests, fair employment, equal rights, integration, as well as the improvement of their status through collective bargaining.

The first part of report starts with a brief economic and labour market outlook and provides current statistical data on these issues. It provides information on the relevant institutions guiding Croatian industrial relations and the regulation of migrant employment. It also presents the results of the secondary literature review about migration and migrant work In Croatia, with an emphasis on third country nationals. This is important to determine how widely these topics have been explored by Croatian researchers and to set the scene for further discussions. The first part also provides a review of the most important legislation concerning migrant work and an assessment of the media reports on migrant workers in the period 2016–2020. The second part of the report presents the results of field research implemented in Croatia. This section interprets the results of 21 in-depth interviews with the trade unions and employer organizations in the target sectors, migration experts and activists. Thematically, it addresses the legislative framework, migration trends, social dialogue on migration-related topics, and the integration of migrants. The report concludes with specific policy recommendations.

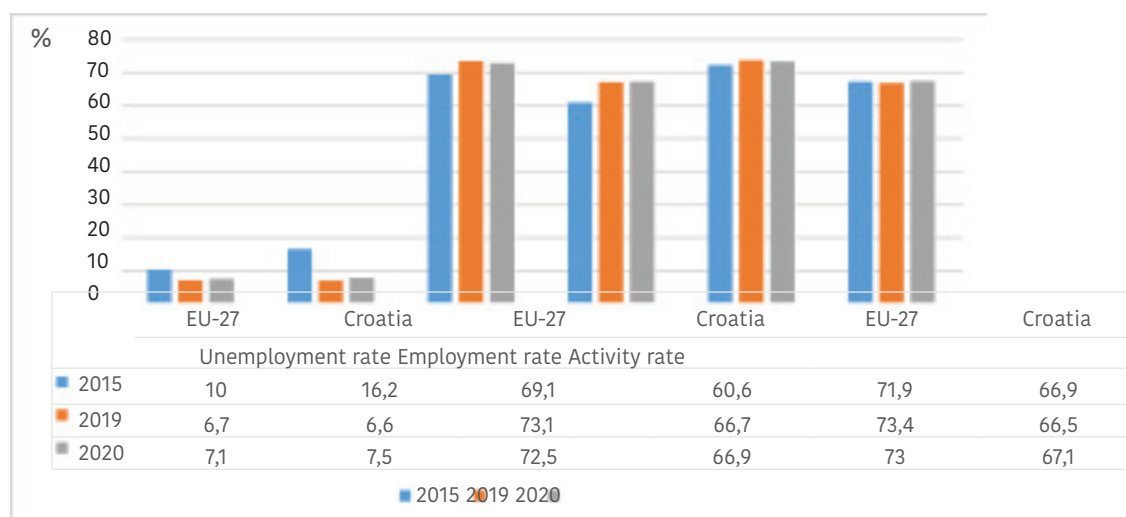
1. Overview of migration and industrial relations in Croatia



1.1. General economic outlook

In the period 2015–2019, Croatia benefited from a period of economic stability and growth. The driver of this growth was an increase in exports as a consequence of EU membership, together with the pick-up of private consumption and investments. On average, GDP growth was around 3%, which was above the EU average. Exports were supported by record tourist seasons and a recovery of the European economy. All of this created a positive environment for economic development. It influenced the reduction of the debt to GDP ratio from 84.7 to 73.2%, and an increase of the employment rate from 59.2 to 66.7%. Nevertheless, the employment rate of 66.7% in 2019 still placed Croatia among the worst performing EU countries. The low employment rate was strongly correlated with persistently low activity rates. The activity rate fell to 66.5% in 2019, which was a slight decrease compared to 2015 (66.9%), and is still significantly below the EU-27 average of 73.4%. Low activity rates were particularly pronounced for low-skilled workers, young people, women and the elderly. The low activity rate of the elderly (55–64 years) is generally associated with the practice of early retirement. For older women, personal and family responsibilities and care obligations play an important role in not achieving higher employment rates. Another important reason is disability or illness.

Figure 1: Employment, unemployment and activity rates in Croatia and the EU-27 in 2015, 2019 and 2020



Source: Eurostat, 2022

The unemployment rate in the 2015–2019 period was reduced from 16.2 to 6.6%, which appears at first glance to be a massive reduction in unemployment. However, this is only partly attributed to economic recovery, where the additional reduction of the unemployment rate could be attributed to emigration. Last but not least, several years prior to 2020, Croatia witnessed a real annual wage growth of some 2%.

Table 1. Selected key economic indicators

Indicator	2018	2019	2020	2021	2022f	2023f
GDP	2.9	3.5	-8.1	8.1	5.6	3.4
Exports	3.7	6.8	-22.7	22.1	15.0	9.0
Employment rate (change)	2.4	3.1	-1.2	1.6	1.3	1.2
Unemployment rate	8.5	6.6	7.5	6.7	6.2	5.8
Structural budget balance as % of GDP	-1.0	-1.3	-4.7	-3.5	-3.4	-2.7
Current account balance as % of GDP	1.9	2.8	-0.9	0.8	0.8	0.3
Government gross debt as % of GDP	73.3	71.1	87.3	82.3	79.2	77.9

Source: EC Economic Forecast, Autumn 2021

Croatia experienced an economic contraction of 8.1% in 2020 due to the pandemic (Eurostat). This was partly due to outsized reliance on tourism that contributes nearly 20% to the country's GDP. In the same year, the debt to GDP ratio increased from the 71.1 to 87.3%. The unemployment situation also worsened and according to Eurostat, the unemployment rate was 7.5%. The increase in debt to GDP ratio is likely be temporary, due to predicted strong economic growth in the upcoming years and historically low interest rates on the world financial markets. Some signals of recovery were marked in the 2021 EC Autumn Economic Forecast, which forecasted economic growth of 8.1% and a reduction of the unemployment rate from 7.5 to 6.7% for 2021. In such generally challenging circumstances, EU

support in the form of grants and loans from the EU Recovery Fund is of key importance. On top of EUR 12.3 billion from the 2021–2027 MFF in the years to come, Croatia will have access to an additional EUR 9.4 billion from the Recovery Fund. Of this, three-fourths are reserved for grants and only one-fourth for loans. Hopefully, the synergetic effects of this increased funding will trigger greater economic growth and employment in the years to come.

1.2. Legislation

1.2.1. Legislation on migrant work – third country nationals

The process of legal harmonisation concerning migration began before Croatia's accession to the EU. The Croatian legislation was in compliance with the EU requirements only to a limited degree before the start of negotiations in 2006. Transposition of the EU acquis was required in fields of labour migration so the first Aliens Act from 2004 was amended. Procedures for reception and deportation needed to be addressed. Furthermore, the country needed to increase the capacity of its reception centres and training of staff at all levels (European Commission, 2006).

When Croatia joined the EU in July 2013, the issue of integration of migrants from third countries started to gain additional importance, especially due to the growing waves of refugees in Europe, whose routes also pass-through Croatia. Refugees come primarily from war-affected areas (Syria, Afghanistan, Iran, etc.) where human rights violations are frequent.

Two latest acts which regulated the work of migrants from third countries are relevant for this analyses. The first is the Aliens Act from 2018 (in effect from 26 May 2018 to 31 December 2020)¹; the second is the current Aliens Act, which was adopted in December 2020 and is implemented since 1 January, 2021.²

The Aliens Act from 2018 was harmonised with the EU acquis for this area. It prescribed the conditions of entry, movement, residence and work of migrants from third countries in Croatia, and the working conditions and rights of workers sent to Croatia. Third country nationals wanting to reside and work in Croatia were legally divided into three categories: third-country nationals who are not nationals of an EEA Member State or the Swiss Confederation; third-country nationals with approved permanent residence in another EEA Member State and their family members, and highly qualified third-country nationals with an EU Blue Card. A third-country national was able to remain in Croatia for: a short-term stay (up to 90 days in any period of 180 days), temporary stay (up to one year) or by way of permanent residence (unlimited). Similar situation is today.

The Aliens Act (2018) was substantially supplemented by provisions on work permits for third country workers. Accordingly, a third country national was able to work in Croatia on

1 Aliens Act, OG 130/11, 74/13, 69/17, 46/18, 53/20

2 Aliens Act, OG 133/2020

the basis of an issued residence and work permit or a work registration certificate. Work without a permit or registration certificate was only possible in exceptional situations.³

The Act (2018) was based on quota system. The government decision determined the annual quotas for the extension of issued permits and for the new employment of citizens from third states. This decision had to be published no later than October 31 of the previous year for the following year. This proposal was made by the Ministry of Labour based on the opinion of the Croatian Employment Service, Croatian Chamber of Economy, Croatian Chamber of Crafts, and representatives of social partners, in accordance with the situation on the labour market in certain industries and occupations. The annual quotas may have also granted a permit for seasonal work for up to 90 days and up to six months, and permits for persons seconded from a company.⁴ Granting a residence and work permits on the basis of the said annual quotas to third-state nationals was subject to fulfilment of the following conditions: employment contract; certificate or other proof of employment; proof of acquired educational qualification or competence; proof of registration of a company, representative office or similar in the Croatia, if relevant.⁵

Today the work of migrants from third countries is regulated through the relatively new Aliens Act, adopted in November 2020 which entered into force in January 2021.⁶ The key difference from previous Act is that the Government no longer has to decide on the annual quotas for the work of third-country nationals. However, employers are obliged to request the Croatian Employment Service to conduct a labour market test before applying for a residence and work permit for foreigners. In order for a third-country national to be granted a residence and work permit in Croatia, the labour market test should confirm that there are no unemployed persons in the country who meet the employer's requirements. The process of permit issuance, including the labour market test, is to take a maximum of 30 days.

Namely, according to the latest Act (2020), before applying for a residence and work permit the employer intending to hire a foreign worker must file a request with the Croatian Employment Service (CES) stating the conditions for a particular job opening. Within 15 days, the CES advisor is required to find domestic unemployed workers who meet these conditions and send them for an interview to the employer. Based on the results of this process, the regional office or CES office decides whether or not the employer is permitted to hire a foreign worker. In the case a positive answer is received (meaning there are no unemployed workers for this job), the employer has 90 days to submit an application for a work permit, which is submitted to the CES and the Ministry of the Interior.⁷

3 Article 3, OG 69/17, 46/18

4 Article 74, OG 69/17

5 Article 75, OG 69/17

6 OG 133/2020 (2.12.2020), Aliens Act

7 Article 98, OG 133/2020

During this procedure, the CES considers whether the employer has met the following conditions that allows him to employ a foreign worker: no outstanding debt for public benefits, is registered for the activities for which is seeking foreign workers, has at least one full-time employee, at least one-quarter of staff are domestic workers. The employer must also prove that the potential foreign worker meets all the conditions required from domestic workers, and that the contract for the foreign worker is in accordance with the provisions of the branch collective agreements.⁸ Based on this documentation, the CES issues its opinion and forwards it to the Ministry of the Interior, which further conducts the administrative procedure, where the most important step is submission of a certificate of impunity from the country of origin. The new Aliens Act also prescribes that a labour market test is not required for certain occupations. These are occupations for which there is a permanent and large shortage of labour within the entire territory of Croatia, mainly in the field of construction and the IT industry.

Similar to its predecessor the new Aliens Act prescribes that after a continuous period of five years of residence in Croatia (including granted temporary residence, asylum or subsidiary protection), a third-state national may be granted permanent residence in Croatia.⁹ The new Act also introduces the institute of long-term visa (D visa), in cases where a third-country national is granted temporary residence on the basis of work, family reunion, study, research or secondary school education.¹⁰ The Act also prescribes the possibility of regulating temporary residence for digital nomads, i.e., foreigners who perform work digitally for foreign employers. Some changes are expected in the tax provisions, and provisions on health insurance. Generally, the work of digital nomads should not be subject to taxation, i.e., payment of the personal income tax. A third-country national will be granted temporary residence if the conditions are met.¹¹

1.2.2. Labour market integration and policies

In Croatia there has been a long-term disparity between supply and demand on the labour market, i.e., a lack of the appropriate profile of workers within the domestic labour market. Therefore, integration of foreigners-immigrants into Croatian society was considered important even prior to EU accession, but Croatia has only recently begun to develop a modern integration policy concerning the migrants. As an EU Member State, Croatia has adopted several policy documents with the aim of defining its policy of integrating migrants into society, following the EU model based on the participation of migrants in the basic structural areas of the recipient society and their identification with that society (Lalić Novak and

8 Article 99, OG 133/2020

9 Article 3, OG 133/2020

10 Article 35, OG 133/2020

11 Proof of the purpose of the temporary stay; valid foreign travel document; availability of subsistence and health insurance; proof that they have not been convicted of criminal offences from home country or the country of residence for more than one year prior to arriving to Croatia; no ban or warning on entering and staying in Croatia; no threat to public order, national security, or public health.

Giljević, 2019). The key EU directives in this area have also been transposed into the Croatian legislation.

The first document dealing with migration was the Migration Policy 2007–2008 passed in 2007 (Croatian Parliament, 2007). Due to the relatively small number of migrants, their integration into society in that initial period was considered primarily in the context of the refugee population (Lalić Novak and Giljević, 2019). Following EU accession, another migration policy was developed for the period 2013–2015 (Croatian Parliament, 2013). In analysing this migration policy, Saša Božić (2014) expressed the opinion that the document does not consider the desired social, economic and demographic effects of migration nor does it understand them as a potential generator of positive social and economic changes. The prevailing discourse is that migration is primarily presented as a social and security problem. It is noted that it would be important to adopt a document that will not only legally regulate the status of a small number of immigrants, but which will also enable effective intervention in migration patterns across and within Croatian borders.

The mentioned migration policy expired in 2015 and was not updated, leaving many migration-related issues open. This means that Croatia still has no separate migrant integration policy. Following the changes concerning migrant integration in the EU policy framework, there is a need to develop a specific integration policy in Croatia (Ombudswoman, 2018). The Croatian migration policy is implemented in part pursuant to the Action Plan for the Integration of Persons that were Granted International Protection. This document lists the most important conditions for the integration of foreigners into Croatian society: access to the labour market, access to the education system, health and social insurance and cooperation with countries of origin. In terms of the labour market, its measures focus on Croatian language courses, rights and obligations within the employment system, professional orientation and different active employment policy measures (GRC, 2017). The general public does not have sufficient insight into implementation of this Action Plan, and no similar document has been prepared for the integration of migrants into the labour market.

In 2019, the Croatian Migration Integration Policy Index (MIPEX) score was 39/100. This means that integration conditions in Croatia could generally be evaluated as slightly unfavourable. Integration conditions are particularly problematic in categories such as education, health, and political participation.¹² These neglected integration efforts could partly be explained by the traditionally negative migration balance, with a relatively small number of foreigners and the fact that migrants mostly originate from the countries of the region (Lalić Novak and Giljević, 2019). Furthermore, Croatia was primarily a transit country at the time of the migration crisis, and therefore had no adequate integration policies (Tatalović and Jakešević, 2016: 22). One particularly important question is whether the new non-European immigrant communities, such as Syrians, Indians or Chinese, could aspire to attain national minority status and thus gain the right to political participation and preservation of their

12 Migration Integration Policy Index: <https://www.mipex.eu/croatia>

own identity. For the time being this is not possible, since in the national census, one may declare their belonging to only one of the recognised traditional national minorities, all of which are European (Ibid: 17).

The current Aliens Act (2020) envisages that Croatian Parliament, on a proposal from the Government, will lay down principles for the implementation of a comprehensive immigration policy for a period of at least five years. Considering current demographic, economic and social situation, decision will be made on the number, criteria and conditions for immigration of third-country nationals for each calendar year.¹³

1.2.3. Anti-discrimination measures

Pursuant to the Aliens Act (2020), the conditions for granting a stay and work permit for the work of a third country national must be in line with the legislation of the Republic of Croatia and the collective agreement that binds the employer.¹⁴ To illustrate the rights of workers from third countries, the example of seasonal workers could be presented. These workers have the same rights as Croatian citizens with regard to the following:¹⁵ accommodation; health insurance; terms of employment; right to participate in strikes and industrial actions; freedom to organise in trade unions and be members of trade unions or any other professional organisation; as well as the rights and benefits conferred by those organisations, including the right to collective bargaining and to conclude collective agreements; late payments to be paid by the employer; branches of social security; access to goods and services; counselling services; education and vocational training; recognition of diplomas, certificates and other professional qualifications.

1.2.4. Naturalisation vs. official stance on illegal worker immigrants

Non-governmental organisations play an increasingly important role in the implementation of integration policy towards migrants in Croatia. An example are activities of the Croatian Red Cross, which has been working on networking between employers and refugees since 2017 pursuant to its agreement with the Croatian Employers' Association (CRC, 2021). The Croatian Red Cross also implements the project "Red Cross Activities for the Integration of Relocated and Resettled Refugees" (ARCI), funded by the European Union's Asylum, Migration and Integration Fund (AMIF). Project activities are aimed at assisting beneficiaries in learning the local language and developing the necessary skills and knowledge. Furthermore, they aim to provide support relating to education and employment, with emphasis on the needs of vulnerable groups such as women and children (IFRC, 2019).

It should be noted that Croatian language courses are organised for persons granted international protection. However, the implementation of these courses is deficient and irregular,

¹³ Article 246, OG 133/2020

¹⁴ Article 138, OG 133/2020

¹⁵ Article 108, OG 133/2020

despite a well-established legal framework and defined programme. Therefore, some NGOs have launched volunteer Croatian language courses for migrants to facilitate their easier social and labour market integration. Such services are provided by the association Are You Syrious, which launched such a course in 2017.¹⁶ Furthermore, the Centre for the Culture of Dialogue (CCD) is constantly working to promote the integration process and raise the quality of life of persons with approved international protection. The CCD approaches integration as a two-way process by providing direct assistance to asylum seekers. Emphasis is placed upon the institutional and strategic strengthening of interreligious and intercultural dialogue, sensitising the local population on the issue of inclusion in the local communities of persons with approved international protection, and encouraging fair and objective media coverage about refugees (Total Croatia News, 2020).

Some NGOs, such as GONG, actively oppose stereotypes about gender inequality within the migrant population. This organisation's Media Monitoring Report (2016) underlined that, "While supporting gender inequality is unacceptable in a democratic public, the portrayal of migrants as a group of people whose culture is incompatible with gender equality supports another discriminatory discourse, one directed against refugees and migrants whose integration into European societies is already under attack and inadequately supported by concrete policies. Instead of this kind of content that supports the stereotyping of migrants, there are more productive ways to thematise gender equality in non-European migrant communities" (GONG, 2016).

1.3. Statistical data

1.3.1. Overall trends

Since the start of the financial crisis in 2009 and especially after Croatia's entrance into the EU in 2013, the Croatian economy has faced a large outflow of the labour force. Emigration issues are among the main social and economic problems that are widely discussed in the academic community, media and political society. The census of population implemented in 2021 has shown that Croatia has 3.888.529 inhabitants which is around 10% less than in 2011 when there were 4.284.889 inhabitants in the country. The decrease reflects the depopulation problem in Croatia that is a combination of low birth rate and emigration towards Western Europe (CBS, 2021h).

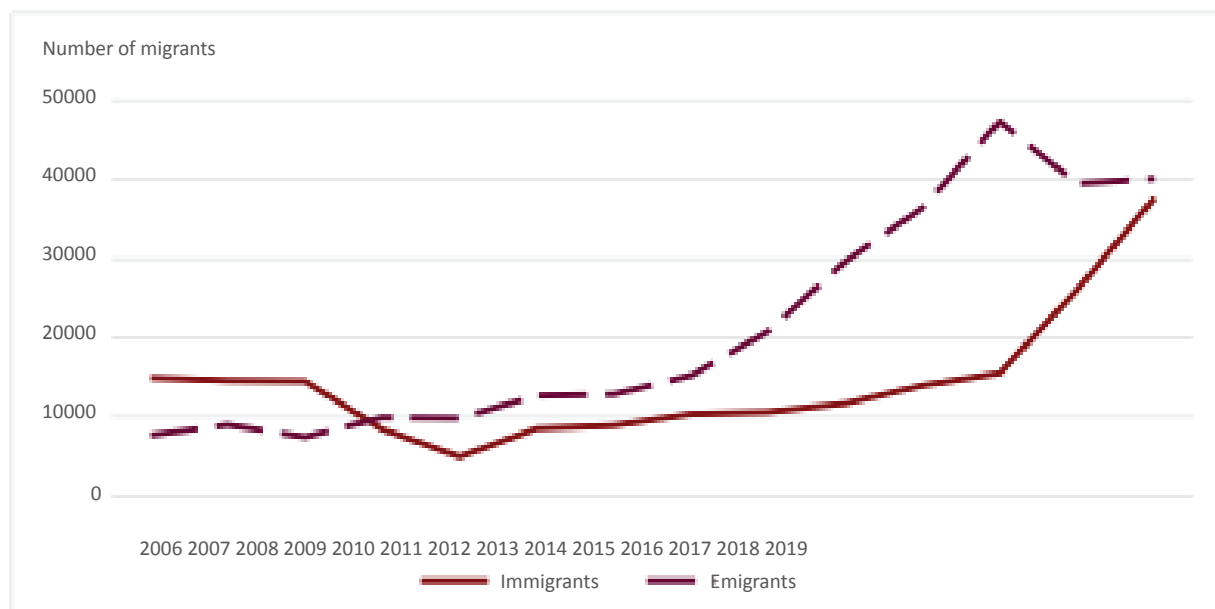
Official statistics indicate that the net emigration is deeply negative. On average, from 2015 to 2019, about 0.5% to 0.8% of the total population emigrated annually, which in terms of the working active population is about 1.2% to 1.7%. These negative developments had a major impact on the domestic labour market, which has faced labour shortages in certain

¹⁶ Are You Syrious?: <https://areyousyrious.eu/>

segments of the economy, especially tourism and the hospitality sector, but also the construction and medical sectors. The main reason for emigration, apart from market opening, are the low domestic labour prices.

Figure 2 presents the number of immigrants and emigrants. The net migration balance worsened the labour market equilibrium, especially after 2013 when the gap between immigrants and emigrants widened. Therefore, Croatia tried to compensate by increasing employment quotas for third-country nationals. Of the total 37,726 immigrants in 2019, 26% were Croatian citizens, 7% other EU citizens and 66% third country nationals. This higher percentage of Croatian citizens is due to fact that most Croats in the regional countries hold dual citizenship (e.g., Croats in Bosnia and Herzegovina represent 25% and Croats from Serbia accounted for 7% of all Croatian citizen immigrants). Furthermore, many Croats are repatriates from Germany (36%) and other European countries.

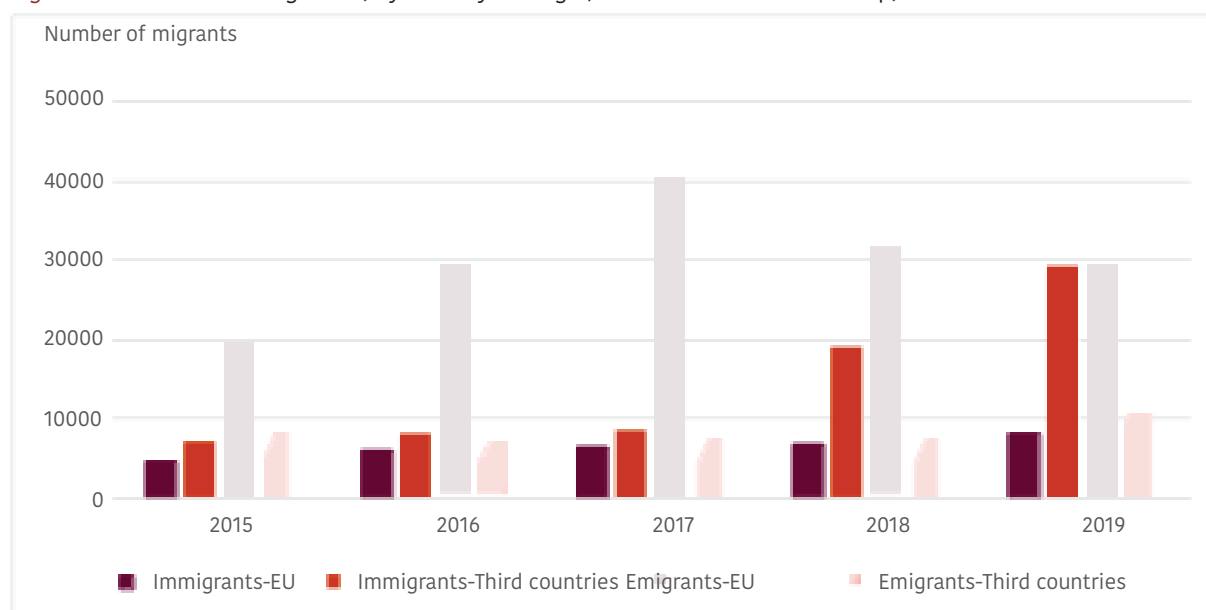
Figure 2: Net migration of the population of the of Republic of Croatia with foreign countries, 2006–2019



Source: Croatian Bureau of Statistics, Migration of the population of the Republic of Croatia 2010 and 2019, https://www.dzs.hr/Hrv_Eng/publication/2020/07-01-02_01_2020.htm and https://www.dzs.hr/hrv_eng/publication/2011/07-01-02_01_2011.htm (accessed 20 November 2021).

Figure 3 shows that the increased number of immigrants from third countries has been particularly prominent since 2015, with a visible peak in 2018, while immigration from EU countries has remained at a relatively stable level throughout the years. These statistical data also include immigrants with Croatian citizenship. After 2017, we can observe an increasing gap between immigrants from EU countries and immigrants from third countries, which is related to the increased annual quotas for the employment of third country nationals. In 2018 and 2019, the total number of immigrants includes a significant share of third country nationals with employment permits. Therefore, the focus in continuation will be on the quota statistics.

Figure 3: International migration, by country of origin/destination and citizenship, 2015–2019



Source: Croatian Bureau of Statistics, Migration of population of Republic of Croatia, various editions, https://www.dzs.hr/default_e.htm (accessed 10 January 2022).

Since Croatia has a rising number of immigrants it is important to mention that the Eurostat data for Croatia shows 6.4 immigrants per 1,000 inhabitants in 2018. Also, we can point out that in 2019, immigrants in Croatia from EU countries accounted for 0.61% of all those employed in legal entities, while immigrants from the third countries accounted for a higher share of 2.17%.¹⁷ This indicator shows the deficit challenges faced by the labour market in Croatia. Further information from official sources and from the Labour Force Survey on immigrants in Croatia is incomplete and inconclusive.

Concerning data quality, it should be emphasised that the data from official sources and the Labour Force Survey (LFS) is sparse (CES, 2021). In most cases, the LFS data about foreigners is unavailable and/or designated as an inaccurate estimation. In some cases, the data are accompanied by a note that these figures are not zero but that any estimation is extremely inaccurate. Therefore, the presented data in this chapter is based primarily on the statistical data provided by Ministry of Interior which is of better quality, but also not without methodological problems.

1.3.2. Recent worker migration from third countries

The most significant increase of the approved number of quotas was recorded in 2020.¹⁸ Figure 4 and Table 2 present the number of annual quotas for employment of foreigners. It is clear that the consequence of the labour force outflow has led to a high number of foreign

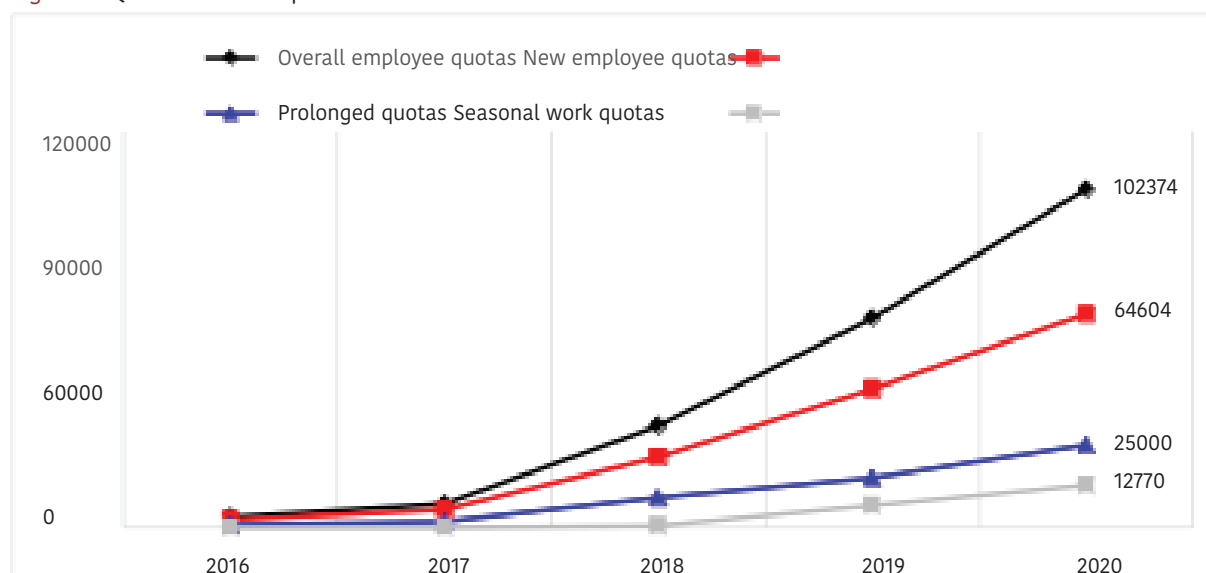
¹⁷ The number of immigrants from the EU is relatively high because it also contains Croatian citizens who worked temporarily in other EU countries but decided to immigrate back to Croatia. In reality, the overall number of immigrants is likely somewhat higher since this statistic examines immigration on an annual bases and does not present cumulative numbers that would add immigrants from the previous years.

¹⁸ The decision on approving quotas for 2020 was made prior to the onset of the Covid-19 situation.

workers observed across all quota categories, and this is especially prominent after 2017. Figure 4 and Table 2 also include seasonal work quotas. These quotas are approved for a shorter time period (about 3 months), mostly for seasonal work in tourism and the hospitality sector, and they represent a small percentage of the overall approved quotas.

Prolonged quotas also account for a small part in the overall number of quotas. These are defined as the annual quota for the extension of already issued permits for the employment of foreigners and are also passed on an annual basis. The new employee quota is the number of quotas which is based on additional needs for employment by sector, and since 2017, their number has rapidly increased. The overall or total number of employee quotas is the sum of the above quota categories. The statistics do not include quotas within intra-company relocations, as they account for less than 1% of the total approved quotas and quotas within the implementation of strategic investment projects, since these quotas were not approved prior to 2018.

Figure 4: Quotas in the Republic of Croatia 2016–2020¹⁹



Source: Official Gazette of the Republic of Croatia. Decision on determining the annual quota of permits for the employment of foreigners, OG 39/16 (1027), OG 118/16 (2589), OG 122/17 (2783), OG 116/18 (2310), OG 113/19 (2271), (accessed 4 December 2021).

Table 2: Types of quotas in the Republic of Croatia 2016–2020

	New employee quotas	Seasonal work quotas	Prolonged quotas	Overall
2016	2300	15	800	3115
2017	5211	15	1800	7026
2018	21,210	540	9000	30,750
2019	41,810	6540	15,000	63,350
2020	64,604	12,770	25,000	102,374

Source: Official Gazette of the Republic of Croatia, Decision on determining the annual quota of permits for employment of foreigners, OG 39/16 (1027), OG 118/16 (2589), OG 122/17 (2783), OG 116/18 (2310), OG 113/19 (2271), (accessed 4 December 2021).

¹⁹ Certain deviations in numbers presented in Figures 3 and 4 can be explained by the subsequently approved additional quotas, the fact that not all quotas are always used, the fact that some third country nationals use more than one work permit during the same year, etc.

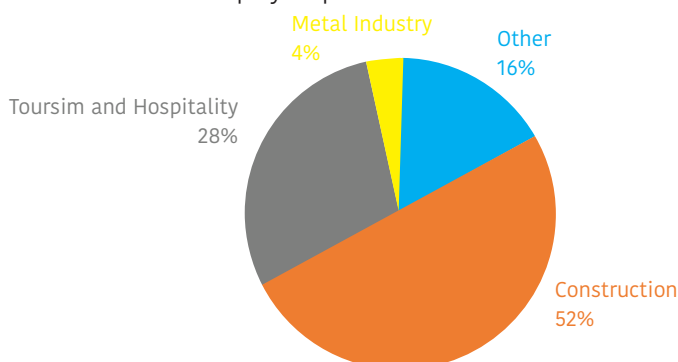
Due to a lack of detail quota system specifications concerning sectoral quota distributions, further analysis is focused only on new employee quotas. Overall, the number of new employee quotas are derived mostly from increased demand for labour in the construction sector and tourism and hospitality, as shown in Table 3. The importance of these two sectors for the Croatian economy can be emphasised by the fact that on average they account for 57% of all new quotas granted in the period 2016–2020, while their share accounts for 80% of all new employees' quotas in 2020.

Table 3: Sectoral distribution of new employee quotas and percentage of employed

	Construction		Public Health		Metal Industry		Tourism and Hospitality		Overall new	% of
	quota	% of empl	quota	% of empl	quota	% of empl	quota	% of empl	quotas	empl
2016	500	>1%	15	>1%	/	/	85	>1%	2300	>1%
2017	2080	2.0%	15	>1%	200	>1%	175	>1%	5211	>1%
2018	10,770	10.0%	70	>1%	1600	2.8%	4660	4.2%	21,210	1.4%
2019	7,800	15.4%	120	>1%	2200	3.9%	10,611	9.2%	41,810	2.7%
2020	33,300	27.3%	90	>1%	2300	4.1%	18,370	18.5%	64,604	4.2%

Source: Official Gazette of the Republic of Croatia, Decision on determining the annual quota of permits for employment of foreigners, OG 39/16 (1027), OG 118/16 (2589), OG 122/17 (2783), OG 116/18 (2310), OG 113/19 (2271), Statističke informacije 2021i (accessed 4 December 2021).

Figure 5. Sectoral distribution of new employee quotas in 2020



Source: Official Gazette of the Republic of Croatia, Decision on determining the annual quota of permits for employment of foreigners, OG 39/16 (1027), OG 118/16 (2589), OG 122/17 (2783), OG 116/18 (2310), OG 113/19 (2271), (accessed 4 December 2021).

The construction sector can be highlighted as the most deficit vulnerable sector, since already in 2017, it absorbed around 50% of all new employee quotas for third-country nationals. The public healthcare sector showed a decrease in the need for new employment in 2019/2020. However, according to Eurostat, Croatia generally suffers from a deficit of public healthcare workers, with only 6.6 nurses per 1,000 inhabitants in 2016 (compared to the EU average of 8.5) and 3.4 doctors (compared to the EU average of 3.6).

Table 4 presents the number of issued residence and work permits for the period 2017–2020. In addition to new employee quotas, this data also includes employee quotas that were extended, and the number of people who came to pursue education and research, to connect with their families, for humanitarian reasons, etc. According to these data, there is a noticeable change in trends in sectoral distribution of residence and work permits. In 2017,

the highest share of permits was taken by construction (49.4%), followed by shipbuilding and industry (26.8%), and then tourism and hospitality (5.1%). In 2020, the highest share was again taken by construction (59.4%), followed by tourism and hospitality (16.4%), and with shipbuilding and industry (10.7%) in third place.

Construction is the sector that absorbs the most permits, with more permits issued in 2020 than in 2019. The public healthcare sector is within the usual curve, and in accordance with the number of approved quotas for new employment. Issued permits in tourism and hospitality recorded an expansion up until 2019, but in accordance with global trends and the impact of COVID-19 the number of issued residence and work permits decreased in 2020.

Table 4: Issued residence and work permits for foreigners and percentage of employed

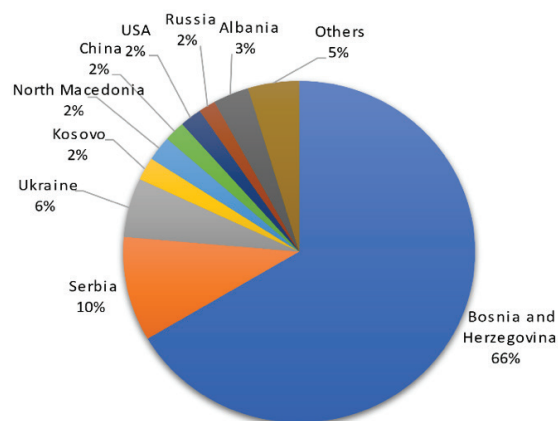
	Construction		Public Health		Shipbuilding and Industry		Tourism and Hospitality		Overall	% of empl
	permit	% of empl	permit	% of empl	permit	% of empl	permit	% of empl		
2017	5531	5.4%	38	>1%	2999	1.2%	571	>1%	11,195	>1%
2018	16,452	15.4%	61	>1%	4134	2.0%	8332	7.5%	37,719	2.1%
2019	34,869	30.3%	84	>1%	7188	2.8%	21,294	18.5%	72,492	4.7%
2020	39,866	32.6%	86	>1%	7183	2.8%	11,012	11.0%	67,108	4.3%

Source: Statistical overview of issued residence and work permits for foreigners according to branch of activity, Ministry of Interior, available upon request, Statističke informacije 2021i (accessed 4 December 2021).

It is interesting to analyse the composition of a third-country nationals with a temporary residence permit for the purpose of work. The Ministry of the Interior keeps separate statistics on third-country nationals with temporary residence for different purposes, such as family reunification, education, scientific research, etc. Our interest is focused on statistics connected with registered stays for the purpose of work, and therefore these other aspects will not be addressed.

According to the latest available data from 2017, of the 7750 total registered stays for the purpose of work, 66.5% came from Bosnia and Herzegovina, followed by 10% from Serbia (Figure 6). By comparison, in the same period, only 2645 citizens from the European Economic Area applied for temporary residence for the purpose of work. The language barrier is generally not a problem for third country nationals arriving to Croatia, since some 85% speak the regional languages, i.e., these are predominantly people from the former Yugoslavia who speak Croatian, Serbian or Bosnian (European Commission, 2019).

Figure 6: Citizenship of foreigners from third countries with temporary residence permits for the purpose of work as of 31 December 2017.



Source: Ministry of the Interior, https://Mup.gov.hr/UserDocsImages/statistika/2018/Stranci_%20privremeni_stalni_boravak/Drz_trecih-privremeni%20boravak.pdf (accessed 20 November 2021).

1.4. Secondary literature review

1.4.1. Studies of local migration specialists

This chapter provides an overview of the most relevant literature and research findings, focusing on labour migration from third countries to Croatia in the period from 1990 to the present day.

The analysis of Croatian migration at the beginning of the 21st century indicates that through the most recent time period, all modalities of migration were simultaneously present in Croatia, confirming the high degree of mobility of its population. However, the negative migration balance at the national level had a negative effect on socioeconomic and demographic development. In the 1990s, Croatia lost some 300,000 people due to weak natural growth, high emigration and low immigration rates. Furthermore, the asymmetrical spatial development of the country only intensified during the 1990s as the significance of larger regional city centres increased compared to the rest of the country (Lajić, 2002). A study on the social impacts of rural-urban migration in Croatia in the period 1991–2011 describes three main periods: the first period 1991–1995 was marked by conflict following the dissolution of Yugoslavia; the second period 1996–2000 was a post-conflict time when the previously occupied territories of Croatia were reintegrated, and finally, the 2001–2010 period was marked as a normalisation period (Mežnarić and Stubbs, 2012: 245). The conclusion of the study was that at that time, Croatia did not have a clear and credible migration policy capable of managing migration inflows and outflow in the context of the labour market needs (Ibid: 269).

A study on the characteristics of immigrants on Croatian labour market examined the data between 2006 and 2012 indicated that certain migrant subgroups have a lower education

level than the domestic population. It therefore seems that Croatia is not, on average, attracting a highly educated labour force, which is the dominant immigration behaviour of developed market economies. It instead appears that migrants are filling the lower end of the educational achievement ladder, likely accepting those jobs deemed undesirable by the local population. The study concluded that Croatia was not able to attract a more vibrant labour force, that contributes the most to economic activity (Botrić, 2015: 53). Concerning wages, no significant differences in the average net wage were detected between foreign born persons and the domestic population (Ibid: 54).

A 2012 survey of Croatian citizens' attitudes towards migrants conducted showed that most consider migrants a threat for the local population on the labour market. Most agree with claims that the entry of foreign workers into the labour market should be limited in order to give precedence in employment to the domestic population (59.3%). Most respondents would place an assimilation imperative on any migration policy. This means that the integration of migrants is seen as a one-way process in which migrants should disregard their cultural diversity and be assimilated (Čačić Kumpes and Gregurović, 2012; 318–319). This research was conducted at a time when Croatia was not a member of the EU and did not face issues of mass emigration, which have since arisen in recent years. It is probable, however, that the attitudes of Croatian citizens are changing and today there is more openness as a consequence of the changed socioeconomic circumstances and under the influence of the EU.

According to recent estimates, Croatia has lost about 5% of its population since EU accession, while the loss of potential GDP is estimated at 13% (Troskat et al., 2019: 898). A large proportion of these emigrants are highly skilled workers, which represents an additional problem due to the many years Croatia invested in their education. The current approach to this urgent problem is inadequate since migrations of the Croatian population are not monitored systematically or consistently. Furthermore, the collected national data are inconsistent with those of the countries to which Croatia nationals have emigrated. The authors are particularly critical of the “positive” effects of emigration, such as remittances because the loss of human capital cannot be compensated financially (Ibid).

1.4.2. Economic - sectoral assessment of employment of migrant work

The heavy reliance of the Croatian economy on migrant labour in construction and tourism means that the status of third country nationals requires specific legal and policy attention. Nevertheless, such studies are presently rare. Several older studies suggest that the labour law rigidity, lack of mobility culture and the skills mismatch are directly connected to the relatively low numbers of foreign migrant workers. Namely, in the population of regular migrants only every third was working, and 91% of these workers were male (Pavić, 2010).

A 2013 study on migrant workers in Croatia indicates that some 63% worked in smaller private companies with up to ten workers (Božić et al., 2013: 373). Furthermore, about two-

thirds of migrant workers were in the 30–50 age group and most were male. In the sample, 93.3% of migrant workers had only elementary or secondary education, while 6.6% had higher education (Ibid: 376). More than 90% of migrant workers in the sample were from Bosnia and Herzegovina (Ibid: 377). The main motives for coming to work in Croatia were financial and the relative ease of obtaining a work permit (Ibid: 380). The study concluded that work migration towards Croatia is not a part of the broader migration system. Instead, it represents a form of transnational survival strategy for many inhabitants of the regional countries.

From the experiences of Western European countries, it could be assumed that in the case of posted workers, despite universally applicable collective bargaining agreements, irregular and exploitative employment relations practices are transferred from the country of origin to Croatia. In other words, despite the mechanisms for control and enforcement of EU standards, the vulnerability of third country nationals persists due to the cloaking effect of posting employment characterised by subcontracting, cross-border mobility and temporary service provisions (Dunaj et al., 2020: 6). Furthermore, posted workers are less informed about the risks and receive less training than local workers. They also do not report irregularities out of fear of losing their jobs (Ibid: 8).

1.4.3. Labour market integration of migrant workers

A recent 2019 study on migrant entrepreneurship in Croatia indicates that existing migrant entrepreneurs are generally familiar with the functioning of the local labour market and the local business regulatory framework, as this is a pre-condition for doing business in the country. However, migrant entrepreneurs expressed a significant need for additional information and education about the general regulatory framework since the laws and regulations in Croatia change frequently. Other training needs were identified in the following categories: i) skills in providing services, ii) customers relations management, iii) skills for business start-up, iv) developing new products and services (Interreg Country Report, 2019).

A 2019 study on the labour market integration of third-country nationals in the EU indicates that Croatia faces the same three main integration challenges as most other EU Member States: i) lack of language skills, ii) lack of recognition of qualifications and mismatch between skills and qualifications, iii) discriminatory practices (European Commission, 2019: 15). Furthermore, Croatia in particular faces the problem of restrictive access to work permits for third country nationals with residence for the purpose of family reunification, as they cannot automatically obtain a work permit. Family members cannot register as unemployed jobseekers with the employment office until they or their family member have been granted permanent residence (Lalić Novak and Giljević, 2019: 20). The report concludes that in Croatia, as in many other EU Member States, there continues to be a gap of employment and unemployment rates between third-country nationals and native and EU-born people. This underlines the need for effective labour market integration policies and programmes,

positioning labour market integration of third-country nationals as a particularly important policy aspect (European Commission, 2019:41).

1.5. Media analysis

1.5.1. Multiple text analysis

In the collection of data for the media analysis, IRMO was assisted by services of the Presscut agency from Zagreb, is a leading media monitoring agency in Croatia. We provided the names of the news media companies and the key words to be searched. The four selected daily newspapers (Jutarnji List, Večernji List, Slobodna Dalmacija and Novi List) are the most popular traditional daily newspapers in Croatia and among the 15 most popular news websites in the country. The ideological differences between them are not very pronounced. However, while Večernji List and Slobodna Dalmacija could be considered conservative, Novi List is better characterised as left and Jutarnji List as a liberal newspaper. Two additional daily news websites—Novosti and Poslovni Dnevnik—were added to the search to increase ideological differences, since Novosti is strong left-wing portal while Poslovni Dnevnik is strongly liberal and close to employers. Finally, the weekly Glas Koncila and the monthly Sindikalna Akcija were also added to the search. The former due to its right-wing profile while the latter was important as a representative voice of the trade union movement.

The key words given to the Presscut agency were carefully selected to capture the most important themes in the area of labour migration in Croatia. These were: migrant workers, third country workers, working permits, Aliens Act, foreign workforce, quotas for migrant workers, working conditions for foreigners. We also specifically asked for articles published between 1 January 2016 and 15 October 2020. The Presscut agency conducted this search of its database, and the keywords and media sources for the given time period gave an initial list of 2693 articles.

The articles were delivered in excel table form, indicating the media sources, publication date, headline and initial paragraphs of all articles. Most articles on that extensive list were eliminated immediately away since their focus on our topic of interest was only sporadic. Afterwards, all articles that primarily focused on the topic of labour migration in general, such as those analysing EU migration policy or general issues with migration flows into Europe were also eliminated. The final result was a list of 106 articles that were highly relevant for the focus of our research. Most articles were found in Večernji List (32%) and Poslovni Dnevnik (25.4%). Somewhat fewer articles were identified in Slobodna Dalmacija (14.1%), Jutarnji List (11.3%) and Novi List (8.4%). Finally, only a very small number of articles was found in Glas Koncila (1.8%), Novosti (2.8%) and Sindikalna Akcija (3.7%). This indicates that in the journals positioned on the margins of the political spectrum, the topic of migrant work was

The most frequent bigrams and trigrams identified in the articles are presented in Figures 8. While among most frequent bigrams were 'Croatian paradox' and 'every fifth employer', trigrams further specified that while there is 'exceptional labour shortage' the system remains dependent on the 'quotas for employment of foreign workers'.

Table 5. LDA topics

	Word 0	Word 1	Word 2	Word 3	Word 4	Word 5	Topic
Topic 0	moći	ovaj	radni	sat	radnik	mat	moći ovaj radni sat radnik mat
Topic 1	stranac	mnogo	poslje	urediti	problem	imigracijski	stranac mnogo poslje urediti problem nov imigracijski
Topic 2	tisuća	vlada	posljednji	strana	hrvatski	prvi	tisuća vlada posljednji strana hrvatski prvi
Topic 3	polit	prijedlog	okruženje	sektor	dialog	hrvati	polit prijedlog okruženje sektor dialog hrvati
Topic 4	hrvatski	pripremati	turistički	deset	nov	sindikata	hrvatski pripremati turistički deset nov sindikat
Topic 5	poslodavac	velik	jedini	sav	trebati	turizam	poslodavac velik jedini sav trebati turizam
Topic 6	zakon	mjesec	predstaviti	nov	zapošljavanje	stran	zakon mjesec predstaviti nov zapošljavanje stran
Topic 7	htjeti	dan	početak	vladin	stvoriti	kolovoz	htjeti dan početak vladinstvoriti kolovoz
Topic 8	imati	radilo	jedan	raditi	među	kazati	imati radilo jedan raditi među kazati
Topic 9	zbog	država	regija	unatoč	rad	dva	zbog država regija unatoč rad dva

In the final step, we aimed to automatically identify topics hidden in the text corpora. We decided to use the LDA (Latent Dirichlet Allocation) algorithm designed to extract topics hidden in sample articles (Table 5). This procedure is effective and therefore popular in natural language processing (NLP) regardless of the national language. The LDA is a generative probabilistic model that matches words (probability) with certain number of topics. We set our algorithm to detect ten cross cutting topics emerging from collected articles. The aim was to scan all articles "from above". Table 5 presents the topics extracted from the sample text corpora. Although some topics appeared to be hardly understandable as words were not always coherently made up, some general conclusions could be made:

- Croatian needs to better regulate its labour immigration
- The situation with labour immigration varies between sectors
- Employers in the tourism sector are highly dependent on foreign workers
- The government is working on the new Aliens Act

1.5.2. Content analysis

A large number of articles discuss the fact that there is a great shortage of labour on the Croatian labour market. In 2018, it was estimated that Croatia lacked 300,000 jobs at the current level of productivity. Employers' organizations and trade unions share very different views on this. Employers do not want restrictions on the use of foreign workers, while unions oppose it, fearing it could undermine the cost of labour. Therefore, they primarily advocate wage growth to make Croatia attractive to domestic workers. However, both sides agree that the problem of labour shortage cannot be solved by immigration alone. Croatia should invest more in vocational education and lifelong learning in order to better adapt domestic workers to the increasingly dynamic labour market.

The articles also discuss the fact that Croatia does not have a comprehensive and program-oriented immigration policy that would especially encourage the immigration of highly qualified workers. In 2019, there were only 5-6% of highly skilled migrant workers, while about 40% were low-skilled and about 50% skilled workers with experience. Some of the articles also dealt with the issue of labour costs in Croatia. It seems that Croatia, especially until 2019, was unattractive to foreign workers due to the relatively low cost of labour. Many new EU member states have started to increase the price of labour already in 2015 and therefore became more attractive to foreign workers compared to Croatia.

Thematically, most of the articles refer to the lack of workers in tourism, which is represented in Croatia's GDP by some 20%. In several articles, representatives of sectoral and other unions clearly portrayed poor working conditions in this sector. Fixed-term contracts are often unjustifiably concluded for a period of one month, which keeps workers in great uncertainty. In smaller catering facilities, it has become common for a worker to be paid part of his salary directly in cash, which is not in accordance with the law, but the labour inspection has difficulty with sanctioning this. Finally, a major problem is the lack of clear labour standards for professions such as maids or waiters, which is why these workers often work to exhaustion during the summer months.

Articles from 2016 and 2017 often emphasized the importance of retraining the unemployed. However, since 2018, this issue has been less frequently discussed, which coincides with the fact that the number of unemployed has decreased significantly due to emigration. Also, during 2016, 2017 and 2018, the possibility of concluding a bilateral agreement with Bosnia and Hercegovina was often considered, which would enable the sending of workers from local companies in that country to Croatia, but in later years this was no longer written about. In all the observed years, the Slovenian model of employment of foreigners, which is considered to be extremely liberal, was discussed. In Slovenia, in the event that the employment service there cannot find a worker in a week, employers are allowed to hire foreigners. Due to that, many workers from Bosnia in Croatia are employed through Slovenian temporary employment agencies, which is not in line with the interests of Croatian employers.

Part of the articles deal with the issue of posted workers who are sent from one country to another in order to perform certain contractual activities in the company and on behalf of their domicile employer. This internationally recognized legal instrument was very useful for Croatian employers because it enabled them to contract and perform certain jobs abroad, at lower prices than those offered by domicile companies. When the directive on posted workers was amended in 2018, according to which a posted worker must have the same salary and working conditions as workers in the country, Croatian employers were outraged. They claimed that they had become less competitive overnight, and that Croatian MEPs and other representatives had not reacted adequately.

A large number of articles discuss the quota system for the employment of foreigners as it existed until 2021 in Croatia. It was problematic because it was not adaptable to sudden changes in the labour market. In addition, quotas were divided according to the speed of application, and not, according to the realization of work, so it happened that some companies didn't use the permits obtained, while at the same time others couldn't obtain them. According to several articles from 2019, the employment of foreigners is not regulated in the best way even in the field of self-employment. In order to start his own business, a foreign worker should have a share capital of at least HRK 200,000, while in other new Member States the required amounts are much lower.

In 2020, a large number of articles discussed the adoption and content of the new Aliens Act, which replaced the previous quota system with a system based on the labour market test. That new system is said to be "halfway between the quota system and the liberal Slovenian model". The content of the new Aliens Act has been criticized in the left-wing media for stricter rules regarding the treatment of refugees, which is a paradox in the context of the simultaneous opening of the labour market.

In 2019 and 2020, several articles were published that discuss the import of labour from distant non-European countries, which is a novelty in Croatia. Among these workers, those from India and China predominate. They are mostly employed in construction, and language barriers represent a significant obstacle on the path to their successful integration. For such workers, employers very often have to provide food and accommodation. However, the state does not recognize these expenses as an expense but as a payment in kind.

The consequences of the pandemic are discussed in a number of articles published in 2020. It is stated that the closure of the economy in the period March-May 2020 had the worst impact on young people and foreign workers. They mostly had fixed-term contracts that were no longer renewed due to the crisis. It is also stated that the largest number of quotas approved for 2020 remained unused, so that in July 2020 only about 30% of the approved quotas were used.

1.6. Industrial relations

1.6.1. Relevant institutions for social dialogue and collective bargaining

At all levels, industrial relations in Croatia are characterised by the fragmentation of the trade union scene and unity of employers. According to data gathered at the end of 2017, total membership in the three representative confederations was 252,140 (Šeperić, 2018). In terms of employers, the Croatian Employers' Association consists of about 5000 companies that employ more than 50% of workers in the private sector, i.e., almost 400,000 workers. The Croatian Employers' Association is the only relevant social partner on the side of the employers at the national level (Ibid).

Trade union density in Croatia is estimated at about 26% and is declining. At the end of 2014, collective agreements regulated the rights of about 53% of workers as compared to about 61% in 2009 (Bagić, 2016). The majority of those collective agreements are company-level agreements. However, the majority of workers are not covered by such agreements but by sectoral agreements, some of which have been extended to the entire sector by the decision of the minister of labour. The Economic and Social Council is the highest form of tripartite social dialogue in Croatia with consultative powers. The weakening of social dialogue as a decision-making instrument can be interpreted as the consequence of the 2009 economic crisis, since when the government frequently resorted to unilateral decisions (Samardžija et al., 2017).

The presence of migrant workers is substantial in construction and tourism and hospitality sectors. Both sectors have sectoral collective agreements that are extended by the ministerial decision. However, in both documents, there are no apparent provisions pertaining to migrant workers, particularly those from third countries. In the metal manufacturing industry, there is no sectoral collective agreement. Instead, there are around 100 company level agreements negotiated between different companies and the Trade Union of Metal Workers of Croatia – Industry Trade Union. In the public healthcare sector, there is a sectoral collective agreement in place which was signed in 2018. However, in that document there are also no apparent provisions pertaining to migrant workers (Interviews: TUCIC, TUMWC, TUTSC, TUHSWC, 2021).

1.6.2. Collective bargaining data

According to the Ministry of Labour and the Pension System, in October 2016 there were 751 collective agreements in effect in the country. In the public sector there were five sectoral collective agreements covering welfare services, primary and secondary education, cultural institutions financed from the state budget, and the health and health insurance sector. In the private sector in 2016, there were five valid sectoral agreements covering construction, hospitality and tourism, travel agencies, seafarers' onboard ships in the international shipping trade, and private healthcare (Samardžija et al., 2017).

In the sectors of agriculture, fisheries, food industry, energy, chemical and pharmaceutical industries, information and communication, finance and insurance, and a number of others, there are no branch-wide collective agreements (CAs), only company level CAs. At the same time, in those sectors that have branch-wide CAs, numerous company CAs have also been concluded. In the field of construction, beside the extended branch CA, there are more than 30 company agreements (Šeperić, 2018).

1.6.3. Social partners and collective bargaining in selected sectors for this research

- Construction
Employer organizations: CEA - Construction Industry Association
Trade unions: Trade Union of Construction Industry of Croatia
- Public Healthcare
Employer organizations: Ministry of Health of the Republic of Croatia
Trade Unions: Trade Union of Nurses and Medical Technicians of Croatia, Autonomous Trade Union in Health Services and Social Protection Services of Croatia, Medical Doctors Trade Union of Croatia
- Metal Industry
Employer organizations: CEA - Metal Industry Association
Trade Unions: Metal Workers Trade Union of Croatia – Industrial Union
- Services (Tourism and Hospitality)
Employer organizations: CEA – Hospitality and Tourism Association
Trade Unions: Trade Union of Tourism and Services of Croatia
- Platform sector/gig economy
Employer organizations: None
Trade Unions: Digital Platform Workers' Trade Union of Croatia

1.7. Main remarks

With a limited supply of domestic workers, the Croatian economy cannot function efficiently without increasing the number of workers from abroad. In recent years, the country has been facing high negative net migration rates which, according to media headlines, were often accompanied by terms such as exodus, depopulation or mass emigration. Until 2021, the work of third country nationals was regulated by the official government decision on

approved quotas for each year. The pool of workers was composed mainly of third-country nationals from Bosna and Herzegovina and Serbia, who together accounted for 76% of all immigrants in 2017. These workers face no language barrier, while the average earnings in Croatia are higher than in their home countries.

Official data from the Ministry of Interior indicate a marked increase in quotas for the employment of foreign workers on the Croatian labour market in the most recent period. Construction and tourism and hospitality stand out as the most vulnerable sectors that employ the most foreign workers. Media headlines also indicate an increasing deficit of medical staff. However, according to the Ministry of Interior, there are fewer official requests for new employment in this sector compared to other sectors.

Research on migrant workers in Croatia is scarce, though it generally shows that migrants are filling jobs that require the minimal (low) education and that most migrant workers originate from regional countries. Media coverage of the topic of migrant work has increased in the last five years. However, there is a lack of high-quality reporting that would discuss less apparent problems related to the discrimination and integration of these workers.

As the new Aliens Act came into force in January 2021, the quota system for regulating the work of third country nationals was replaced by the market test system. This means that employers who wish to employ third country nationals are obliged to request the Croatian Employment Service (CES) to conduct a labour market test before applying for a residence and work permit at the Ministry of Interior. This new system is more flexible and forward-looking, but it is not free from bottlenecks and other practical problems.

2. Expert assessment of migrant work



2.1. The causes of labour migration

The remainder of this study is predominantly based on interviews with social partner representatives, experts and activists in the five selected sectors. Overall, we implemented 21 interviews which included both the sectoral social partners and the experts. Representatives of the sectoral social partners in construction, public healthcare, metal industry and tourism and hospitality were all interviewed. In the digital platform sector, we interviewed only the sectoral trade unions because sectoral representative of employers could not be identified. The main criteria for the selection of people to be interviewed as experts was their authorship of publications dealing with migrations and migrant work. The representatives of Croatian Employment Service and the Ministry of Interior were interviewed due to importance of these institutions in the process issuing work permits for the third country nationals. The goal of this empirically based section was to gain first-hand information about the legal status of migrant workers, their integration, and possibilities for improving the regulatory and social environment.

The need for foreign workers in Croatia varies greatly from sector to sector. The greatest needs have traditionally been recorded in the construction sector. It turns out that there is insufficient interest in these occupations, nor are there enough students for these specialisations enrolled in vocational schools. The management staff of Croatian construction companies usually consists of Croatian engineers and managers (with some exceptions), though the manual workers are often in great numbers foreigners. In tourism, about ten years ago, the need for seasonal workers on the coast was largely met by internal migrations from continental parts of the country. However, since the Western European labour market fully opened to Croatian citizens, domestic needs are increasingly being met by foreign workers. Croatian workers from continental parts of the country now find it easier to find permanent employment, so their interest in seasonal work has decreased. Over the past ten years, the number of employees in the metal industry has decreased slightly, due mostly to restructuring in the shipbuilding sector. The needs for foreign workers are therefore not so pronounced even though they still exist, especially in smaller companies that are well developed and require workers of specific deficient profiles. Finally, a significant number of nurses and doctors are lacking in the public healthcare sector due to the out-

flow of labour abroad (Interview TUHSWC; Interview CTUN-MT, 2021). However, regardless of these shortcomings, there has been no increase in employment in public healthcare in the last five years. Directors of public health institutions are reluctant to hire more workers because they are unsure whether they will be able to cover these expenses from the funds they receive from the state (Interview, TUHSWC, 2021).

Data on education levels of foreign workers in Croatia are not publicly available, though it can be assumed that most are low to low-skilled workers (with the exception of the public healthcare sector). The quota system for the issuance of work permits was poorly suited for attracting a highly skilled workforce because it was based on predictions about the labour market situation in particular sectors. However, the needs for highly skilled individuals often arose as a result of an unpredictable situation. The key for attracting highly skilled individuals is having long-term plans that Croatia lacks (Interview Špadina Legal Consulting, 2021). The current Croatian immigration system requires a foreign worker to speak the Croatian language in order to cope with administration. This represents a significant problem for foreign workers originating outside the region. A highly skilled US citizen also has many problems because they often lack the qualifications that allow them to obtain a work permit in Croatia (Interview Šarolić-Robić, 2021). The renewal of a work permit can be stressful and lengthy as the Ministry of the Interior has the discretionary power to request additional documents and certificates from the candidate. In other words, the list of documents required for the renewal of a work permit, as available on the Ministry website, cannot be considered final (ibid).

The Covid-19 crisis had an impact on foreign workers in Croatia, because at the beginning of a pandemic, the Aliens Act was amended with a provision automatically extending all residence permits for a certain period. However, when the new Aliens Act was passed in January 2021, that provision was not transposed into the new law (Interview Špadina Legal Consulting, 2021). The Covid-19 crisis affected certain sectors of the Croatian economy differently. Construction has recovered quickly and there are no problems with employment, but the situation is less optimal in tourism and hospitality. There are overflows of labour from sector to sector, which creates economic imbalances (Interview Šarolić-Robić; Interview IMIN, 2021).

2.2. Considerations about the legal framework

The Aliens Act was passed with the consensus of both social partners, following two years of negotiations as part of a special working group also consisting of representatives of the Ministry of the Interior, Croatian Chamber of Economy and the Croatian Chamber of Trades and Crafts. Prior to its adoption by Parliament, the draft proposal of the law was discussed at the 227th session of the Economic and Social Council (Interview CES, 2021). The new Aliens Act has just started to be implemented and it will take some time for all actors to get used

to it. However, this version of the law already requires amendments, as several articles are inconsistent, while others are even contradictory (Interview Špadina Legal Consulting, 2021).

A special issue in the field of legislation is the procedure of recognising diplomas and qualifications, which can take a year or two for foreign workers, and therefore this needs to be better regulated in order to speed up the procedure (Interview Šarolić-Robić; Interview Asesor, 2021). One suggestion is for Croatia to adopt a strategic plan to recognise diplomas and qualifications of citizens from the neighbouring countries in an accelerated procedure given the similar language and education systems (Interview Špadina Legal Consulting, 2021). All foreign workers with permanent residence are entitled to the full range of health care protection (Interview IMIN, 2021).

According to some opinions, foreign workers, as well as domestic ones, are not in a favourable position on the labour market due to deficiencies of the Labour Act. Although the Labour Act states that labour disputes are urgent and should be resolved in an urgent procedure within 30 days, the practice is quite different, with judgments in such disputes usually rendered within 2-3 years (Interview Šarolić-Robić, 2021). According to some experts, in recent years, Croatia has been too focused on employment and the activation of domestic unemployed workers while the search for the foreign labour was neglected (Ibid). This opinion was refuted by CES representatives, who noted that the state must interfere in the employment process. Every state protects its national interests and an entrepreneurial interest must be kept in balance with the principle of common good (Interview CES, 2021). An example of an outdated practice at the state level is how the Ministry of the Interior collects data on foreign workers. This data is not profiled enough to allow more detailed research. For example, total figures are given by country and sector, but information about gender, age, education, etc. of the migrant workers is lacking (Interview Špadina Legal Consulting, 2021).

2.3. Integration of migrant workers

During the interview, the CES representatives noted that there is no comprehensive system in Croatia for the integration of foreign workers other than those under international protection (Interview CES, 2021). The genesis of this problem stems from the fact that foreigners in the past (but even today) mostly arrive to Croatia from neighbouring countries, and so the need for systemic support in such cases was not very pronounced. The second problem is the lack of a migration strategy, which is why it is not possible to adopt strategic and action plans that would originate from that document (Interviews CES; Interview EIZ, 2021).

Some critical opinions of the Croatian migration policy were expressed during the interviews. It was pointed out that the state has not realised the potential of migration policy, which could be used as instrument for attracting foreign workers (Interview Šarolić-Robić, 2021). Furthermore, data from the Ministry of the Interior show that a relatively small number of work permits are being extended. The question that arises is why this is the case -

whether employers are dissatisfied with these workers or whether there is a problem with their integration. The latter seems more probable, as foreign workers are not well integrated in Croatian society and after a time, they move on to Western Europe (Interview CES, 2021).

There are integration programmes available for workers under international protection. However, no one deals systematically with foreign workers who are not under international protection. These workers do not have valid access to professional development or language learning (Interview IMIN, 2021). Some language learning programmes are organised by the civil sector. However, such programmes are sporadic and they are carried out on a project basis which often, due to a short duration, prevents more in-depth learning (Interview EIZ, 2021). Public open universities offer Croatian language courses for foreigners, but they are expensive and migrant workers cannot afford them. Equally, it is difficult for employers to offer such courses to their foreign workers (Interview Šarolić-Robić, 2021).

It would appear that there are no pronounced xenophobic attitudes or desire to discriminate against foreigners among Croatian citizens. The research conducted on the asylum population, which is a small share of all foreigners, shows that most attitudes are neutral. There is no great resistance, but also no strong acceptance of such foreigners. Unfortunately, migrant workers are not seen as people who could enrich Croatian society with their knowledge and talents (Interviews IMIN; Interview Asesor, 2021). According to the CES respondents, union representatives often claim that foreign workers reduce the cost of labour. However, having in mind that their number is less than 100,000, they cannot have such an impact on the Croatian labour market (Interview CES, 2021).

The company Rimac Automobili, which produces electric automobiles in Zagreb, was singled out as an example of good practice. This company organises Croatian language courses for cultural reasons, since the language of communication in their company is English (Interview Šarolić-Robić, 2021). Another good example is the Čorlučka elderly care home from Zagreb. It has over 200 employees and employs many foreign workers. They regularly allow foreign nurses to gain a year of work experience as caretakers so they can take a professional exam for nurses and subsequently be transferred to adequate job positions (Interview CES, 2021).

3. Sectoral characteristics: the view of social partners

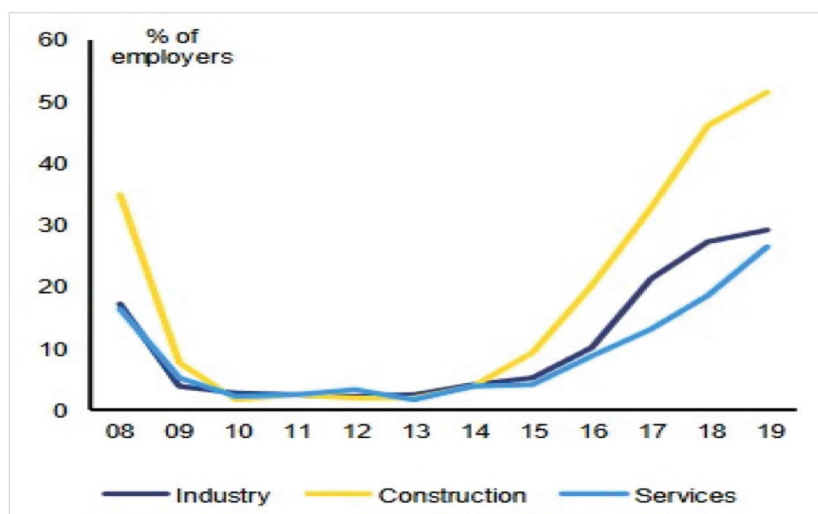


3.1. Construction

3.1.1. General indicators

A strong upward trend in the construction sector in the period 2014–2019 is visible from the 50% increase of building permits issued, the 50% increase in completed dwellings, the 46% increase in the value of construction work performed, and the 15% increase in the average number of construction site workers (CBS, 2021d, 2021e). The expansion of the construction sector has led to an increasing demand for labour, which is insufficient in Croatia. Labour shortages permanently pose a major risk to the ability of the construction sector to meet demand. Total employment in legal entities in the construction sector in 2020 amounted to 100,093 persons, which accounts for about 7% of all employees in Croatia. Compared to the number of employees in 2015, which was 71,151 persons, the five-year increase in the number of employees amounted to almost 40% (CBS, 2021a). The series of earthquakes in 2020 and 2021 resulted in additional demand in the construction sector. The share of construction in total GDP in 2020 was at the level of 5.3% (CBS, 2021). Figure 9 shows that labour shortages in Croatia have become more pronounced across sectors with the strongest participation of construction.

Figure 9. Labour shortages in Croatia in the construction sector, industry and services as reported by employers, 2008–2019 (Q3)



Source: European Commission, 2020: 35.

3.1.2 Organizational capacities

The Trade Union of the Construction Industry of Croatia (TUCIC) organises workers employed in the sector, and workers in related industries (construction materials, assembly, design, supervision, etc.). TUCIC has between 5,000 and 6,000 members, representing about 5–6% of employees in the sector. It is possible that the share of organised workers is up to 20%, as construction is a broad sector that includes a number of service activities. The union has workers from third countries in its membership, however, they account for less than 2% of the total membership. The trade union claims that those foreign members enjoy the same rights as domestic workers (Interview, TUCIC, 2021).

The sectoral partner on the employer side is the Croatian Association of Employers - Association of Construction Employers (CEA-AEA), which regulates industrial relations in the sector with TUCIC and concludes the Collective Agreement for Construction. CEA is not directly related to the employment of foreign workers, but as a social partner it communicates the interests of its members to the legislator, including those on the topic of the Aliens Act, i.e., labour and labour markets, either domestic or foreign (Interview, CEA-AEA, 2021). The interviewed representative of the construction company Urban Građenje has been engaged in building construction for more than 20 years, and has extensive experience in employing foreigners.

3.1.3. Interpretation of the situation

The construction sector in Croatia has been employing the largest number of foreign workers for decades, most of whom traditionally come from the neighbouring countries. The eco-

conomic crisis that hit Croatia in 2008 had a strong impact on the construction sector. Due to the steep, sharp drop in demand for construction work, many large construction companies in Croatia went bankrupt, and the period from 2010 to 2012 is considered the most difficult for the sector. During the crisis, this sector lost a large number of workers, some of whom emigrated to more developed countries, and the outflow continued with Croatia's accession to the EU. At the beginning of the economic recovery in 2015, the demand for construction works began to grow and labour demand increased (Interview, TUCIC, 2021). Construction faced a growing labour shortage and the work of foreigners based on work permits intensified. The union estimates that construction in Croatia will change so much in the next ten years that most workers employed in the sector will be foreigners (Ibid). The assessment of CEA-AEA is similar, where they estimate that demand for construction workers is significantly increasing. On the other hand, student interest in enrolling in construction vocational education began to decline, and the problem is further deepened by the fact that the education system in Croatia does not cover all construction occupations (Interview, CEA-AEA, 2021).

Until recently, the majority of foreign workers came to Croatia mainly from Bosnia and Herzegovina. With Croatia's entry into the EU, the share of migrant workers began to change and the number of workers from Bosnia and Herzegovina gradually decreased while the number of workers from Albania, North Macedonia and Ukraine increased. Gradually the number of workers from distant countries (Philippines, India, Bangladesh, and China) also increased (Interview, TUCIC, 2021). The social partners feel that they lack the capacity to keep statistics on foreign workers, nor do they independently collect data. The union monitors data on permits, mostly in construction and civil engineering, where low-skilled workers form the base of the labour force. For employers where workers are organised, statistics are easy to come by, but in other settings it is more difficult or impossible (Ibid). The Employers' Association states that during the previous quota system, data were available on the number of used quotas, though this number did not necessarily reflect the actual situation on the ground. The process of obtaining a permit was lengthy, so in the meantime some foreign workers found jobs in other countries, regardless of the fact that their permits were eventually approved (Interview, CEA-AEA, 2021). According to the previous quota system, Croatian companies concluded employment contracts for foreign workers in accordance with the period for which the residence and work permit was issued. Therefore, these were overwhelmingly fixed-term contracts. Due to the labour demands of employers, CEA advocated the possibility of concluding open-ended employment contracts, however this was rejected by the authorities (Interview, CEA-AEA, 2021).

The union estimates that there are no significant differences in employment modalities between domestic and foreign workers, except for contract duration. There are few agency workers, though their numbers are expected to increase. The problem is when a small company imports a dozen foreign workers. As a rule, they all work for the lowest wage, as if they were all low skilled workers. On the contrary, when foreign workers are a minority,

they are often in a more favourable position than domestic workers because their employer nearly always covers their accommodation expenses. Thus, some foreign workers earn higher incomes than domestic ones (Interview, TUCIC, 2021). According to the Posted Workers Act, these workers are even more protected than domestic workers. Namely, when a foreign company sends a worker to Croatia to work as a subcontractor, then the main company (in our case Croatian) is jointly and severally liable for all subcontractors and their workers. However, if the main company has a Croatian company as a subcontractor, then it is not responsible for the subcontractor's workers (Ibid).

In most cases, hiring foreign workers costs the employer twice as much as domestic workers. Employers therefore prefer domestic labour or workers from the region who understand the language and have similar habits and mentality. This is important because there are many dangers on the construction site and it is easier if workers understand the language so that they can react quickly and avoid possible tragic consequences. Additional costs for employers are associated with the necessity of introducing multilingualism in business processes and documentation, accommodation expenses, transportation and alimentation for foreign workers. During the pandemic, another problem is also the provision of a quarantine facility for foreign workers when needed, as well as the associated costs (Interview, CEA-AEA, 2021).

The capacities of trade unions are limited and they can hardly deal with the integration of migrant workers, though they are aware that this will be a necessity in the future. For now, they approach domestic and foreign workers in the same way, and negotiate with the state to provide them assistance. There is currently no system that would make a differentiated approach towards migrant workers possible. They assume that employers invest more in foreign workers. For example, they are obliged to organise worker accommodation, although this accommodation varies greatly in quality. The greatest challenge for the sectoral union is access to migrant workers in order to inform them of their rights. When this is achieved, the problem of communication remains, since translation of leaflets alone does not resolve the problem (Interview, TUCIC, 2021).

Employers believe that the state must have a high-quality immigration policy that will ensure sustainable development of the economy, and thus society as a whole, similar to the policies implemented in more developed countries. The CEA emphasises that employers are taking certain steps to integrate foreign workers into the collective, the workplace and society, through the organisation of language courses, professional training and the like (Interview, CEA-AEA, 2021).

3.1.4. Legislation

The previous quota system, which limited the number of foreign workers, did not meet the needs of employers because it did not allow the appropriate number of workers to be hired for the required duration. The CEA was among the first to advocate the introduction of the

so-called Slovenian model of employment of foreigners and liberalisation of the system (Interview, CEA-AEA, 2021). Since the beginning, the unions have been concerned about domestic labour and the possible abuse of the conditions in which third-country nationals would work. Therefore, they supported the quota system, assuming it would be better regulated and reorganised in such a way that each company has the right to employ migrant workers in the ratio of 10–20% from the quota. That would avoid the practice that a newly opened company, without knowledge, experience, technology and skilled people alone employs a large number of foreign workers from the quota (Interview, TUCIC, 2021).

With the new Aliens Act, employers emphasise that the list of deficit occupations is particularly important for the construction industry, for which a shortened permitting procedure is applied without a labour market test (Interview, CEA-AEA, 2021). However, views of the social partners on the new Aliens Act vary. Trade union representatives have some reservations about the new law because they see it as further liberalisation. They underline that in this way Croatia will certainly have more foreigners than domestic construction workers within ten years (Interview, TUCIC, 2021). CEA has expressed its concern over the inclusion of a new body, the Croatian Employment Service (CES), in the process of issuing residence and work permits. They point out that the new law recognises the employment contract as the only valid document that allows the issuance of a residence and work permit. According to previous practice, it was possible to submit a pre-contract, a certificate of the employer, a letter of intent or similar document for that purpose instead of a signed employment contract. The new practice is difficult to implement effectively because it does not take into account the possibility of applying for a residence and work permit several months in advance on the basis of these other documents (Interview, CEA-AEA, 2021).

Employer representatives are critical of the fact that for the simplest occupations that do not require a labour market test, such as carpenter, concrete worker, bricklayer, welder, etc., a new tax certificate on settled obligations is required for each single request. This means that every time an application is submitted, a confirmation with a new date is required, which is an aggravating circumstance in the midst of an epidemic when many entrepreneurs are facing business problems. The CEA believes that it would be useful for the tax certificate to be valid for at least 30 days, so that applications could be submitted on a monthly basis (Ibid).

The CEA, in agreement with the temporary employment agencies that are its members, proposed the prescription of certain restrictions to the issuance of licenses to employment agencies to prevent abuse of licensing by fictitious agencies (Interview, CEA-AEA, 2021). Some employers have pointed out the insufficient capacity of the administration and inadequate and slow business processes in the Ministry of the Interior. However, some improvements have become visible since EU accession. The Ministry of Interior now has more people dealing with these issues and the process has been digitised. However, smaller communities face greater challenges (Interview, Urban Građenje, 2021).

3.1.5. Strategies and practices

As far as workers' rights are concerned, unions have protected themselves from full liberalisation through collective agreements that list wage classes, although this is insufficient. In the Croatian construction sector, wages are still low compared to other countries (particularly Germany) and taking into account the risks, working conditions, etc. Working hours are an issue in itself because people work longer than recorded. According to the law, overtime work can be ordered verbally, meaning that it can easily end up unregistered. An estimate is that nearly one-third of working hours are not registered. The union therefore insists on a written order for overtime work. They hold that it would be good for Croatia to introduce a fiscalisation practice of working hours, similar to the system in place in Lithuania, Scandinavian countries and elsewhere. According to this model, workers report to devices that fiscalise the beginning and end of working hours, similar to the method used for fiscal transactions (Interview, TUCIC, 2021).

According to employer representatives, in practice there are obstacles to hiring foreign labour as set by the legislative framework. Given that the state did not recognise the problem of the labour shortage in a timely manner, nor does it perceive it appropriately today, interstate agreements did not anticipate the possibility of labour inflows from neighbouring countries at a time when this was still possible. Therefore, the labour force from the region moved to more developed countries. Today Croatian employers have to look for workers in distant countries which have a different culture, mentality and language. These problems ultimately result in a loss of competitiveness (Interview, CEA-AEA, 2021).

3.1.6. Social dialogue and collective bargaining

TUCIC and CEA-AEA have concluded a sectoral Collective Agreement for Construction (CAC), which was extended to the entire sector and includes all employers and workers, regardless of whether they are domestic or foreign. It does not specifically deal with the employment of workers from third countries, nor do such sectoral agreements exist in Croatia (Interview, CEA- AEA, 2021). It is assessed that the cooperation between trade unions and employers is at a high level because social partners are continuously negotiating the sectoral collective agreement that is renegotiated and extended on average every two years (Interview, TUCIC, 2021).

The Trade Union of the Construction Industry of Croatia is one of the few unions that negotiates at two levels. At the company level, they have about 40 collective agreements in place, organising workers in some 200 companies. At the sectoral level, they have been negotiating for over 20 years. The sectoral collective agreement prescribes the lowest standards for the construction industry in Croatia. During construction of the Pelješac Bridge, a company level agreement was concluded with the Chinese CBRC corporation, which agreed on certain rights that are higher than the rights in the sectoral agreement (Interview, TUCIC, 2021).

TUCIC is a member of the European and world trade union confederations. They have communication with every country where Croatian nationals work or from where foreign workers come to Croatia. In agreement with their parent unions, they periodically inform union members who came to work in Croatia about their rights. They negotiated the conditions for Croatian workers in Sweden between themselves the Croatian employer, and the Swedish trade union. The result was a tripartite collective agreement. The problem is non-transparency of the system in certain aspects because sometimes the trade union of the home country does not know who is going to work in Croatia and vice versa (Ibid).

The practice of monitoring whether the rights from the collective agreement have been applied or not has never taken root in Croatia. The introduction of such control is currently being negotiated with the Ministry of Labour. The existing practice is that together with the labour inspector, the tax inspector checks worker salaries. However, they only check whether the state minimum wage was paid and not whether the minimum wage from collective agreement was paid. The sectoral collective agreement has tariff classes in which labour prices are highlighted according to the complexity of work. However, there are currently no prescribed penalties for the violation of these provisions. Work is underway to expand the powers of the labour inspectorate in this sense, which would be very important because there are several agreed minimum wages in the sectoral collective agreement (Interview, TUCIC, 2021).

As a legal entity, TUCIC negotiates numerous company level collective agreements, which for particular companies prescribe rights additional to those from the sectoral collective agreement. The possibility that some company level collective agreements prescribe rights aimed exclusively at workers from third countries (housing, travel arrangements, language courses etc.) has not been excluded (Ibid). For employers, a key problem is how to eliminate unfair competition from companies that do not apply the sectoral collective agreement (Interview CEA-AEA, 2021).

3.1.7. Main remarks

In Croatia, labour shortages are most pronounced in construction as the sector that employs the largest number of foreign workers. Most of these workers traditionally arrived from the regional countries, although in the most recent period, workers are also arriving from the non- European countries. In general, there are no significant differences in employment modalities between domestic and foreign workers, except for contract duration. There is both the sectoral collective agreement (which is extended) and numerous company level agreements that regulate working condition in this sector. Nevertheless, in all of these agreements there seems to be no regulations that pertain specifically to migrant workers. In recent years, salaries in the sector have gone up but they are still much lower and not comparable to Western European standards, making the business of attracting foreign labour difficult. The greatest challenge for unions is access to migrant workers to inform them

of their rights. For employers, the greatest challenge is fighting unfair competition from companies that refrain from applying the provisions of the sectoral collective agreement, and in this way produce price dumping.

3.2. Tourism and hospitality

3.2.1. General indicators

The tourism sector is one of the most propulsive economic sectors in Croatia, which can be represented by indicators concerning the number of tourist arrivals (overnight stays), which register constant growth. Thus, between 2010 and 2019, the increase in the number of arrivals reached 88% (CBS, 2021f). However, this activity in Croatia was severely affected by the introduction of restrictive epidemiological measures due to the Covid-19 pandemic. The number of employees in legal entities providing accommodation, food preparation and service in 2020 was 73,269, which is around 5.5% of the total number of employees. Compared to 2019, this marks a decrease in the number of employees of about 16% (CBS, 2021a). The importance of this sector for Croatia is reflected in the high share of foreign exchange revenues from tourism in GDP of about 20% (CCE, 2018).

3.2.2. Organisational capacities

The CEA's Association of Hospitality and Tourism (CEA-AHT) is one of 30 branch associations operating within the CEA, and is the only representative social partner of the government on the side of employers. Membership covers about 65% of the market for accommodation services, primarily hotels and camps. The Trade Union of Tourism and Services of Croatia (TUTSC) was established in the 1990s. The union consists of five regional offices in Croatia. Membership was at high levels in the first years since its establishment, though membership was reduced following privatisation processes. A staff of eight manages the union, which has about 5000 members. Previously, there were migrant workers that were members of the union, though interest among migrant workers remains quite low.

3.2.3. Interpretation of the situation

The trade union representatives stated that the two pre-Covid-19 years were crucial in terms of increased demand for labour in tourism. Certain shortcomings such as a larger wage gaps in relation to competitive markets were attempted to be bridged by new provisions in company level collective agreements. In the initial phase of the Covid-19 crisis, an agreement was reached for monthly salaries to remain at the minimum wage level (around HRK 4000) with stronger hotel chains offering a basic salary of 60%, which was increased to the full salary at the beginning of the tourism season. Workers retained all other material benefits such as 0.5% on length of service, paid transportation costs, jubilee awards, compensation

for work on Sundays and holidays, shift and night work, etc. (Interview TUTSC, 2021). The employer representatives underlined the strong seasonality of the workforce in the tourism sector, where around 50% workers only work during the summer season (Interview CEA-AHT, 2021).

Both social partners stated that all workers have identical rights during employment and that the application of the sectoral and company level collective agreements pertains equally to both domestic and foreign workers. Most migrant workers originate from the regional countries: Bosnia and Herzegovina, Serbia, Montenegro and North Macedonia. Around 90% of the work performed by foreigners is performed on fixed-term contracts, which is strongly connected with the aforementioned seasonality. Employment of workers from the Philippines or India started in recent years and it is mainly the result of mediation by employment agencies. Both social partners agree that with the Covid-19 situation, new jobs and new ways of working become possible and as result the demand for foreign labour will only increase (Interview CEA-AHT; TUTSC, 2021).

The union indicated that there is a larger number of seconded workers who come to work in Croatia on postings by companies abroad. Regulation for this segment of the workforce is good, though the union fears that in the future this practice could lead to a reduction in the price of labour. For the time being, this is not an issue since these workers mostly come from countries where incomes are at a much lower level (Interview TUTSC, 2021). Both social partners state that they do not keep statistics on migrant workers. Employer representatives additionally point out that there is no need to keep these statistics, as they are kept by the public institutions. According to the new system, all such data will be kept by the Ministry of the Interior and the CES (Interview CEA-AHT; TUTSC, 2021).

3.2.4. Legislation

Respondents state that there is a satisfactory level of cooperation between employers and trade unions on issues of safety and protection of regular and seasonal workers. A system is currently being developed that would allow for the application of open-ended contracts for larger groups of workers which currently work exclusively during the summer season. The employer representative underlines the complexity of the new employment system for foreign workers with a significantly higher number of conditions that employers must meet compared to the previous system. In certain situations, this prevents the employment of the foreign labour force. For example, in accordance with the new system, a company in liquidity difficulties could find it impossible to employ foreign workers. Other questionable provisions of the new Aliens Act are those that require the employers' previous compliance with collective agreements, the absence of criminal offenses related to employment, and the requirement to have at least 0.25% Croatian citizens in employment (Interview CEA-AHT, 2021). Union representatives underline practical problems such as successive multi-year seasonal work and fixed-term employment, which increase the precarity of workers. Instead,

they would like to see more permanent seasonal contracts.²⁰ Trade union representatives are dissatisfied with the Aliens Act because they see it as further liberalisation (Interview TUTSC, 2021).

3.2.5. Strategies and practices

Employer representatives indicated that issues related to workers' integration are less prominent in the tourism industry, since it is assumed that tourism workers speak at least one foreign language. Furthermore, for some characteristic deficient occupations such as kitchen chores, cleaning, gardening, etc., knowledge of the language is not that crucial since these types of activities do not lead to direct interactions with guests (Interview CEA-AHT, 2021). On the other hand, union representatives indicated that integration is essential for tourism because workers need to be able to provide high quality information to guests about local gastronomic specialities, evening entertainment, etc. According to the union, guests return to those destinations where a contact has been established with the domicile population. They concluded by saying that getting acquainted with the local culture is a process which cannot be learned at once (Interview TUTSC, 2021).

3.2.6. Social dialogue and collective bargaining

Employer representatives stated that the sectoral collective agreement for tourism and hospitality has been continuously in force since 2002. Furthermore, larger companies in tourism are exceptionally well covered with the company level collective agreements that have long been in force. However, since the onset of the Covid-19 crisis, the sectoral agreement has not been extended to the entire sector due to great uncertainty. Since 2020 and the first lockdown (March), certain provisions of sectoral and company level collective agreements were temporarily suspended, and then reinstated for members in June 2020.

Nevertheless, the minimum wage provisions have remained suspended. Consequently, as far as salaries in tourism companies are concerned, only the national minimum wage is in force (Interview TUTSC, 2021). Traditionally the social partners negotiated minimum wages for the tourism and hospitality professions each year, while the collective agreement was renewed every two years. Union representatives pointed out that the sectoral collective agreement lacked provisions on the unified calculation of wages. Therefore, they needed to be agreed at the company level, with each individual hotel. Many company level collective agreements regulated covering workers' accommodation and meal costs that are not considered taxable receipts. However, the union pointed out that smaller hotels, especially private smaller hotels, have been in great trouble since the start of the Covid-19 crisis. They tend to cancel collective agreements and contracts since it is impossible to abide by them.

²⁰ A fixed term employment contract for a permanent seasonal job obliges the employer to pay contributions for the seasonal worker throughout the year. Additionally, a contract for a permanent seasonal job obliges the employer to offer employee a new employment contract for the following season. During the period of the year that the worker is not working, they receive small financial support from the state.

These hotels are without income and covering fixed costs is uncertain times is extremely difficult (Ibid).

As an example of good practice and cooperation, employers cited the quick state reaction following the onset of the Covid-19 crisis and the introduction of a packet of measures to help the economy, which significantly assisted the tourism sector in the initial stage of the pandemic. Employers sought to retain as many jobs as possible and only one case of bankruptcy was recorded. It was further stated that initially there were certain problems with the state subsidies. Some employers needed to be reminded that the aid funds are intended for the workers and not for them. However, all disagreements were very quickly resolved through communication (Interview CEA-AHT, 2021).

The union underlined that successful interstate trade union cooperation was established with Slovenia in relation to certain aspects of the sectoral collective agreement.²¹ Through cooperation with Friedrich Ebert Stiftung (FES), a number of migrant workers was provided with free legal assistance, regardless of union membership. The trade union is aware of the fact that it needs to take further steps in order to become closer to the migrant workers when the situation allows. However, this needs to be done on a project basis because the union's eight employees lack sufficient capacity for this additional activity (Interview TUTSC, 2021).

Representatives of employers and trade unions actively participate in all bodies and working groups in which the issues of employment of foreigners are discussed or negotiated. Sectoral and company level collective agreements apply equally to all workers; in addition, government measures used to preserve jobs also applied to migrant workers. Unfortunately, the issue of migrant work has never been discussed as a topic in its own right (Interview, CEA-AHT; TUTSC, 2021). Representatives of the trade union pointed out that there were minor misunderstandings in communications with domestic workers in a situation where, for example, migrant workers had three meals and additional incentives outside the basic salary due to the complexity of the work they performed and as an incentive to make them stay (Interview TUTSC, 2021). Both social partners agree that staff quality and wage levels are of crucial importance in the years to come. Croatia needs to be able to compete with other tourism destinations such as Ireland, Austria or Germany, which are attractive for migrant workers (Interview, CEA-AHT; TUTSC, 2021).

3.2.7. Main remarks

The tourism and hospitality sector were strongly affected by the Covid-19 crisis. Therefore, extension of the sectoral collective agreement was suspended along with some of its provisions. Additionally, provisions in company level agreements that regulated minimum wages and certain material rights were also suspended. These changes equally affect domestic and foreign workers, since collective agreements contain no particularities concerning mi-

²¹ There are similarities between industrial relations of the two countries due to the shared legacies from the time of Yugoslavia.

grant workers. Migrant workers originate mostly from the neighbouring countries and 90% are employed on fixed-term contracts concluded for the duration of the summer season. The issue of migrant workers has never been discussed separately in the sectoral or thematic social dialogue forums. The social partners justify this by noting that all regulatory frameworks apply equally to all workers, while also emphasising their limited capacities. In the near future, this practice is likely to change since both social partners seem aware of the fact that migrant workers are more prone to discrimination and therefore require additional protection.

3.3. Metal industry

3.3.1. General indicators

The metal and metal processing industry in Croatia is one of the most important sectors of the economy and represents an activity within the processing industry.²² The export potentials of the metal industry are indicated by data that in 2019 about 70% of the total value of production was sold to foreign clients (CBS, 2020). Data on the total value of manufactured products and the number of companies reflect the increase in the dynamics following EU accession in 2013. More precisely, they indicate a 12.3% increase in the total value of manufactured products and a 4.2% increase in the number of companies for the period 2014–2019 (CBS, 2021b, 2021c). The number of employees in legal entities in the metal industry in 2020 was 51,085, or 3.8% of the total number of employees (CBS, 2021a). The share of the manufacturing industry in the total GDP in 2020 was 12.2% (CBS, 2021), while revenues of the metal industry in the manufacturing industry account for about 20% (CCE, 2016).

3.3.2. Organisational capacities

Within the metal industry, Croatian workers are organised within the Trade Union of Metal Workers of Croatia – Industry Trade Union that has a tradition of over 100 years. According to its data, the union has about 8,000 members, although that number was some 10% higher two years ago. The decrease was mainly due to restructuring in the shipbuilding sector. The union is regionally organised in seven regions in Croatia. In addition to the metal industry, the union includes companies working in the electrical industry and electrical assembly services. Although there is no automobile industry in its classic form in Croatia, there are supporting industries that make up part of the automobile industry, and many such companies include an organised union. The sectoral partner on the side of employers is the Association of Metal Industry at CEA (CEA-AMI), which includes about 70 companies in the field of the metal and electrical industries. Not all companies in this sector are affiliated with

²² NACE C Manufacturing – 24 Manufacture of basic metals, 25 Manufacture of fabricated metal products, except machinery and equipment, 28 Manufacture of machinery and equipment N.E.C., 29 Manufacture of motor vehicles, trailers and semi-trailers, 30 Manufacture of other transport equipment.

the Metal Industry Association of CEA, but CEA is representative for collective bargaining at the sectoral level.

3.3.3. Interpretation of the situation

Both social partners agree that problems with labour shortages began as early as 2013, when Croatia joined the EU. Accordingly, the number of foreign workers from the region increased at that time, but over time this pool was exhausted, and today foreign workers are increasingly coming from more distant countries. Due to the situation with Covid-19, production was interrupted and activities reduced. A good portion of companies implemented measures of part-time work or work from home wherever possible. The decline in business has also caused a decline in the number of employees, especially for part-time work. However, no companies went bankrupt due to the epidemic, and the business situation has since recovered and become somewhat stabilised. Currently, a major problem is the increase in operating costs due to transport, which further complicates business planning. The announced investments from EU funds are partly related to the metal and electrical industry, so the social partners expect an increased demand for the import of skilled labour.

The social partners follow official statistics related to foreign workers, which show that the largest number of workers are employed in the shipbuilding and foundry industries. However, the social partners do not independently collect data on foreign workers. The social partners underlined that there are no differences in the sector regarding treatment of domestic and foreign workers, and that working conditions are the same for everyone. At the request of the CEA, the Ministry of the Interior allowed issuance of employment contracts for an indefinite period to foreign workers in metal industry with a one-year residence permit. The argument that the employer expects to keep these workers after one year was accepted mostly due to fact that the metal industry sector faces a high demand for certain professions. In legal and psychological terms, an open-ended contract is a great advantage for a foreign worker and this could perhaps be considered as best practice stemming from the sector and Croatia as a whole (Interview CEA-AMI, 2021). The union noted that a significant number of workers that were employed on a fixed-term basis before 2013 have been provided with permanent contracts following EU accession. In addition, there was a certain increase in salaries. From that, it can be concluded that EU accession had a positive effect on the material and legal status of both domestic and foreign workers in the metal and electrical industry (Interview TUMWC, 2021).

The union sees the employment of skilled workers (both domestic and foreign) through temporary employment agencies as a problem. To protect against dumping, employment contracts stipulate that agency workers have the same salaries and other material rights as standard workers. However, the difference is that agency workers are employed on a fixed-term basis, while the vast majority of standard workers are employed on an indefinite basis. This is not a problem if the worker is needed only for a certain period. However, often with

agency workers, we have de facto permanent relationship with the same employer, so the question of the purpose of agency employment arises. In the opinion of the trade union, agency work is ultimately not good for the employer either. A qualified agency worker who could receive a large investment in additional training, can migrate to another company more easily than a standard worker on an open-ended contract. Therefore, employers have to become aware that agency work in the metal industry creates more problems than solutions (Interview TUMWC, 2021).

Both social partners see the language barrier as a major problem related to the employment of foreign workers. The CEA-AMI points out that due to the large shortage of manpower at the national level, a system should be established where Croatian language courses of all levels would be held regularly at intervals of 3 to 6 months during the year (Interview CEA-AMI, 2021). The union states that many foreign workers communicate in English as a third language. However, this may only be a temporary solution because many workers in the sector have little knowledge of English. Ultimately, foreign workers will need to learn Croatian, as the practice of Western European countries suggests (Interview TUMWC, 2021). The employer representatives state that Croatian education is not adapted to the immigration of foreigners. There are not enough foreign language schools for people who are permanently employed. In addition, a number of rights in the field of healthcare and other domains exist on paper but often not in practice, as doctors and pharmacists are not educated on how to enforce them (Interview CEA-AMI, 2021).

3.3.4. Legislation

The union is critical of the quota system for hiring foreigners that was in place before 2021. They believe that approving large number of quotas was at the advantage of the employers. Instead, employers needed to be forced to increase wages. Ultimately, they believe, increased wages would have had a positive effect on the retention of qualified personnel (Interview, TUMWC, 2021). Employers are critical of the new Aliens Act, which abolished quotas, established a labour market test and a list of occupations for which the test is not required. They see problem in the fact that procedure for approving work permits is bureaucratic and slow. The Ministry of the Interior sometimes waits months to complete the documentation. The list of occupations for which the market test is not required is deficient and should be redefined in order to enable wider employment of foreigners. Some occupations are so new that the need for them within the CES cannot be recorded yet, and this should be taken into account. The employer representatives point out that, contrary to popular belief, the new Aliens Act does not copy the Slovenian model as in Slovenia, there is no list or a labour market test. An employer who has a need for a foreign worker advertises the need for that qualification and if no one responds within 7 days that employer receives a permit to hire a foreign worker. Due to such a liberal law, they believe that Slovenia is more competitive than Croatia (Interview CES-AMI, 2021).

3.3.5. Strategies and practices

The general attitude of the trade union regarding migrant workers is positive, and they are accepted as domestic workers. This is evident from the fact that there are foreign workers who are members of the union, and agency workers who are also members (Interview TUMWC, 2021). The employer representatives believe that the attitudes of Croatian citizens towards migrant workers are changing. Today, they are seen as an indispensable component of the Croatian labour market. The idea of foreign workers reducing the price of labour is rejected by employers, stating that we have never had more foreign workers, while wages have never been higher. This proves that foreign workers do not reduce the price of labour but that their wages are competitive (Interview CEA-AMI, 2021).

TUMWC has long been cooperating with sectoral unions from Serbia, Bosnia and Herzegovina, and Slovenia. At the same time, they are well integrated into sectoral trade union structures at the European and global levels. They are familiar with the situation in Norway through Croatian workers who were sent there. These workers seek social dialogue in the societies where they work, and TUMWC provides assistance. CEA-AMI cooperates well and shares information within the Business Europe Association.

3.3.6. Social dialogue and collective bargaining

The Economic and Social Council was not active during 2020, so the overall tripartite social dialogue was at a somewhat weaker level in the metal and electrical industry. Nevertheless, the social partners assess that the bipartite social dialogue at the sector level was quite good. There is no sectoral collective agreement for the metal industry, but collective bargaining takes place at the company level, and there are currently about a hundred such agreements in force. The union states that about 85% of workers in the metal and electrical industry are covered by company level collective agreements. These agreements do not contain any specific provisions relating to migrant workers. However, in the opinion of the social partners, future agreements could contain provisions concerning the education and integration of migrant workers. The sectoral union is interested in contracting a sectoral collective agreement for the metal and electrical industry. However, they believe that there is insufficient interest among employers for such a step forward (Interview, TUMWC, 2021).

Social dialogue on the issue of migrant workers was most pronounced in the adoption of the new Aliens Act. The social partners were strongly involved in its drafting. One example of good tripartite cooperation was the adoption of measures to preserve jobs due to the Covid-19 epidemic. CEA was the initiator of these measures, with the immediate involvement of the Ministry of Labour and trade unions. In order to make conclusions about the Covid-19 relief, all three parties had to agree and this proved to be a very good approach (Interview CEA-AMI, 2021).

3.3.7. Main remarks

There is no sectoral collective agreement for the metal industry, but most workers are covered by various company level agreements. Lobbying by the employers' association resulted in the successful decision of the Ministry of the Interior to allow open-ended employment contracts for certain categories of foreign workers with one-year residence permits. This can be singled out as an example of best practice that could be followed by similar initiatives in other sectors of the Croatian economy. Both social partners see the language barrier as a major problem related to the employment of foreign workers. The idea that migrant workers reduce the price of labour was rejected by employers who stated that Croatia has never had more foreign workers, while wages have never been higher. Due to the fact that the metal industry sector faces great shortages of qualified workers, the activities of agencies who hire workers on fixed-term contracts are seen as superfluous by the trade unions. Both social partners stress that there are no differences in the sector regarding the treatment of domestic and foreign workers, and that working conditions are the same for everyone. Nevertheless, they are acceptant of the fact that in the future the specifics of migrant work will need to be separately regulated in collective agreements.

3.4. Public healthcare

3.4.1. General indicators

The Croatian public healthcare system has been strongly impacted by the phenomenon of emigration of skilled labour, which resulted in the need to attract qualified personnel from abroad. The trend of emigration of nurses has been present since 2009, with 4,279 nurses emigrating by 2013. The total estimate of the outflow from the Croatian healthcare system in the past 10 years is around 7,500 nurses who have left the country. In addition, in the same period, more than 1,000 specialist doctors left Croatia, and it is worth mentioning the increasing number of departures of physiotherapists, midwives and pharmacists (Jurić, 2021). In 2020, the total number of employees in the healthcare sector was 77,144 persons, which is 5.9% of the total number of employees (CBS, 2021a). Data for 2018 indicate that Croatia allocated 6.8% of GDP for the public healthcare system (CBS, 2021g).

3.4.2. Organisational capacities

The Independent Trade Union of Health and Social Welfare of Croatia (TUHSWC), founded in 1991, organises employees in health and social welfare regardless of profession, qualification or education. It is the largest union with about 11,000 members and is one of two representative unions that can negotiate the basic collective agreement for the public sector and the sectoral collective agreements for health and social welfare. All members of TUHSWC

are Croatian citizens (Interview TUHSWC, 2021). The fragmentation of the trade union scene in Croatia is great and there are about 30 trade unions in healthcare. According to the rules of the Representation Act in the healthcare system, there is currently no medical doctor's union that would be representative. However, physicians were involved in collective bargaining negotiations, but without the right to vote (Interview TUHSWC, 2021). The Croatian Trade Union of Nurses - Medical Technicians (CTUN-MT) is a professional organization that has been operating for 30 years as a representative trade union that protects and promotes labour law status, professional rights and interests of nurses and medical technicians. The CTUN-MT has about 12,000 members and acts as a social partner at the national level, participating in collective bargaining and social dialogue (Interview CTUN-MT, 2021).

As the employer, the Ministry of Health of the Republic of Croatia acts as social partner for the sector of public healthcare and social welfare. The Ministry of Health also performs administrative procedures and other tasks related to the recognition of certain foreign professional qualifications (Interview, MoH, 2021). The interviews in this sector also included the Croatian Medical Doctors Chamber (CMDC) and the Croatian Chamber of Nurses (CCN).

3.4.3. Interpretation of situation

During the last ten years representatives of trade unions have continuously pointed out the shortage of health and non-health personnel in the public healthcare system. This problem became even more pronounced during the Covid-19 pandemic. According to recent reports from the Ministry of Health, the system lacks 4,000 to 5,000 nurses, but unions estimate that the actual number is even higher. This is result of the outflow of professional staff from Croatia due to better working conditions, but also inadequate care for specialisations which are necessary to fill in the vacancies after doctors retire. There is also a problem that medical staff has not recently been involved in internships in order to obtain a license for independent work. The union obtains data on the shortage of nurses from its commissioners working in healthcare institutions, while detailed data on the employment of nurses from other countries are available at the Croatian Chamber of Nurses (Interview TUHSWC; Interview CTUN-MT, 2021).

It is estimated that the future need for these qualifications will certainly be greater, especially since the age structure of nurses employed in hospitals indicates that there could be a collapse in the next five years due to increased retirement. Furthermore, inadequate numbers of students are enrolled in the education system for the nursing profession due to excessively low enrolment quotas. There are enough physiotherapists, midwives, laboratory technicians, but the mobility within these professions is inadequate (Interview CES, 2021).

Due to high requirements, both in terms of language and professional requirements, public healthcare employs workers from third countries on a much smaller scale compared to construction, tourism and other sectors covered by this research. A statistical review of issued

permits for residence and work of foreigners published by the Ministry of the Interior shows that in the period between 2017 and 2020, healthcare and social welfare accounted for less than 1% of all permits issued. Moreover, within that figure, the social welfare sector was more strongly represented than healthcare (Interview MoI, 2021).

The unions claim that they lack the capacity to keep their own records on foreign workers, but assess that there has been no increased employment of domestic or foreign workers in healthcare over the past five years, except for part-time employment after the Covid-19 pandemic (Interview, TUHSWC; CTUN-MT, 2021). They believe that employment agencies play an important role on the labour market because they contribute to its flexibility and the preservation of workers' social security. Furthermore, they provide assistance to foreign citizens and information about the country they arrive to (Interview CTUN-MT, 2021). Regulations for jobs in healthcare ensure equal treatment and same conditions for domestic and foreign citizens (Interview MoH, 2021).

3.4.4. Legislation

Migrant workers arriving from the third countries must have regulated status for work in Croatia, in accordance with the Aliens Act, and they also have to engage in qualification recognition procedures. The unions covered by the interviews did not participate in drafting and negotiating the Aliens Act, but their home union confederations were involved (Interview TUHSWC, 2021). The Nurses' Union concludes that the current legal and practical solution for hiring workers from the third countries is relatively good. Online platforms provide sufficient information about job openings in Croatia. As a downside, they pointed out a certain level of distrust in the institutions conducting the licensing process (Interview CTUN-MT, 2021). The Ministry of Health emphasised that foreign healthcare workers are hired through public competitions and according to the needs of healthcare institutions for qualified professionals. However, no specific strategy for the employment of foreign nationals has been developed. During the Covid-19 pandemic, the need for certain professional qualifications of health workers became even more pronounced (Interview MoH, 2021).

The public healthcare sector is a regulated profession and the recognition of qualifications represents a prerequisite for the issuance of a work permit for third-country nationals. Procedures for the recognition of qualifications are carried out by the Croatian Medical Doctors Chamber (CMDC) and the Croatian Chamber of Nurses (CCN). Under the general system, the recognition of foreign professional qualifications for doctors is complex and can take from 6 months to over a year. It is passed by all medical doctors and specialist doctors who have acquired their professional qualifications in a third country. In case of significant differences between the educational programme in a third country and the minimum standards in Croatia, the principle of proportionality is applied and additional measures are proposed: a qualification check in the profession or an adjustment period of up to three years. These additional measures include taking certain university exams (Interview CMDC, 2021). For

nurses and technicians, the process of recognising foreign professional qualifications can also take several years, given that in most cases there is a need for additional measures. After successful completion of additional measures and before obtaining a license, nurses and technicians need to complete an internship and take the professional exam with the Ministry of Health. As a result, many candidates for nurses and technicians are employed as caregivers in nursing homes or in ancillary jobs in hospitals, for which no license is required. Therefore, they move down the job ladder and work in occupations below their qualifications (Interview CCN, 2021).

The procedure for the recognition of qualifications is also carried out for Croatian citizens who have completed education for medical professions outside of Croatia (Interview CTUN-MT; Interview CMDC, 2021). A larger number of requests for the recognition of regulated professions in healthcare comes from Croatian citizens who were educated in neighbouring countries and return to work in Croatia, while only a smaller number of requests comes from third-country nationals (ibid). A typical form of employment of a third-country national is a fixed-term employment contract. A healthcare worker who is a foreign citizen must meet the conditions for residence in compliance with the Aliens Act. Therefore, a professional chamber issues a permit for independent work for the period of time stipulated by the residence permit. When a foreign citizen receives a permanent residence permit, the healthcare institution can then employ them on an open-ended contract if they need that specified profession (Interview MoH, 2021).

3.4.5. Strategies and practices

In Croatia, there is great interest for hiring nurses and medical technicians from abroad, and achieving the highest possible degree of integration of migrant workers is of the utmost importance. In addition to educational requirements, they must speak Croatian at the level required for uninterrupted communication. Accordingly, by far the largest number of candidates are citizens of neighbouring countries. Not knowing the language is a significant obstacle for migrants to exercise their profession. The prescribed level of knowledge of the Croatian language is proportional to the profession that the candidate performs. Therefore, the support of potential employers in terms of covering the costs of supplementary measures and language courses is particularly significant (Interview CCN; MoH, 2021).

The professional union of nurses is a member of various European and international trade union associations. These organisations fight for the rights of all workers, and participate in actions to protect all workers through the fight for social justice and social inclusion, against poverty, undeclared work and discrimination. These organizations, together with other international trade unions, fight to protect the human rights of migrants, refugees and displaced persons. However, they emphasise that the activities of their union are primarily aimed at keeping Croatian nurses in Croatia and encouraging young people to enrol in medical schools (Interview CTUN-MT, 2021).

3.4.6. Social dialogue and collective bargaining

In social dialogue with the trade unions, the Ministry of Health discusses regulations and the issues related to work and working conditions, though these discussions are not separated into those pertaining to Croatian or foreign citizens since working conditions are uniform for all. For the time being, there is no open dialogue specifically regarding migrant workers (Interview MoH, 2021). Interviewees from both unions stated that the sectoral collective agreement does not specifically address the work of health workers from third countries. They have not dealt with this issue separately, and according to their information, nor has the Croatian Medical Doctors Union (Interview, TUHSWC; CTUN-MT, 2021). The Commission for Employment, Education and Labour Market Harmonisation operating within the Economic and Social Council is one of the most important forums in which the social partners discuss the issue of migrant workers. However, that issue is usually discussed as part of other more general topics (Interview CTUN-MT, 2021). The Professional Trade Union of Nurses assesses that the quality of social dialogue on the issue of migrant workers is gradually improving every year (Interview CTUN-MT, 2021).

3.4.7. Main remarks

Over the past five years, the healthcare and social welfare sector has received less than 1% of all work permits issued. Despite this, there is estimated need for 4,000–5,000 new nurses. Procedures for the recognition of qualifications of doctors and nurses are complex and can take from 6 to 12 months or even longer. Both social partners are aware of this problem and would like to see less bureaucracy in this issue. Workers' rights in the public healthcare sector are regulated by the collective agreement for the public sector workers and the sectoral collective agreement. In these documents, as in other cases, there are no specific provisions pertaining to migrant workers. Nevertheless, the practice of many hospitals and towns in Croatia shows that there is a degree of sensitivity for the problems of migrant workers, which are sometimes aided in resolving their housing or accommodation problems. The language barrier is seen by both social partners as one of the greatest integration obstacles that migrant workers face in the public healthcare system.

3.5. Work through online platforms

3.5.1. General indicators

The percentage of people working in Croatia through online platforms in 2017 was 8.1% according to the report Platform Workers in Europe Evidence from the COLLEEM Survey. However, platforms provide 25% or more of their income for only 36.6% of Croatian workers working in this way (Pesole, 2018, 18). According to the same research, working through on-

line platforms is the main job for less than 2% of Croatian workers (Ibid: 19). The survey further shows that 8% of Croatian workers provide their services digitally, physical services on the site are provided by 6% of workers, while 2% of workers provide both types of services through online platforms (Ibid, 35). The results of the 2017 COLLEEM Survey were further analysed by a group of researchers led by Cesira Urzi Branceti. According to these results, 7.9% of Croatian workers engage in this activity several times per year or even less frequently, while only 1.4% working through online platforms claim that this is their main business activity (Brancati et al., 2019, 9). Most online platforms operating in Croatia are global, while the percentage of the local platforms is minimal.

3.5.2. Organisational capacities

Workers working through online platforms are not yet sufficiently organised and their voice is poorly heard in public. However, in September 2021, the Digital Platform Workers' Trade Union of Croatia (DPTUC) was established within the Union of Independent Trade Unions of Croatia confederation. The union was created on the initiative of taxi drivers, expanded to deliverers, and its desire is to include all digital platform workers (Interview DPTUC, 2021). There is no doubt that digital technology, which plays a key role in work of these workers, will play a crucial role in their further organisation, because this would hardly be possible in the traditional way. So far, the best support for Croatian workers working through online platforms was received by several journalists who reported on their difficult working conditions.

3.5.3. Interpretation of the situation

Working through online platforms in Croatia is a relatively new phenomenon. Back in 2016, Croatia belonged to the EU countries with a below-average number of such workers. However, in the last five years, many new platforms have arrived on the Croatian market and today the situation is much closer to the EU average. Surveys on the extent of work through online platforms and the characteristics of workers working through platforms suggest that, as elsewhere in the world, this form of work is a secondary activity for most Croatian platform workers (Butković and Samardžija, 2019; Pesole, 2018).

There are two types of foreign workers in Croatia who work through online platforms. Firstly, foreigners that work remotely for Croatian companies but do not live in Croatia. They provide services and do not need work permits. The employment status of these workers is not regulated in Croatia. The second type are digital nomads. They do not work for Croatian employers, but are located in Croatia. The second division is: providers of intellectual services and providers of physical services which are bound by the location where they live (Interview CES, 2021). The interviewees expressed conflicting opinions regarding the effects of the introduction of the concept of digital nomads into the Croatian legislation. On the one hand, it was claimed that most employers have accepted this solution, which enables

work from another country and eliminates the issue of double taxation (Ibid). On the other hand, it was stated that within the Croatian IT community, there is high dissatisfaction among employers because the institute of digital nomads demotivates foreigners to find employment in Croatian companies (Interview Šarolić-Robić, 2021).

The working conditions of workers working through online platforms cannot be considered fair, transparent and predictable. This is especially true for platforms that use manual labour in the area of transportation and delivery. There is a great deal of evidence to confirm the existence of a de facto employment relationship in these cases, although most platform workers do not have an employment contract. Namely, this relationship contains an element of voluntariness, payment, an obligation to personally perform work, and specific mechanisms that allow platforms to supervise the work of drivers and delivery workers (Bjelinski-Radić, 2019).

For workers who offer manual labour services through platforms, there is a major problem in the relationship with aggregators / floaters, who are intermediaries between platforms and themselves. Aggregators often sign an employment contract with workers by which workers work two or four hours a day, though in reality they work 12 hours a day, and the difference in hours is not paid to the state in the form of taxes. All the money earned first goes to the accounts of the aggregators who often pay no contributions to the state, even though they took the money from the workers as if they had paid them. To avoid paying the value added tax (VAT), many aggregators frequently close their companies declaring fictitious bankruptcy and then open new ones, transferring all the former workers to the new company (Interview Kučinac, 2021).

Regarding workers from third countries, a significant problem is the fact that there are aggregators specialising in the import of labour from third countries. In the field of transport or delivery, they publish advertisements for full-time work at minimum wage, to which no one from Croatia wants to respond. In this way, they obtain permits to import workers and undermine the labour costs of the domestic labour force (Interview DPTUC, 2021).

3.5.4. Legislation

In legal and fiscal terms, work through online platforms in Croatia is poorly regulated. Labour law and other regulations are not at all adjusted to the reality of working through online platforms. Workers who work in this way are mostly self-employed or work on civil contracts. This means that their rights are regulated only by the provisions of civil and commercial law and that the labour law does not apply to them. Moreover, much of the work through the online platform is also unreported, though at this time it is not possible to speculate as to the magnitude of unreported work in this sector (Vukorepa, 2020). Platforms, for their part, are massively lobbying the government to accept the uniqueness of their business model that exempts them from all traditional employers' obligations.

New amendments to the existing Labour Act, which was last amended in 2014, are announced for 2022. It was announced that provisions relating to work through online platforms will be introduced into the Act for the first time, although the details are not yet known. Including the mentioned issues in the Labour Act would mean harmonising the Act with the recently adopted European Directives relating to work through online platforms.

The Liberal Road Transport Act adopted in 2018 significantly complicates the work of financial and labour inspection when it comes to platforms that provide transport services because platforms are not recognised as employers. The enacted Act supports the liberalisation of transportation services and creates a level playing field for online platforms (e.g., Uber and other) and licensed taxi drivers. The Act stipulates that all drivers performing passenger transport services must have a “taxi license”, but this license is much cheaper and more accessible today than before. Therefore, this law can be said to equate the status of Uber and other taxis (Vrbanus, 2018). The Road Traffic Act went through the process of constitutional review but there it was confirmed.

3.5.5. Strategies and practices

Most vendors who work for companies like Glovo or Wolt have a completely unregulated employment relationship in which their work is unreported, receiving payments as cash in hand. Very often these workers sign civil contracts or even employment contracts that are sent to the Glovo or Wolt headquarters, however these contracts are often not registered with the authorities. This means that regardless of the content of the contract they do not have a guaranteed salary (Domić, 2020). The model of operation of these food delivery platforms implies that there is no secure income. Instead, in-app earnings are calculated as the sum of a number of different micro-components of the job: number of deliveries, mileage, waiting time, variable bonuses, etc. Working via the online platform is usually praised as more flexible work that can be done “whenever someone wants”, but in reality, delivery drivers for Glovo or Wolt rarely take breaks or holidays. This is because when assigning delivery applications, the algorithm gives preference to more active delivery people, so taking longer multi-day or multi-week breaks for delivery people may mean that they will have to wait for new jobs when they return (Ibid).

Communication between aggregators (intermediaries between drivers and multinational companies) is mainly performed via the WhatsApp application and it is very informal. For couriers (both domestic and foreign workers) this is not the best solution because they occasionally face late payments. There are differences between aggregators and some treat drivers better than others. However, for a deliverer changing aggregators is not always easy and simple. The author of an extensive newspaper article on vendors working for Glovo and Wolt concludes “the pedals of the domestic delivery revolution are being turned by completely insecure and disorganised workers, left to a new deregulated market evolving under the radar of law, unions, media and the public” (Ibid).

During the initial impact of the COVID-19 crisis, the workload for drivers and delivery people working for Glovo and Wolt increased sharply. While in Croatia these platforms had several thousand deliveries per month in 2018, in 2020 they had several hundred thousand deliveries per month nationwide (Pavić, 2020). Despite the pandemic, delivery people for the companies Glovo and Wolt continued to work in poor conditions without adequate protection at work and without an increase in their earnings (Kučinac, 2020). Working conditions for these workers have deteriorated, especially in Glovo, which has increased the maximum weight of the ordered consignment from 9 to 25 kilograms. However, most delivery drivers for Glovo and Wolt have tolerated these changes out of fear that refusing delivery would lower their rating. Furthermore, especially during the first acute shock of the crisis in March and April 2020, there were reports that drivers were called by the aggregators who persuaded them to accept deliveries regardless of their fear of Covid-19 and the aftermath of the earthquake. During March and April 2020, vendors faced other practical problems. Many ride bicycles for up to 10 hours a day, but nearly all bicycle repair shops were closed. Furthermore, they had difficulty finding toilets because both restaurants and most public toilets were also closed (Ibid).

The phenomenon of working through online platforms requires a rethinking of the traditional definition of workers, that would need to be expanded for the sake of fairness and equality. In this regard, all workers working through online platforms should be recognised as a special category of workers between the self-employed and those employed on a contract basis, thus providing them with limited legal protection. There is no reason why workers who work through online platforms, as well as the self-employed, should be denied unemployment benefits or the right to paid leave (Bjelinski-Radić, 2019). However, granting additional rights that are traditionally reserved for employees will not be enough. Platforms should also recognise these workers as a kind of hybrid between the self-employed and contract workers. They should be legally obliged to respect the privacy of these workers. In addition, existing algorithmic control practices should become more transparent and fairer.

3.5.6. Main remarks

There are no organised employers in Croatia in the field of work through online platforms, while a sectoral trade union was only established in September 2021. The Labour Act and other regulations are not at all adapted to the reality of working through online platforms and need to be amended and harmonised with the recent EU Directives covering these issues. Workers who work in this way (both domestic and foreign) are mostly self-employed or work on civil contracts. Nevertheless, the new Aliens Act has introduced special provisions regulating the work of digital nomads. These are the foreign nationals who live in Croatia but work for foreign companies. There are conflicting opinions among the interviewees regarding the effects of these provisions concerning digital nomads. On the one hand, it is

claimed that most employers have accepted this solution, which eliminates the problem of double taxation. On the other, it was stated that there is fear that the digital nomad provisions demotivate foreigners from finding employment in Croatian firms. The number of migrant workers in the field of the platform economy in Croatia remains unknown as it is not included in statistics.

Conclusions and Recommendations



Conclusions

Following EU accession, the Croatian economy was faced with a massive outflow of its labour force. The key reasons are low wages in most sectors, problematic working conditions, and the common practice of early retirement. The increased number of immigrants from third countries is particularly prominent after 2017. In 2019, net migration seemed to be balanced with some 40,000 emigrants in the year and approximately the same number of immigrants. Official data from the Ministry of the Interior indicate a marked increase in quotas for the employment of foreign workers on the Croatian labour market in the last five years. Although the analysis of the quota system indicates the need to increase the number of foreign workers in all observed sectors, construction and tourism and hospitality stand out as the sectors with the strongest labour shortages.

Studies on the topic of migrant work are presently rare in Croatia. This situation could partly be explained by the negative migration balance (until the most recent period), relatively small number of foreigners, and the fact that migrants mostly originate from the countries of South East European region and are therefore easy to integrate. A 2013 study on migrant workers in Croatia indicates that migration represents a form of transnational survival strategy over “small distances”, since most migrants originate from neighbouring Bosnia and Herzegovina. Furthermore, it shows that most migrant workers have only elementary or secondary education. The situation has probably changed in recent years but it cannot be corroborated by newer research studies.

The media analysis findings indicate that in the last five years the topic of migrant work was neglected within the right-wing media while it was much more present within more centrist conservative and liberal (mainstream) media. The importance of this topic particularly increased since 2018 in comparison to previous years. Unfortunately, the vast majority of collected articles address this topic from a rather technical perspective. They overwhelmingly focus on discrepancies between supply and demand on the Croatian labour market in labour intensive sectors such as tourism and construction, while articles which would analytically deal with the issue of migration are scarce.

The number of third country nationals in Croatia was traditionally regulated through the quota system. Nevertheless, since the adoption of the new Aliens Act which came into force in January 2021, the government no longer determines the annual quota for the employment of foreigners. Instead, employers have to request the Croatian Employment Service perform a labour market test before requesting the employment of foreigners. Based on the number and structure of unemployed persons and the needs for certain economic activities, the Croatian Employment Service decides on occupations for which a labour market test is not necessary.

Concerning migrant workers in Croatia, the focus of expert attention is targeted towards the new Aliens Act. Experts assess that the new system seems better equipped to attract a highly skilled work force, but that it is quite complex and lengthy. It is expected that the new Aliens Act will undergo certain amendments both in terms of its legal quality and simplification of certain procedures. The integration of migrant workers in Croatian society presents a major challenge, since Croatia lacks a consistent and pro futuro oriented migration and integration policies. Therefore, it would appear that migrant workers from third countries enjoy the basic rights and security in Croatia, but do not have equal opportunities. Migrant workers have no valid access to professional development, while the necessary language requirement is fully dependent on the capacities of individual employers.

In all sectors in the focus of this research, both the trade unions and employers have their associations that are involved in social dialogue and collective bargaining at all levels. The only exception is platform work, where no employers' representative could be identified. The construction has collective agreements which was extended to the entire sector by virtue of a ministerial decision. A sectoral agreement is also in force in the public healthcare sector. However, in all sectoral and relevant company level agreements, there are no provisions that would address migrant workers. Most migrant workers work on fixed term contracts which, as a rule, last for the duration of their work permits.

With the exception of the new Aliens Act, there are no signs that the topic of migrant work has been discussed as topic in its own right in social dialogue forums at any level. The lack of provisions and discussions pertaining to migrant workers shows that Croatian social partners lack sufficient capacity to deal with this issue. Furthermore, they also lack the complete awareness that migrant workers find themselves in greater difficulties compared to domestic workforce, due to their non-existent social networks, obstacles in exercising all social rights, and higher general exposure to potential discrimination. Both social partners have no universally accepted standards when it comes to migrant workers. They also lack formal or informal forums where experiences and best practices could be shared. In all five sectors, trade union membership of migrant workers is non-existent or at best, as in construction, it does not exceed 2%. Therefore, the trade unions have to start developing specific strategies to attract migrant workers into their membership.

The impacts of the COVID-19 crisis on migrant work proved to be highly sector specific. In construction and the metal industry, these impacts were not deep, while in tourism there were more labour-related fluctuations due to travel restrictions. In public healthcare, the COVID-19 crisis has further exposed the need for employment of foreign medical professionals, but so far regulations have not been simplified to facilitate or enhance their immigration. Work through online platforms has increased since the outbreak of the pandemic. This has likely also increased the number of migrant works in that sector, although this cannot be statistically corroborated.

Recommendations

Based on the analysis we make several recommendations:

- Croatia needs to develop a new and forward-looking migration policy. This means that it has to adopt a new multiannual migration strategy and the accompanying action plans. These documents would have to move away from perceiving migration primarily as a security threat. Instead, migration needs to be viewed as an opportunity for economic and social development. Creation of a new migration strategy interlinking migrant workers' basic rights, security and equal opportunities, needs to be a product of broad consultations between the government, social partners, experts and civil society organizations. It also needs to be developed in constructive dialogue with migrant representatives.
- The new Aliens Act prescribes the implementation of a labour market test as a prerequisite for the issuance of work permits, which is a step in the right direction. Nevertheless, due to fact that it has only been in force since January 2021, its implementation will have to be examined in detail by state bodies and external experts to detect the most frequent open questions and bottlenecks in the process of issuing work permits. Based on the recorded practice, the new Aliens Act will require amendments.
- The state has to develop the appropriate integration policies and measures in order to ease up the integration of migrant workers and their families at their working places and into Croatian society. It will be necessary to fund longer-term language courses for migrant workers, similar to the practices in Western Europe. Furthermore, education in English for the children of migrant workers needs to become more widely available. Finally, there needs to be improved access to health and social protection rights for migrant workers. This requires both regulatory changes and heightened public awareness within health and social protection institutions about the presence of migrant work.
- The social partners must develop their own strategies and policies towards migrant workers. Migration of workers from third countries has to become a topic in its own right

within social dialogue forums at the national, sectoral and company levels. So far, this was negotiated only rudimentarily at the company level in the metal industry sector. The social partners have to start discussing migrant work issues separately, since the social and economic conditions of migrant workers differ from those of the domestic workforce. These efforts would have to particularly focus on preventing any kind of discrimination, and on measures that assure the integration of migrant workers both in the workplace and within Croatian society.

- Statistical monitoring of migrant work should become more developed and improved in all sectors to enable in-depth analyses of the various economic and social aspects related to both immigration into and emigration out of the Croatian workforce.
- In the public healthcare system, the recognition of qualifications for professionals originating from third countries needs to be simplified and accelerated. The best practices from other countries need to be examined to address this issue, which creates a bottleneck in the employment of medical professionals and possibly demotivates them from choosing Croatia over another country.
- In a situation of an increasing need for migrant workers in the construction sector, it would be crucial to offer them internationally more competitive wages and more favourable working conditions. These should also include the possibilities to learn the Croatian language free of charge. The aim should be not only to hire these workers but also to keep them employed.
- In the online digital platform sector, efforts must be concentrated on finding representative social partners on the employer side. This would allow development of social dialogue in that sector, which in turn would improve regulations and working conditions for both domestic and migrant workers.
- The work of the labour inspectorate should be strengthened and their professionals further educated about the vulnerabilities of migrant workers on the national labour market and in their workplace environments. This particularly pertains to digital online platforms where the role of the labour inspectorate is not clearly defined and where there are frequent discrepancies between reported and worked hours.

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1.	Interview Asesor	20 March 2021
2.	Interview CCN – Croatian Chamber of Nurses	5 March 2021
3.	Interview CEA – AMI – Croatian Employers’ Association – Association of Metal Industry	5 March 2021
4.	Interview CES – AEA – Croatian Employers’ Association – Association of Construction Employers	9 March 2021
5.	Interview CEA – AHT – Croatian Employers’ Association – Association of Hospitality and Tourism	4 March 2021
6.	Interview CES – Croatian Employment Service	27 May 2021
7.	Interview CMDC – Croatian Medical Doctors Chamber	27 May 2021
8.	Interview CTUN-MT – Croatian Trade Union of Nurses – Medical Technicians	20 May 2021
9.	Interview DPTUC – Digital Platform Workers’ Trade Union of Croatia	8 October 2021
10.	Interview EIZ – Economic Institute Zagreb	8 April 2021
11.	Interview IMIN – Institute for Migration and Ethnic Studies	28 May 2021
12.	Interview TUHSWC – Independent Trade Union of Health and Social Welfare of Croatia	28 May 2021
13.	Interview Kučinac Dunja	7 October 2021
14.	Interview MoI – Ministry of the Interior of the Republic of Croatia	24 April 2021
15.	Interview MoH – Ministry of Health of the Republic of Croatia	1 July 2021
16.	Interview TUCIC – Trade Union of Construction Industry of Croatia	23 February 2021
17.	Interview TUMWC – Trade Union of Metal Workers of Croatia – Industry Trade Union	10 March 2021
18.	Interview TUTSC – Trade Union of Tourism and Services of Croatia	24 April 2021
19.	Interview Šarolić Robić Marijana	18 March 2021
20.	Interview Špadina Legal Consulting	11 May 2021
21.	Interview Urban Građenje	23 March 2021

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