



Industrial relations and social dialogue
**Croatia: Working life in the
COVID-19 pandemic 2020**

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Introduction

Without doubt impacts of the pandemic on the economy and working life have been significant. At the end of November 2020, the Croatian Employment Service recorded 157,000 unemployed persons, representing a 21.9% increase in the number of registered unemployed persons compared to November 2019. While the gender structure of unemployed persons did not change in comparison with November 2019, so 45% were males and 55% female, regarding the age the highest share was recorded by the group 30 to 34 years (for 28,9%), and the lowest by persons 60+ years (for 11.5%). Overall, real GDP is expected to contract sharply in 2020 (around 9.6%). Social cohesion was still kept by Government's extensive furlough scheme with approximately HRK 10 billion (€1.33 billion). These sums were paid out in the period from April until October 2020, with almost 630.000 employees included in the protection scheme at one point in time. Additionally, Croatia was granted €1 billion in favourable loans within SURE instrument (Support to mitigate Unemployment Risks in an Emergency) with the goal of supporting national working time reduction schemes. The year 2020 represents a true test for Croatia's economic resilience and policy effectiveness. Croatian authorities decided to lock down the economy on 16 March 2020. The schools and universities remained closed until mid-May, as well as public transport. The circumstances remained favourable during summer, with only few new cases of corona virus infections until September. As the situation worsened, as of 28 November, a soft lockdown as introduced, through 21 December, with several restrictions, among which the closure of hospitality services (restaurants, cafes, and bars) and interdiction of cultural events and gatherings. The healthcare system was under much bigger pressure than during spring wave. Furthermore, one should not forget that Croatia suffered from terrible earthquakes - the first one in March 2020 in the Capital the City of Zagreb, and the second one at the end of December 2020 in cities Sisak, Petrinja and Glina, which also caused serious material and economic damage and additionally contributed to the significant drop in GDP.

Impacts of the pandemic on working life

Kotarski (2020) and Šonje and Kotarski (2020) are the most significant research studies in the mentioned period in Croatia, while Čorkalo, Biruški et al (2020) and Koprivic (2020) also provide some interesting findings. There were no other research studies which look into the impacts of COVID-19 on working life nor larger representative surveys from authoritative sources and research findings based on larger datasets in areas of teleworking and commuting, perceived job security/changing jobs, income security, working time, work-life balance, health, safety and well-being at work, job-satisfaction and similar. This should not be a surprise because Croatia is a small country with relatively limited scientific capacities and few scientific journals. Kotarski (2020) underlined that the government had very successfully resolved pandemic problems until the early fall 2020, but almost fully lost control afterwards. Šonje and Kotarski (2020), fully aware of the dangerous impact of the lockdown on the economy, deem that relaxation of the measures in Croatia during the summer 2020 began too early and that it was too risky. Čorkalo Biruški et al (2020), in the research conceived as a longitudinal study, assessed how Croatian citizens faced the pandemic, how they perceived the society in which they lived and what kind of society they expected in the future. The survey was conducted in the period from 24 August to 7 September 2020, on a national probabilistic sample of 1,060 participants aged 18 to 74 years that was stratified: by region and by settlement size. It looks like the COVID-19 crisis did not adversely affect Croatian citizens in any significant economic sense. Slightly more than 2% of them stated that they had lost their jobs because of the crisis, and about two thirds of citizens estimated that their standard of living was the same as it had been before the crisis. Furthermore, over 70% of citizens clearly perceived the COVID-19 crisis as a shared, common threat; because of this, they felt that the crisis would affect everyone equally. Given that the results of the research on solidarity measures clearly show that citizens highly regard the welfare state and its responsibility for the well-being of citizens, as well as the value of equality and general care for others. It is understandable that citizens expect state assistance for the most vulnerable. Furthermore, they deem how it is important that the purpose and concrete effects of the proposed measures be clearly and publicly visible in order to avoid exhausting the motivation of citizens and their mobilized solidarity ahead of time. Various mental health indicators, along with those that gauge public perception of broader society, show that those whose mental health has been most affected by the crisis also perceive the society they live in to be worse than that of the society perceived by other participants. The results by Koprivic (2020) on predictors of perceived stress and emotional distress among students, show that women, students of junior years of college, those who were less engaged in physical activities, those who were more dissatisfied with their appearance, those who used less proactive coping, spent more time on social networks and read news on the Internet more frequently, experienced higher levels of stress.

Political context

After initial reluctance to opt for a national lockdown, which was quite common in other European peers, at the end of March 2020 Croatian government responded to the COVID-19 shock with a very stringent set of restrictions. Seemingly, the main aim of such approach had been to contain the virus prior to the parliamentary election planned for 5 July 2020 and prior to the start of tourist season. This is not surprising having in mind that tourism has been a significant source of economic growth over previous decade and has contributed to around one fifth of national GDP. At the end of May 2020, Prime Minister Plenković stated that Croatia and its government have defeated the pandemic. The chosen model and the result of the successful fight against the virus spilled over into public support. Opinion polls conducted in April showed an unprecedented level of public confidence in political leaders. The popularity of the ruling party Croatian Democratic Union (*Hrvatska demokratska zajednica* – HDZ) has also grown (Šonje and Kotarski, 2020). PM's slogan 'Secure Croatia' was well-accepted on behalf of the large part of Croatian voters (Dnevnik.hr, 2020) and many voters that are traditionally not in favour of the HDZ decided to reward government's crisis management. Therefore, the parliamentary election in early July resulted with a clear victory for HDZ which formed the new Croatian government in less than three weeks. Everything looked quite promising at the end of July, especially when the European Council conclusions from 21 July 2020 made clear that Croatia was allocated a record-breaking sum of €22 billion within the next Multiannual Financial Framework 2021-2027 and Next Generation EU programme.

Governments and social partners response to cushion the effects

Before the COVID-19 pandemic reached Croatia, the economy was in a more resilient position than it had been at the beginning of the 2008 global financial crisis. At the outset of the pandemic in March 2020, Croatia was on a steady course in terms of economic growth. Croatia was among the minority of EU Member States that still managed to finish the first quarter of 2020 with a 0.2% growth, year on year (Croatian Bureau of Statistics, 2020). According to the Economic and Fiscal Policy Guidelines 2020-2022 Government expected real economic growth of 2.5% in 2020 and a continued reduction in the public debt to GDP ratio down to 68%, in line with its determination to proceed with an ambitious goal to adopt the euro in 2023 (Government of the Republic of Croatia, 2019). Nevertheless, GDP declined in the second and third quarter (-15.4% and 10.0% q-o-q respectively). The Croatian Government introduced various measures for preserving jobs in COVID-19 affected sectors. The first type is a grant to support reduced working hours where eligible employers may receive a grant to offset a potential loss of employment income if such an employee's working hours are temporarily reduced.ⁱ Eligible employers are those with 10 to 50 employees and they must submit a grant request for at least 20% of all employees; while employers with 51 or more employees must submit a grant request for at least 10% of all employees. An eligible employer receiving the grant undertakes to abide by certain restrictions and requirements, for example, payment of the agreed or prescribed salary, no distribution of profits, shares, stock options or management bonuses with a certain period.

The second type is a support for the preservation of jobs in sheltered workshops, integrative workshops and employment units for people with disabilities, regardless of the sector in which they operate.ⁱⁱ Eligible employers must prove a decrease in turnover of at least 50% in the month preceding the month for which the grant is sought, compared to the same month of the previous year (to be determined based on VAT returns submitted to the Tax Authority). The third type is a job preservation grant for certain sectors affected by COVID 19ⁱⁱⁱ – during October to December 2020. Eligible employers are those operating in the transport and storage, accommodation services, food and drink preparation and service, administrative and auxiliary services industry, arts, entertainment and recreation, organizers of cultural, business and sporting events, agriculture, forestry, crop and livestock production, hunting and fishing, and other service industries - repair of computers and personal and household goods and other personal service industries. For a measure oriented to SMEs^{iv}, eligible are employers who employ less than 10 employees (micro-entrepreneurs) regardless of the sector and all employers, regardless of the sector, that cannot perform the activity in accordance with the Decisions of the Civil Protection Headquarters or whose work is restricted in any way by the Decisions of the Civil Protection Headquarters. There are also some other measures like loans, moratorium and exemption for payment of various fees^{v, vi, vii}. Therefore, measures for financial liquidity including a three-month moratorium on liabilities to the Croatian Bank for Reconstruction and Development (HBOR) and commercial banks (moratorium subject to further extensions), as well as the approval of loans for cash flow in order to pay wages, suppliers and to reschedule other liabilities^{viii}. Furthermore, there are new loans for liquidity by HBOR and commercial banks for enterprises to finance wages, utility costs and other basic business operating costs (working capital) under favourable terms (interest starting at 0% for HBOR's loan portion. There are also micro loans for working capital for micro and SMEs implemented by the Agency for SMEs, Innovation and

Investments (HAMAG-BICRO). There is a new financial instrument "COVID-19 loans" for working capital for small and medium-sized^{ix}. The government states that it included social partners whenever was possible, but social partners deem that they have not been included enough and/or on time. The most important critique by the trade unions has been that measures were directed towards employers without sufficient control of their appropriate use.

Furthermore, in measures to support the preservation of jobs in activities affected by COVID-19 and for micro-entrepreneurs, employers are given the opportunity that "if there is a termination of the employment contract, business termination or extraordinary dismissal of the employer, he or she does not have to pay for a worker whose contract has been terminated for a month or days in the month due for payment". In other words, in these measures, the support to employers is not conditioned by the retention of workers, but their support is only reduced by the number of workers to whom they give a business-related dismissal. Trade unions state that some employers use the epidemic as an excuse to get rid of some workers, or those employed for an indefinite period who will later be replaced with other workers employed through more flexible forms of work, etc. Therefore, on the meeting dedicated to the continuation of measures on 12 October 2020, representatives of the trade union in the Governing Board of Croatian Employment Office (a body responsible for designing and implementation of the measures) asked for a ban on business-related dismissal in companies receiving support. The unions believe that the preservation of jobs with public funds should be conditional on preserving the jobs of all workers, not just those the employer wants to keep (Sindikalna akcija, 2020). According to trade unions' opinion, this is not an absolute ban on dismissal and reduction of the number of employees, because the expiry of a fixed-term contract, dismissal caused by the employee's behaviour, extraordinary dismissal, personal dismissal, dismissal of the employee to the employer and retirement are fully allowed, but economic cancellation should not be allowed. On the other hand, the Croatian Employers' Association in principle supports various governmental measures for aid to the economy but deems that the governmental measures were relatively limited in the amount, administrative demanding and complex for application and that the responsible body, the Croatian Employment Service, constantly changes conditions and criteria.

ⁱ Eurofound (2020), [Co-financing of wages for reduced working hours \(SURE implementation\)](#), case HR-2020-27/893 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱ Eurofound (2020), [Support for preservation of jobs in workshops for disabled and integrative units for employment of persons with disabilities affected by COVID-19](#), case HR-2020-27/1060 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

ⁱⁱⁱ Eurofound (2020), [Support for preservation of jobs in sectors affected by COVID-19](#), case HR-2020-12/361 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{iv} Eurofound (2020), [Croatian Chamber of Trades and Crafts suspends company fees for the second trimester 2020](#), case HR-2020-14/344 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^v Eurofound (2020), [Use of the Forest Public Benefit Function Fee](#), case HR-2020-12/348 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{vi} Eurofound (2020), [Writing off all renters' income tax liability for the second quarter 2020 in the tourism industry](#), case HR-2020-14/582 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{vii} Eurofound (2020), [Measures of Croatian Bank for Reconstruction and Development \(HBOR\) and Croatian Agency for SMEs, Innovation and Investment \(HAMAG-BICRO\)](#), case HR-2020-12/319 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{viii} Eurofound (2020), [COVID-19 loans for variable capital for microenterprises and SMEs](#), case HR-2020-14/512 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

How COVID-19 accelerated and disrupted working life policies and impacted social dialogue

Accelerated developments

The Government of Croatia ordered work from home to a large number of civil servants. Also, in one of its first decisions related to the COVID-19 pandemic and employers in the private sector, the Civil Protection Headquarters imposed an obligation to organise work from home, where it was possible. Therefore, many companies introduced remote work model.^x According to Croatian Employers' Association data, before the crisis only 1.9% of workers worked from home, while in the first wave of the pandemic, that number rose to 34%, and in the second wave it was more than 50%. Grgurev and Potočnjak (2021) underlined that working from home, opened a number of questions, primarily because it is not regulated by the Labour Act (LA).

The Republic of Croatia undertakes the obligation to assure needed financial resources to bodies of local and regional government (municipalities, cities and counties) as well as to the Croatian Health Insurance Institute and the Croatian Pension Insurance Institute, in the event that the repayment or deferral of payment and/or instalment repayment of income tax and surtax on income tax and social contributions reduce the revenues of government bodies and the Institutes for Social Insurance.^{xi}

Disrupted developments

There were no particular cases of disruptive development. However, one of the most important reasons for possible disrupted developments are opposite opinions of inclusion of social partners in the preparation and implementation of measures directed towards the lessening of the COVID-19 consequences. While the government states that it included social partners whenever was possible, social partners believe that they have not been included enough and/or on time. For example, both social partners state that they were not included in preparation of measures.^{xii, xiii, xiv} Furthermore, except of the Economic and Social Council meeting held on 27 April 2020, the Croatian Employers' Association (CEA) was not involved in the preparation of other measures related to resolving of economic problems in the context of the declared epidemic of COVID-19. The Croatian Employers' Association expressed its dissatisfaction with such situation. The CEA supports the activities of the government proposed and implemented in various measures for aid of the business entities but deem that measures are sometimes insufficient and/or of too short duration. Trade Unions (TUs) also underlined that they were not included in designing and implementation of measures for lessening the consequences of COVID-19. The TUs were present at the meeting by the Economic and Social Council held on 27 April 2020, when the measures for reducing the adverse consequences of the Corona-19 were presented. TUs believed that such presentation was not sufficient, and it was too late. Finally, for TUs an excuse that social partners were not included due to the nature of the measures and time pressure is not acceptable. Impacts on the social dialogue and collective bargaining

Regardless of pandemic, there were no significant changes in terms of the actors, institutions and processes in industrial relation, as well as the situation in social dialogue and collective bargaining. There were no changes of the rules of tripartite consultations, while the only practical change was that in some companies, meetings had to be moved online. The Economic and Social Council (ESC) on

the national level was inactive for a longer period from its 221 Meeting on 26 June 2018 to 222 Meeting on 27 March 2020. The reasons were some serious disputes between the trade unions and the government about the functioning of the ESC, but also related to its role in the pension reform, which resulted in trade unions' cancellation of their participation in the ESC. With the intention to revive the ESC on the national level, the government and social partners signed on 11 March 2020, an Agreement for establishing the Economic and Social Council. This body represents the highest (institutional) form of tripartite social dialogue at the national level, and it provides an opportunity that social partners have an important and active role in creating and implementing public policies. Since then the ESC has had seven meetings with various topics, mostly related to COVID-19 measures. On its 226 Meeting held on 26 May 2020, the ESC fully supported the key principles of the adopted measures related to the safety of the health of citizens and workers, as well as the protection of the Croatian economy. The ESC suggested that future proposals for measures should be discussed at the sessions of the Council before their adoption. On its 228 Meeting held on 2 October 2020, the ESC discussed impacts of COVID-19 on transport sector, including public transport provided by private companies. Both social partners were very pleased that the ESC has been reactivated because they were aware of the importance of its advisory role at the national level.

^x Eurofound (2020), [Combis officially implements remote work model](#), case HR-2020-25/891 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{xi} Eurofound (2020), [Interest-free loan from the Republic of Croatia to local and regional units of government, Croatian Health Insurance Institute and Croatian Institute for Pension Insurance](#), case HR-2020-12/317 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin

^{xii} Eurofound (2020), [Support for preservation of jobs in sectors affected by COVID-19](#), case HR-2020-12/361 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{xiii} Eurofound (2020), [COVID-19 loans for variable capital for microenterprises and SMEs](#), case HR-2020-14/512 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

^{xiv} Eurofound (2020), [Microloans for rural development](#), case HR-2020-14/513 (measures in Croatia), COVID-19 EU PolicyWatch, Dublin.

Other important policy developments

Trade unions were very active in provision of information and education as well as empowering of their members during the COVID-19 crisis. Union of Autonomous Trade Unions of Croatia - UATUC (SSSH) organised various educational programmes, like EDUCA, which was realised even during the COVID-19 crisis as a Webinar. Furthermore, some affiliated TUs – like the Trade union of the Construction Industry of Croatia and the Autonomous Trade Union of Catering and Tourism of Croatia together with the Croatian Employers' Association were implementing the project with social dialogue to quality working places in construction and tourism. UATUC has launched a Facebook side and new website Decent work (in Croatian radpomjeri.eu - <https://radpomjeri.eu/>) to inform workers about their rights and benefits of union membership. The Independent Trade Unions of Croatia on its Web page provides very useful information on the collective and individual mediation procedure and explains the process of appointment of mediators. With the intention to inform and empower its members, MATICA – Association of Croatian Trade Unions published interesting and valuable book related to remuneration in public sector (Bagić et al, 2020).

Labour disputes in the context of the pandemic

In Croatia there is no national statistics available on the number of working days lost due to industrial action. There were no serious and important labour disputes in 2020. With the intention to prevent possible labour dispute, the government and the Trade unions representative for public sector signed on 5 June 2020 an Annex to the Basic Collective Agreement for Public Servants and Employees in Public Services (OG 66/20) which stipulates the delay in the increase of wages and salaries in public sector. Lisičar, Rožman and Zovko (2020) published a new book on conciliation in labour disputes. Their analysis covers a broad scope of issues, such as the number and duration of labour disputes, a lack of compliance with key regulations, while a special attention is dedicated to the importance and problem of inconsistency of case law in this area. The key factors of such a situation are also pointed out, as well as the need for an initial cost-benefit analysis of the cost-effectiveness of entering court proceedings before deciding on entering into court dispute resolution.

Major developments in working time regulation as a result of the pandemic

Legislation on working time

The amendments to the Labour Act (OG 93/14), published in OG 127/17 and OG 98/19 were not related to the working time.

Collective bargaining on working time

There is almost no collective bargaining on working time in Croatia because social partners fully respect the stipulation of working times in the Labour Act (OG 93/14, 127/17, 98/19). If working hours are defined with collective agreements, it is always according to the mentioned Labour Act. One important measure related to COVID-19 was the introduction of co-financing of wages for reduced working hours, according to the implementation of the Programme SURE. During the period from 1 to 19 June 2020, the government had actively communicated with social partners and the Ministries of Finance and Economy regarding the implementation of the European Commission's SURE job-keeping program. They agreed on the criteria for the shortening of working hours and the government accepted the Decision on a new job retention scheme for companies affected by the coronavirus crisis on its session held on 25 June 2020. The scheme envisaged the provision of state co-financing for wages according to reduced working hours. The measure was designed to help out employers who are forced to reduce working hours due to operating difficulties and a drop in business activities by more than 20%. Depending on the needs of the employer, the state can co-finance wages for working time reductions between 10% to 50% of working hours per month. That means from 2.5 working days, up to 50% of the fund of monthly hours. Therefore, the co-financing of workers can be between HRK 400 and 2,000 (€53 to €264). Such model was very successful in the preservation of jobs in many firms. For example, the Autonomous Trade Union in Power Industry, Chemistry and Non-metal Industry of Croatia and the management board of Lipik Glas signed an agreement on a temporary shortened working time. Both sides hoped that such document was an important step in preservation of the company and jobs. The Trade Union particularly expressed its satisfaction with the process of the company that employer presented the production plans and agreed that wages would not be lowered even if workers work shorter. An additional possibility was the introduction of the model "inactive working hours" applied in Zagreb Airport. The model contains the exemption from work obligations with a salary compensation amounting to 70% of the value of a full hourly rate. For one month, all employees must have a minimum of 1/3 to a maximum of 2/3 of "inactive" hours according to the work schedule.

Ongoing debates on working time

There are constant discussions on the ban of the work in commerce on Sunday. Ms. Zlatica Štulić (2020), the President of the Commercial Trade Union of Croatia (CTUC), explains why such measure is required. Most of the shop assistants do not want to work on Sundays and they would prefer to be with family and friends. A possible free day off on another day of the week is not nearly as valuable because Sunday is a day when family members and friends are most likely not working while children

are not in kindergarten or school. Furthermore, Croatia does not offer the necessary services which would make it easier for those who work on Sundays. On that day kindergartens are closed while social workers who provide care for the elderly are also free. Eurostat data show that Croatia is at the top of the EU Member States in terms of the share of workers working on Sundays, what endangers the harmonization of private and working life and causes frustrations, stress, psychophysical fatigue and serious health problems. Therefore, CTUC with help of the Catholic Church, two times successfully lobbied the Government to legally ban the work on Sunday in the retail sector. Still, on both occasions the Constitutional Court subverted newly enacted legislation, by stating that it undermines free market competition. However, on the other hand, the consequences of the Sunday trading ban could include less efficient shopping concentration over a shorter time, greater capital intensity, higher prices and lower sectoral activity levels. A special problem presents possible exemptions depending on stores total display and service space in square meters and/or the volumes of items offered, etc. The more complicated the regulations, the more difficult and costlier their implementation and control, which gives rise to additional inefficiencies. One should not forget rapidly growing catalogue sales and online purchases, which can easily evade such restriction. Lower employment rates in Croatia are accounted for by slower employment growth in the service sector, compared with that in the other EU Member States, as a consequence of more restrictive regulation. Henceforth, deregulation (particularly regarding store opening time) is considered one of the key employment stimulation policies. The representatives of the Croatian Employers' Association stress that the prohibition of the work on Sunday could have adverse impact on the economic growth and employment. Economic experts (Šonje, 2020) remind that one should not forget, other employees which regularly work on Sundays, like those in hospitals, public transport, police, newspapers, TV stations and other. So, why put one (relatively small) group of employees in commerce on privileged position. The purposes of economy are to satisfy consumers and create jobs, but the prohibition of Sunday trading serves neither of them. If something should be regulated and respected, it is the working time of individual workers and not an entire sector.

Impacts of the crisis on wages and wage setting

Up to now in Croatia there have been no data-based evidence and scientific surveys on how wages and wage setting have been impacted by the pandemic. However, Prime Minister Mr. Plenkovic said at the start of a Cabinet meeting on 18 December 2020 that regardless of the duration of the COVID-19 crisis, wages and salaries would not come into question and that job-retention measures would remain in force as long as necessary. On the question of how long the current lockdown could last without wages and salaries coming into questions, he confirmed that they were paid out in 2020 and they will be paid out also in 2021. He confirmed that the responsible government would do everything that was possible to retain jobs and remuneration, particularly in these adverse circumstances. PM said the government would find the money for job-retention measures as long as they were necessary, while at the same time working on economic recovery and resilience as well as investment (Vlada.hr, 2020).

The government and representative trade unions of state administration employees agreed in 2019 on the base pay rise for two plus two percent that was to apply on 1 June 2020 and 1 October 2020. However, due to the COVID-19 crisis and its adverse economic and financial consequences, it was impossible. As mentioned earlier, the government and the representative trade unions signed the Annex to Collective Agreements which define the deferral of the promised wage increases.

According to the Croatian Bureau of Statistics (2020a), the average monthly paid off net earnings per person in employment in legal entities for October 2020 compared to October 2019 increased by 2.4%. In 12 activity sections, which recorded the increase, the largest one was realised in activity section Q (Human health and social work activities), of 6.4%. Paid off net earnings decreased in the remaining seven activity sections, with the largest decrease, of 5.8%, being recorded in activity section I (Accommodation and food service activities). Compared to the same month of the previous year, which excludes seasonal effects, it is confirmed that the effects of the COVID-19 pandemic are the most pronounced in two activity sections: in activity I in terms of the decrease in net earnings and in activity Q in terms of the significant increase in net earnings due to additional burned on the health care system. There is the serious lack of wage flexibility in Croatia that makes it difficult for the labour market to adapt to changes in the macroeconomic surrounding and adverse impact of COVID-19 pandemics (Šimović and Deskar-Škrbić, 2020). Up to now there were no proposals for significant freezes, cuts and/or slowed growth of wages.

The government adopted the minimum net wage for 2021 in the net amount of HRK 3,400 (€ 453.3), or HRK 4,250 (€ 566.6) in the gross amount. That is HRK 150 (€20) or 4.61% more than the average minimum net wage for 2020 year. Currently it is at 44.25% of the average gross wage in the first seven months of 2020.

What is new in working life in the country?

As mentioned, before the COVID-19 only 1.9% of workers worked from home, while in the second wave it grew to more than 50%. In working life in Croatia new are discussions and analysis of this type of work. Grgurev and Potočnjak (2021) underlined that working from home, opened a number of questions, primarily because it is not regulated by the Labour Act (LA). For example, the LA, Article 17 regulates work at a separate place of work and in many cases, employers do not pay compensation to workers related to work performed from home. Furthermore, some workers do not have adequate working conditions at home; there is no adequate control and limitation of working hours, the right of workers to disconnect is often not defined or respected. The compensation that employers should pay to employees for the use of their own resources needed of work is not adequately regulated by tax regulations. In addition, it is not possible to control working conditions in the context of work safety and the protection of health (e.g. regarding ergonomic chairs, sufficient light source, the position of the computer, etc.). Therefore, the authors proposed that such work as well as responsibilities and obligations of employers and employees should be regulated by the Labour Act and the Act on Health and Safety on Job. However, there is a need to mention that the newly accepted Book of rule on work protection of job (*Pravilnik o zaštiti na radu za mjesta rada*, OG 105/20) stipulates adequately safety on the work from home.

Another new fact is broader implementation of unequal distribution of working hours and position of a single parent with a child under six years of age. In Croatia in order to reduce the transmission of the virus, there have been relatively many firms which introduced unequal distribution of working hours in order to have smaller groups of workers who always work together and do not meet with workers assigned to other groups. The Labour Act (OG 93/14, 127/17, 98/19) in the Article 68, paragraph 2 stipulates “The worker ...a single parent with a child under six years of age may work under the uneven distribution of working time scheme only if he or she gives to the employer a written statement of his or her voluntary consent to such work”. Therefore, if such worker refuses the uneven distribution of working time scheme, this is not a justified reason for dismissal, but it is a case of discrimination.

Trade unions warned of the practice of some employers that during the lockdown they illegally forced the employees to use available days of annual leave. Some workers during the lockdown got information that they were on vacation only when they were provided with salary calculations. In doing so, workers were put in an unequal position because those who did not take annual leave were sent to use annual leave, while the same could not be done with workers who had already used it. Trade unions also state that there were cases where workers worked from home, and employers registered those days as an annual leave. The Ministry of labour and pension system also contributed to such confused situation, because in its opinion it mentioned the use of annual leave as an option available to employers during the lockdown. Thus, the purpose of annual leave was lost, while workers’ rights were subordinated to economic interests.

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All cases related to Eurofound's COVID-19 EU PolicyWatch database can be found at <https://www.eurofound.europa.eu/data/covid-19-eu-policywatch>

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