



Ministry of Labour and Pension System  
Mr. Marko Pavić  
Minister  
Sent by e-mail: [kabinet@mrms.hr](mailto:kabinet@mrms.hr)

Ref. : JWG/jp  
Contact person : Jan Willem Goudriaan

Brussels, 19 October 2018

Dear Minister,  
Dear Mr. Pavić,

We are addressing you to express our deep concern about both the way in which the current pension reform in Croatia is being enacted, and its content. As you are well aware, the pension system is an issue of prime importance for the workers, and no reform in this area should be pursued without prior serious discussion with the social partners. Moreover, due to the complexity of the pension system, and its importance for the whole society, any substantial change in the system should be based on comprehensive analysis of the situation, elaboration and discussion of alternative options and assessment of its social and economic consequences. Unfortunately, it seems none of this has been the case during the current pension reform in Croatia.

All the Croatian Government has done was to explain the proposed reform to the trade unions, while refusing not only to discuss their alternative proposals but also to present proper arguments for Government position. This is not social dialogue, nor a fair treatment of Croatian workers and their interests, which are legitimately represented by the trade unions. Social dialogue, which is a cornerstone of the European social model, can fulfil its function and benefit the society only if it is a proper dialogue, and not a mere form.

We are well aware of the challenges faced by the Croatian and other European pension systems, but these challenges cannot be properly addressed solely by increasing the retirement age and tightening up other retirement conditions. Although increased life expectancy should eventually lead to higher effective retirement age, measures of this kind must be counterbalanced by improving the labour market integration of people of all working ages, and especially by adapting the workplaces to the needs of older workers, providing better access to life-long learning, promoting health and safety at work and combating the still widespread discrimination of older workers. Even the European Commission has acknowledged that rising the retirement age, without addressing those issues, cannot bring expected results.

Moreover, pension reforms must take into account country-specific situation, including both the specificities of each pension system, and national economic and social indicators. There is no one-fit-for-all solution in this field. Employment rates of different categories of workers, life expectancy and the quality of working conditions differ greatly between EU member states. National situation must be taken into account in designing the pension reforms.

Pension system is one of the most important elements of comprehensive social security systems. It is based on the promises between groups of people and solidarity between generations. As such, pension systems can achieve sustainability and adequacy of pensions only if they are based on clear, safe and reliable rules. This can be achieved only through political and social consensus.

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We fully share the concerns of the Croatian trade unions that the currently proposed reform will not substantially improve the sustainability of the pension system and the adequacy of the pensions, but will at the same time have grave social consequences for many Croatian workers and citizens.

As the life expectancy in Croatia remains among at the lower end of the European Union, it is not acceptable to raise the retirement age to 67. Croatian trade unions are rightly requesting for the retirement age to be set at 65. Full retirement at the age of 60 combined with 41 years of contributions should remain possible, while the employers who force workers to retire early should be sanctioned.

Croatian trade unions, and citizens, will protest against the planned reforms on October 20th. We stand in solidarity with their efforts and the planned protest, and will ensure international visibility to this issue.

We call on the Croatian Government to abandon its current approach to the pension reform, and withdraw the proposed legislation from the governmental and parliamentary procedure. The discussion on the pension reform needs to be taken back to the social dialogue forums, and trade union demands and arguments taken seriously. We believe you will understand that this is in the interest of the Croatian workers, citizens and the country as a whole.

Kind regards,



Jan Willem Goudriaan  
EPSU General Secretary