



Zagreb, 31 October 2019

Formal input for the Eleventh Session of the Open-ended Working Group on Ageing

- Right to Work and Access to the Labour Market

The Constitution of the Republic of Croatia guarantees everyone the right and freedom to work, as well as to choose vocation and occupation while having access to each workplace and post under equal conditions.

However, the Labor statute prescribes that a worker's contract ends when he turns 65 (if he has worked for at least 15 years) unless he and his employer agree otherwise. The government's initiative to change the provision and increase the age to 68 was met with resistance and has recently been dropped.

While a comprehensive pension reform is trying to extend the working age and reward those staying longer in the labour market, some employers still consider older workers as less desirable workforce. They are among the first to get laid off during company restructuring or downsizing, which is often motivated by a desire to change the structure of employees to have younger staff. Older workers also rarely get considered for in-house training and feel pressured to terminate work contracts consensually. Those opposing spend months working in a hostile environment which demotivates them, upsets them and has an adverse effect on their health. For those reasons, some accept the suggested modality of termination although they claim they wanted to work, had commendable work performance, and there was a demand for their jobs.

Fearing long-term unemployment, older workers choose early retirement if they have the option. However, early retirement makes them feel punished twice – firstly, by having had their employment terminated, and secondly, by a much smaller pension than they would have had if they had remained employed until they met the conditions for full-age retirement. A recent research portrayed early retirement as 'a shelter for people who work in tougher working conditions with lower economic security (private sector), who have poor quality of life, are less educated (...) or report poor health status'¹, while claiming that 'many Croatian employees would be ready to work longer if they had better jobs, better education, better health, and better quality of life.'²

¹ M. Bađun and Š. Smolčić, 'Predictors Of Early Retirement Intentions In Croatia', Društvena istraživanja: Journal for General Social Issues, Vol. 27 No. 4, 2018, p. 684
https://hrcak.srce.hr/index.php?show=clanak&id_clanak_jezik=305289&lang=en (accessed 27 October 2019)

² Ibid.



REPUBLIC OF CROATIA

Ombudsman

Starting with January 2019, the opportunity to work part-time (while keeping full pension) was expanded to most pensioners, and since that option was introduced, the number of those working doubled. According to the National pension insurance institute, the number is still only around 1% of all pensioners, most of them working in commerce, in expert and scientific fields. About 60% of those working are men, who, according to the last census made only about 40% of the total population over 60 years of age, implying that women are still mostly engaged in informal work, taking care of grandchildren or working childcare or cleaning jobs in the grey economy. Pensioners who choose to work, rely upon finding work through private employment networks or agencies but often continue working for their former employer, which can, depending on the employer, either be a good option, or a pathway to mistreatment. To cut costs, employers might take advantage of the situation, fire workers who qualify for early retirement, and then rehire them to do the same work part-time, while also contributing less to the state pension and healthcare funds.

The Croatian Employment Service keeps statistics on the unemployment rates of persons over 50 and conducts training and employment programs. In September 2019, almost 1 in 4 unemployed persons in Croatia was over 55, but out of those benefiting from the active employment programs, only 1 in 10 was over 55. Although incentives and programs are in place for employers who hire workers over 50, reentering the workforce at that age is very challenging.

A number of unemployed women over 50 found work through the 'Make a wish' project which employed vulnerable women in assistance and care jobs for the elderly, incapacitated and disadvantaged persons in their communities. This popular project is financed through the European Structural Fund and implemented by local governments and CSOs, within the scope of affirmative action measures for promoting social inclusion and poverty reduction. The project focuses on disadvantaged women in remote areas, and areas with high employment rates, targeting women over 50, women with disabilities, domestic violence victims, etc. And while the Croatian Employment Service and the Ministry of Labour and Pension System have not forwarded data on the number of women employed under the project in 2018, analyzing the data from the 'Make a Wish' project is crucial for assessing its results, for the required project planning and for future projects that could successfully employ women over 50.

