CIVIL AND SOCIAL DIALOGUE IN CROATIA

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Cooperation between different sectors of society is the most effective way to create policies that provide a basis for balanced socio-economic growth and lead to joint solutions aimed at boosting employment, social security, inclusion, and solidarity, and which at the same time reflect the environment in which we live.

Our discussion of this subject in the Joint Consultative Committee, can contribute to a better understanding and greater commitment to the development of civil and social dialogue in all sections of Croatian society.

CIVIL DIALOGUE

Definition

'Civil dialogue' is not a term that is widely recognised and understood by the public. Indeed, only a small number of experts are familiar with it, mainly those who are involved in EU affairs. For this reason no comprehensive definition of the term has yet been found, although the following notions are usually associated with civil dialogue: CSO and government method of consultation, participation of the public in decision making, inter-sectoral dialogue and/or partnership etc.

The members or the focus group agreed on the following definition of the term "civil dialogue". This needs to be discussed amongst stakeholders in the future with a view to achieving consensus:

"Civil dialogue is an integral facet of participatory democracy. It facilitates structured interaction between organised civil society and the public sector in the process of reaching decisions."

The members of the focus group acknowledged the existence of different forms of civil dialogue - horizontal and vertical -, in other words, dialogue between CSOs and the public sector, amongst the CSOs themselves, at local and national level, as well as between the local and national level.

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1 A meeting of experts (focus group) was held on 12 September 2008, in cooperation with the Government Office for cooperation with NGOs, to help prepare this report. Members of the EU-Croatia Joint Consultative Committee, the Council for the development of civil society, the National Committee on volunteering, the Government Office for cooperation with NGOs, as well as several civil society representatives took part in the meeting. Lidija Pavić-Rogošić set out the basic themes for the discussion. These were looked at in depth, with members of the focus group providing additional information and examples from their own experience.

2 In recent years, the term CSO - civil society organisation - has been used more and more frequently. G. Bežovan and S. Zrinščak give an in-depth account of the use of the term in their book 'Civilno društvo u Hrvatskoj' (Civil society in Croatia). In Croatia the abbreviation NVO(NGO), non-government organisation, and the term non-government/non-profit organisation are used very frequently. The majority of CSOs are associations; there are as many as 30,000 registered associations in Croatia, although the majority of them are sports societies, followed by cultural, technical and economic bodies.
In Croatia, there are numerous examples of both formal and informal dialogue and cooperation, and even partnerships in some cases. Such dialogue has become more and more frequent in recent years, to a large extent also because of the funding criteria put in place by donors (e.g. USAID, EC).

The appendix to this report shows the results of the study entitled "Assessment of the development level of CSOs in Croatia", which is of direct relevance to civil dialogue.

**Institutional framework for cooperation between the state and civil society**

Towards the end of the 1990s a variety of institutional frameworks were set up which aimed to take cooperation between CSOs and the state forward. The Croatian experience has served as a model for CSOs in a variety of other countries.

**Government Office for cooperation with NGOs**

The office was set up at the end of 1998. It has contributed to the introduction of transparent procedures for the allocation of funds earmarked for associations from the state budget, improvements in the consultation of associations, a more favourable legislative environment for associations, as well as better communication and provision of information. The Office is also responsible for implementing the EU programme 'Europe for citizens'.

**Council for the development of civil society**

The Council, which was established in 2002, monitors and analyses public policies and rules, and has opened up a number of channels for cooperation between the different sectors. The Council has 23 members: 10 representatives from the relevant state bodies, 10 CSO representatives and three civil society experts on international cooperation, intersectoral cooperation and the process of European integration. The members of the Council are elected by the associations themselves. A public announcement on the elections is made, followed by a transparent election process, which underlines the legitimacy of the candidates selected.3

**National Foundation for civil society development**

This public foundation was established towards the end of 2003. It is primarily known for allocating funds to projects run by associations, and for having contributed to improving transparency in the allocation process through the introduction of public bidding procedures. It has also helped to ensure such procedures are applied by other state bodies, many of which now also use such procedures to allocate funds to CSOs. A large number of worthwhile projects are funded in this way. Many of them are implemented by means of cooperation and partnerships between various stakeholders.4

**National Committee on volunteering**

This is a consultative body of the Croatian Government. Its carries out activities aimed at promoting and developing volunteering. It was set up in 2007 by the Basic Law on volunteering and has 19 members which act as representatives for the public sector and for CSOs involved in volunteering. It also has a number of independent experts working for it.

**EU-Croatia Joint Consultative Committee**

This Committee has contributed a great deal to improving the overall institutional framework. It is currently in its fourth session. It should be stressed here that the method used to select the Croatian members of the Committee could serve as a model for democratic elections to other, similar bodies.5

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3 A public call for nominations is made based on eligibility criteria for Council membership. Candidates are vetted against the criteria; a vote by ballot is held on the candidates nominated; a Committee made up of three members establishes which candidates have won the most votes in each of ten areas (for example, human rights, youth, environmental protection etc.)

4 In 2007, funds totalling more than EUR 4 million were allocated.

5 When the Joint Committee was launched, the Council for the development of civil society published a competition and called for candidates to be nominated. Networks, that is to say, the coordinating bodies of associations put forward candidates. The committee responsible for
Documents and rules on the relationship between the public sector and CSOs

Programme of cooperation between the Government and non-profit/non-government organisations

The Office for cooperation with NGOs organised the setting up of a Programme aimed at promoting cooperation between the state and civil society. A large number of CSOs helped to draft the programme, which was adopted by the Government at the end of 2000. Unfortunately, though it was never implemented.

Charters on cooperation at local level

Following on from the above programme, a number of charters on cooperation between associations and several cities/towns (e.g. Rijeka, Šibenik, Sisak, Županja, Beli Manastir, Belišće) were adopted. Significant progress has been achieved on cooperation between CSOs and local authorities in the past fifteen years (for example, allocation of funds to associations through public competitions, provision of office space, associations are invited to cooperate and act as partners on projects, in particular those which rely on EU funding).

National strategy on the creation of a strategic environment for civil society development

This strategy, which was drawn up in several stages, in the course of a number of years, was finally adopted by the Government in the middle of 2006. The strategy sets out basic guidelines on how to take forward the legal, financial and institutional support mechanism for the development of civil society up until 2011. This was supplemented by an operational plan for the implementation of the goals set, which was drawn up at the beginning of 2007. This lists benchmarks, backers and deadlines.

Code of conduct, standards and benchmarks on the provision of financial support to programmes and projects run by associations

This document, adopted in 2007, sets out the basic standards and principles to be applied by government bodies and offices when allocating funding from the state budget to associations for programmes and projects which are considered to be of particular benefit to general/public welfare in Croatia.

Code of conduct concerning consultations with stakeholders on the adoption and implementation of legislation, rules and regulations

The draft of this document was drawn up through a process of consultation, and the government is expected to adopt it soon. The codex establishes minimum standards and benchmarks on stakeholder involvement in public policy making, especially in cases where policies deal with issues of importance for the public’s general welfare (protection and promotion of human rights, public services, the judicial system, environmental protection and similar).

Law on access to information

This law, adopted in 2003, regulates access to information held by public institutions. However, a number of problems have arisen which have meant that its implementation has been unsatisfactory. For this reason the law is to be amended.

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6 In addition to the Government Office for Cooperation with NGOs and the Council for the development of civil society, around 30 government backers have lent their support to a number of measures in the plan. CSOs and local authorities are also to be involved.

7 Stakeholders for the purpose of this code include: individual members of the public, civil society organisations (informal citizens’ groups or initiatives, associations, foundations, private bodies, trade unions, employers’ groups), representatives of the academic community, chambers of commerce, public institutions and other legal persons who perform public tasks or which are likely to be affected by legislation, rules or regulations.
Convention on access to information, public participation in decision-making and the initiation of legal proceedings in matters relating to the environment

Croatia ratified the Convention towards the end of 2006. Also, certain aspects of the Aarhus Convention were incorporated into the 2007 Law on environmental protection. This law provides the basis for the Regulation on the provision of information and involvement of the public and stakeholders in environmental protection issues, which was adopted in 2008 and sets out which sections of the public are entitled to information.

Assessment of the current state of play of cooperation between the public sector and CSOs

Over the past ten years, awareness of the need for cooperation and dialogue has grown both in the public sector and in civil society. Previously, there was widespread lack of understanding on the need for and benefit of such cooperation. That attitude has now generally changed at all levels. The challenge now is to find a way of consolidating the relationship and maintaining it in the long-run. Knowledge, skills, and experience of successful cooperation methods are generally lacking. Assessments show that the main challenge in most cases appears to be the need to consolidate the capacity of local players for inter-sectoral cooperation. To date, training in this area has been provided primarily by CSOs, who in recent years have proven to be relevant and competent players. They organise and provide informal training for local as well as national players in all sectors.

Even though a number of Committees and other bodies do make an effort to involve civil society representatives in their work, generally, the level dialogue between the state and civil society is still not adequate since it is neither frequent nor systematic enough. There have even been instances where certain government bodies have failed to consult civil society in any shape or form whatsoever. Nonetheless, CSOs are increasingly making their mark as legitimate players in the decision making process, and there are a number of cases where this has worked well in practice.

In spite of such improvements, CSOs still only make a modest impact on public policy, because even when they are involved in the policy process, their positions, recommendations and views are often not taken into account in the final analysis. This reduces their motivation to become involved and fosters a deeply ingrained attitude that it is not worthwhile for them to make an effort since everything seems to be decided in advance.

Civil society needs to be provided with further know-how of lobbying and advocacy techniques. CSOs are often unable to articulate their positions clearly and defend their interests vis-à-vis the state and the programmes it implements. This is due to the fact that they themselves often lack the necessary expertise and are not adequately integrated into networks.

Meanwhile, the work carried out on the rural development strategy is an example of how a positive approach to policy making, where CSO’s views were take into account, can work well. CSOs have also been able to make an impact on a number of priority issues relating to social policy (for example, the joint memorandum on social inclusion) and human rights. An outstanding example at local level is the case of the city of Split. Here experts from the city administration, public institutions, civil society and economic organisations cooperated closely in the planning of the “Strategic guidelines on partner-like cooperation in the provision of social services for 2008-2012”. Altogether, 70 experts (20 from public institutions, 41 from organised civil society, three from the private sector and six from the city administration) were involved in this.

What the state needs to do:

- accept CSOs as equal partners and contribute to the creation of an environment in which CSOs are supported and their views taken into account, bearing in mind the complementary role they play
- engage in structured cooperation and set out clear criteria on the inclusion of CSOs
- establish long-term consultation mechanisms, instead of ad hoc cooperation
- recognise the value of non-institutionalised education and other services provided by CSOs.
What CSOs need to do:

- organise themselves into networks and cooperate with each other more effectively
- establish permanent channels of communication with the public and government bodies to ensure CSOs' views on all key issues are put across
- act in concert
- engage with the media
- continue to provide training and raise public awareness
- illustrate the value of their work through visible programmes and projects
- support the implementation of national policies at local level.

SOCIAL DIALOGUE

Vice-Chairman Lidija Horvatić, already highlighted this subject in her recent presentation on Chapter 19: social policy and employment.

Definition

The term 'social dialogue', in contrast to 'civil dialogue', is widely known, even though its meaning may not be fully understood by all sections of the public.

The International Labour Organisation's definition of social dialogue is the one referred to most often in Croatia, as it is considered to be the most accurate and clearest:

"Social dialogue includes all types of negotiation, consultation or simply exchange of information between, or among, representatives of governments, employers and workers, on issues of common interest relating to economic and social policy. It can exist as a tripartite process, with the government as an official party to the dialogue or it may consist of bipartite relations only between labour and management (or trade unions and employers' organizations), with or without indirect government involvement. Social dialogue processes can be informal or institutionalised, and often it is a combination of the two. It can take place at the national, regional or at enterprise level. It can be inter-professional, sectoral or a combination of these.

The main goal of social dialogue itself is to promote consensus building and democratic involvement among the main stakeholders in the world of work. Successful social dialogue structures and processes have the potential to resolve important economic and social issues, encourage good governance, advance social and industrial peace and stability and boost economic progress."

Institutional framework for social dialogue

Economic and Social Council (ESC)

Employers and trade unions reached consensus on the institutionalisation of social dialogue with the setting up the ESC at the beginning of 1994 in response to the need for cooperation in Croatia. This followed on from a previous agreement between the social partners and the government. The first informal meetings of the ESC were in fact held as early as 1991. The ESC represents the highest level of tripartite social dialogue. It has 18 members, with the Government, high-level employers' organisations and trade unions (trade union federations) providing six representatives each. It has eight committees covering different areas (for example, wages and the tax system, employment and social policy, collective bargaining, etc.)

ESCs at the local and regional level

Under the Agreement on the Economic and Social Council and other types of social partnerships reached in 2000, it is possible to establish economic and social councils at local and regional government level. These councils must be established jointly, by the municipalities, trade union
federations, which by law are guaranteed representation at national level, and employers' organisations. To date, economic and social councils have been established exclusively at district level on the imitative of the social partners. This means that today all districts, including the District of Zagreb, have their own ESC (21 in total). There are major differences between these ESCs in terms of the way they are organised, their level of involvement, their success and the impact they have.

The role of social partners in the EU integration process

The social partners are also represented in the bodies that have been set up as part of Croatia's accession negotiations (for example, the National Committee supervising Croatia's EU membership talks, expert negotiating groups).

Sector-based social dialogue

At the regular joint meeting between the Prime Minister of Croatia and representatives from HUP and trade unions in September 2008, it was decided that the HUP and trade unions - acting in concert with their associations - should intensify efforts to institutionalise sector-based social dialogue and establish ESCs at sector level, based on the agreement previously in force. This is an issue which has been raised frequently in the European Commissions' reports in connection with social dialogue.

Social dialogue in companies

Thanks to efforts by trade union sub-sections and individual members, it has been possible to set up and appoint workers' committees, health and safety stewards and representatives on supervisory boards.

Collective bargaining

Collective bargaining takes place more frequently at company level than at industry level. In the public sector, collective agreements are reached between the Government and public service unions. It is estimated (there are no official statistics) that 70% of workers in Croatia are covered by collective agreements.

Current state of play of social dialogue

At the Economic and Social Council's 104th meeting, held in January 2008, it was concluded that significant progress had been achieved both in terms of the content and outcome of social dialogue since tripartite institutional cooperation was introduced with the setting up of the ESC. It was also noted that cooperation has been extended to all areas, and now covers both specific and general interests. The Government, employers and trade unions will continue their intensive cooperation within this institutional framework in the future with a view to developing and pushing social partnership forward.

Croatia has established the institutional conditions needed to guarantee quality social dialogue. This has led to substantial progress in recent years in both tripartite and bipartite dialogue. All partners agree that these relationships need to be further improved, and the willingness to

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8 Croatia is often cited as a model for the way in which social partners and other civil society organisations should be involved in the working groups.
9 HUP-Hrvatska udruga poslodavaca (Croatian Employers' Association)
10 According to research carried out by the Office for social partnership in 2006, albeit on a relatively small target group, workers' committees have now been established in the majority of companies. However, according to the response provided, there are serious shortcomings in the dialogue between employers and employees, especially in privately owned companies (employers do not provide relevant information on employment, turnover and changes in wages). Relations between workers and their representatives are rated as positive. Meanwhile, consultation by employers of health and safety stewards regarding the introduction of health and safety measures is still unsatisfactory.
contribute to quality discussions boosted. Quality dialogue cannot be achieved if players stick to their respective positions and are not willing to compromise.

The following areas need to be worked on in the immediate future with a view to establishing effective quality dialogue:

- relationships must be based on the appreciation of social partners' autonomy and mutual respect
- trust between the social partners, based on values such as responsibility, solidarity and cooperation, must be consolidated
- genuine commitment must be shown to achieving shared goals
- initiatives and cooperation methods agreed upon need to be pursued in a consistent manner
- the skills of those chairing bi-partite and/or tripartite working groups needs to be developed further
- all players involved in civil dialogue need to acquire new knowledge and skills on an ongoing basis.

The social partners face a range of challenges: reconciling differences, providing enough time for discussion amongst the social partners, and between the social partners and the Government, ensuring agreements are implemented, consolidating bi-partite dialogue and partnerships, whilst at the same time ensuring that the capacity of the social partners for quality social dialogue is improved constantly.

In discussions between members of the focus group, it was generally recognised that the problems and trends facing associations and the public sector are similar to those facing the social partners. A number of cases of sound cooperation between trade unions and employers' associations were highlighted (primarily the work carried out on legislation on gender equality, maternity leave, health reform). In a number of cases the persons chairing joint working groups have been very effective in helping to find a solution that satisfies all parties involved (for instance, the work carried out on the first national employment action plan, and on the JIM and the JAP). Finally, there have also been a number of instances where employers' organisations have succeeded in cooperating with associations, for example, on the provision of training for owners of small and medium sized enterprises aimed at helping them prepare for EU funding.

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N.B.: Appendix overleaf.
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Study entitled "Assessment of the development level of CSOs in Croatia"

This study which was carried out by the National Foundation for civil society development in 2007, also examined the issue of cooperation between associations and the government. A quarter of the 745 associations surveyed believed that the government is uninterested in civil society and underrates its value. A slightly smaller proportion of associations believe that the government does support civil society, but only as a result of external pressure, whilst an equal number of associations insists that the government supports the development of civil society financially, and recognises it as a partner.

A large majority of the associations surveyed (88%) had experience of cooperation with government bodies. In most cases this involved cooperation at the national rather than the local level. The funding of projects by the public sector was the most common form of cooperation, followed by close cooperation on projects, and exchanges of experience and information. Half of the associations surveyed considered cooperation with local authorities to have been positive, whilst 20% considered it to be unsatisfactory.

Besides looking into cooperation between associations and the public sector, the study also examined cooperation amongst the associations themselves. 90% of associations surveyed engaged in some kind of cooperation with other associations. The main motivation for such cooperation was shared interests, followed by effective use of available resources, and mutual support. In most cases, cooperation involved the joint implementation of projects, followed by provision of training, and cooperation in networks.

It is interesting to note that only 6% of all associations who had engaged in cooperation with the public sector could claim that such cooperation had been free of problems. One of the most common problems, highlighted by a quarter of associations who had engaged in cooperation, was the major role that informal contacts played, whilst, at the same time cooperation at institutional level was inadequate.

The lack of an institutional framework for cooperation involving clear criteria, which players need to adhered to, is an issue which has also been raised in many other, similar studies on cooperation between the public sector and civil society.
Further useful information is also provided by the CIVICUS **Index of civil society in Croatia**. The research for this was carried out by CERANEO – Centre for the development of non-profit organisations. This highlights the fact that cooperation between CSOs and the government was quite limited during the 1990s, and in some cases almost boiled over into conflict. From 2000 onwards, however, relations are said to have improved. CSOs have regularly been invited to participate in the implementation of various projects. In many cases, though such cooperation merely amounts to a declaration of intent, and there are in fact very few cases of truly successful cooperation between the government and civil society.