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EUROPEAN COMMITTEE OF SOCIAL RIGHTS
COMITE EUROPEEN DES DROITS SOCIAUX

16 March 2016

Case Document No. 3

***Matica hrvatskih sindikata* v. Croatia**
Complaint No. 116/2015

SUBMISSIONS BY THE GOVERNMENT ON THE MERITS

Registered at the Secretariat on 25 February 2016

REPUBLIC OF CROATIA
MINISTRY OF LABOUR AND PENSION SYSTEM

CLASS: 910-04/15-06/03
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Zagreb, 24th February 2016

COUNCIL OF EUROPE
SECRETARIAT GENERAL
DIRECTORATE GENERAL
HUMAN RIGHTS AND RULE OF LAW
DIRECTORATE OF HUMAN RIGHTS

Mr. Régis Brillat, Head of the Department of the European Social Charter and Executive Secretary of the European Committee of Social Rights

F - 67075 Strasbourg-Cedex

SUBJECT: Matica hrvatskih sindikata v. Croatia, Complaint No 116/2015

Dear Sir,

In connection with the complaint dated 16 March 2015 and registered as No. 116/2015, lodged by Matica hrvatskih sindikata, requesting the Committee to find that situation in Croatia is in violation of the Articles 5 and 6 of the 1961 Charter as a consequence of the adoption on 20 December 2012 and further implementation of the Act on the suspension of payment of certain rights to public service employees, please find herewith enclosed the submission of the Republic of Croatia on the merits of the abovementioned complaint.

Sincerely yours,

Nada Šikić

Nada Šikić, Ph.D.
Minister of Labour and Pension System

To Whom It May Concern,

in connection with the complaint dated 16 March 2015 and registered as No. 116/2015, lodged by Matica hrvatskih sindikata, requesting the Committee to find that situation in Croatia is in violation of the Articles 5 and 6 of the 1961 Charter as a consequence of the adoption on 20 December 2012 and further implementation of the Act on the suspension of payment of certain rights to public service employees (referred to by the complainant as the Act on Withdrawal of Certain Material Rights of the Employed in the Public Service), the Republic of Croatia hereby declares the following:

Economic and macro-economic environment preceding the adopting the Act on suspension of payment of certain rights to public service employees

The global financial and economic crisis had a belated effect on the Croatian economy, but a significant one, through a great decrease in economic activity, a constant decrease of the gross domestic product (hereinafter: GDP) and a constant increase in the rate of unemployment and the decrease of the citizens' standard of living. Unfavourable trends on the labour market from 2010 have continued in 2011 and 2012 as the average labour force survey unemployment rate increased from 11.8% in 2010 and 13.5 % in 2011 to 19.4% in the first five months of 2012. Other indicators also point to the continuation of negative trends such as a decrease in employment, increase of unemployment and reduction of the average gross and net salaries.

The unfavourable economic trends had an effect on the continuation of unfavourable fiscal trends and at the end of 2011 the share of the public debt in the GDP amounted to 46.7% with a further growth tendency, so that in 2012 it accounted for 55.5 %. Therefore, with the goal of fiscal consolidation, for the purpose of decreasing government spending, it was necessary to take measures that had not been undertaken in previous periods, which under the conditions of economic decline means additional structural reforms for the purpose of a reduction in government spending. Therefore, the budget for 2012 was oriented towards the expenditure side for the sake of fiscal viability, and on the expenditure side significant savings as compared to the previous year have been proposed, which was reflected in the rationalisation or decrease of employee expenses, material expenses, subsidies and others. Also, in case of additional deterioration of macroeconomic and fiscal trends, additional measures would need to be taken on the expenditure side of the budget.

Given that the deterioration of macroeconomic trends continued during the first half of 2012, it was necessary to further reduce government spending to maintain fiscal consolidation and respect the fiscal rule, at the same time preserving jobs.

Cancellation of 2010 Basic Collective agreement (BCA), conclusion of the new BCA for employees in public service in 2012, passing the Act of suspension of payment of certain rights to public service employees

Consequently, the Government, under economic circumstances that were continuing to deteriorate, entered into negotiations with the trade unions in public services and proposed amendments to the Basic Collective Agreement (BCA). The BCA for public services is negotiated upon and applied to the following fields of public services: social welfare, primary

and secondary education, science, higher education and culture (in 2012 covering cca 166 306 public servants, out of which more than a half in health care and education sectors).

Eight meetings were held from 4 June to 16 July 2012.

Proposed amendments were aimed at reducing or temporarily suspending the following rights:

- the right to a Christmas bonus in 2012
- the right to a holiday bonus in 2013
- the right to jubilee awards in 2013, except for employees who had been employed for more than 35 years and were retiring in the year to which they were entitled to the bonus
- travelling allowances would be reduced from 170 Croatian kuna (HRK) to HRK 150;
- and the method of reimbursement of transport costs to and from work would be regulated differently for the purpose of rationalization.

During the negotiations on those amendments to the BCA, which were aimed at avoiding wage adjustments, four of the eight representative trade unions who had signed the BCA confirmed that they would accept the proposed amendments; the other four had refused to accept them, requesting that the Government commit itself to paying the funds to the public servants in the future. The Government refused to undertake this obligation since it was impossible to predict the dynamics of future economic recovery, but it was open to negotiations on the level of these rights when the necessary economic conditions are attained.

In accordance with the provisions of the Labour Act in such cases a conciliation procedure is obligatory, but the conciliation was unsuccessful.

Considering that the BCA itself envisages the possibility of bringing the dispute before arbitration (Article 9), the Government, at the proposal of the four trade unions who had signed the proposed BCA amendments, had, on 17 July 2012, suggested arbitration to the trade unions who had refused to sign the amendments. On 19 July 2012 it appointed its representatives to the arbitration council, while constantly inviting the trade unions to reach an agreement. Those trade unions that had refused to sign the amendments sent a written rejection of the arbitration settlement of the dispute, stating that arbitration was not mandatory. Article 23 of the BCA provided that the Agreement can be cancelled in writing by both parties in the event of economic circumstances that have significantly changed, after the party cancelling the Agreement had proposed amendments to the other party beforehand, with a notice period of three months. Having exhausted all possibilities of coming to an agreement, based on article 23 of the BCA, on 17 September 2012, the Government took the decision to revoke the BCA for public service employees with a notice period of three months. The procedure for cancellation of the BCA were therefore, conducted legally.

– *Please find enclosed the text of the Article 23 Cancellation of the Agreement*

At the same time that the Government was expressing its intention to repeal the existing BCA, it was initiating negotiations on the conclusion of a new BCA, whose text would not change with respect to the text of the revoked BCA. Negotiations would only refer to the issue of the reimbursement of transport costs, whereas the issues of the Christmas bonus, holiday bonus and jubilee award would be settled in an Annex to the BCA. The new

BCA, with an Annex I, was signed on 12 December 2012, before the cancellation of the previous agreement had entered into force. Collective bargaining was conducted with the bargaining committee of the trade unions established in accordance with the Act on the criteria for participation in tripartite bodies and the representativeness for collective bargaining, which entered into force in the meantime (28 July 2012). It was signed by a total of six out of 11 **representative** trade unions.

With the respect to complaints' allegation that the government signed collective agrrement with the minority trade unions it should be pointed out, first of all, that on the basis of the provision of Article 2 of the Freedom of Association and Protection of the Right to Organise Convention, 1948 (No. 87), workers and employers, without distinction whatsoever, are guaranteed the right to organise, as a basic precondition of the realisation of the freedom of association and freedom/ right of collective bargaining.

Concerning *the Act on the suspension of payment of certain rights to public service employees of 20 December 2012*, despite the conclusion of the new BCA and Annex I (agreement to reduce or temporarily suspend some material benefits), pursuant to the principle in the Labour Code to apply the more favourable law, those rights continued to be applied according to the branch collective agreements, because they had been agreed in branch/sectoral collective agreements for each public service (health care, social welfare, primary and secondary education, science, higher education and culture).

Further, the Government would like to point out that civil servants (63. 129 employees in State bodies, whose rights are also ensured in the state budget) had negotiated their collective agreement with the Government on 2 August 2012. In Annex I of the collective agreement, inter alia, they agreed that for civil servants, the Christmas bonus would not apply in 2012 and 2013; the holiday bonus and jubilee award would not apply in 2013; and travelling allowances would be reduced from HRK170 to HRK150 (the same that was offered to the public service employees).

Civil servants in this case were, in practice, discriminated against, since the material rights for both categories of employees were ensured in the state budget. For that reason, the Government decided to regulate the rights contained in Annex I of the BCA equally for all, both civil servants and public service employees, under the Act of 20 December 2012. On the basis of that Act, the right to a Christmas bonus in 2012 and 2013, and a holiday bonus in 2013, no longer applied.

This decision was taken in order to urgently maintain the fiscal stability of the public service system under the deteriorating economic conditions and to achieve a balance in the rights of both categories of officials.

In order to bring the branch collective agreements in line with the BCA, the Government entered into negotiations at the beginning of 2013 with representative trade unions of each public service (in health care, social welfare, culture and primary and secondary education sectors.). In 2013, the collective agreement was concluded for the health-care sector. Collective agreements for the social welfare, culture and primary and secondary education sectors were all concluded in 2014.

As of today, only branch collective agreement for science and higher education had not been concluded, although the Government entered into negotiations with the complainant in May 2013.

Act on Financial Transactions and Accounting of Non-Profit Organizations

With respect to the Act on Financial Transactions and Accounting of Non-Profit Organizations, the Government would like to indicate that complainant's statement is not correct, as according to the Article 37 of the Act, obligation of publication of the annual financial reports shall not apply to trade unions and employers' associations. It is also prescribed that trade unions and employers' associations may submit their annual financial reports to parties concerned if that does not violate their free and independent functioning.

– *Please find enclosed the text of the Article 37 Publication of annual financial reports*

Work of the Economic-Social Council at the national level

As the complainant already referred to the principles of the work of the national ESC, based on the tripartite Agreement on the establishment of the Economic-Social Council, newly concluded in July 2013, the Government would like to inform the Committee of the following:

Economic and Social Council in 2012 held 10 meetings, while the ESC Commissions (working bodies) held a total of 44 sessions, out of which Committee for legislation, collective bargaining and protection of the rights held a total of 17 sessions, and the Commission for Sustainable development, economy, energy and climate change, held 10 sessions.

In 2012 the ESC and Commissions reviewed more than 80 draft laws and sub - laws. Social partners participated in the work of various working groups for drafting legislative proposals.

The signatories to the newly concluded 2013 Agreement have again agreed that cooperation between the Government and the social partners in the framework of the Council include partnership, as the highest degree of cooperation in the process of designing, making and implementation of European and national public policies and strategies, programs, regulations and laws.

The Government committed that public policies, national strategies, draft laws, regulations, programs and other documents pursuant to the Government Annual Plan of normative activities and the interest shown by the social partners, before being submitted to the legislative procedure, shall be considered by the Council or the relevant working bodies, in accordance with the Work Programme of the Council.

For instance, at the 194th session of the Council in February 2015, the Work Programme for 2015 and Plan of strategic topics for 2015 was adopted. Work Programme for 2015 included 207 planned normative acts and the social partners expressed their interest in 173 (83.57%) normative acts, of which 112 acts (64,73 %) were proposed to be discussed at one of five Council Commissions, as working bodies. Social partners additionally proposed more than 60 issues to be discussed by ESC.

Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining of 28 July 2012

With respect to the adoption of the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining of 28 July 2012, the Government would like to inform that the Act is no longer in force, as a new Act on Trade Unions and Employers Associations Representativeness has been adopted in July 2014 and entered into force on August 7th 2014.

The new Act was prepared in close cooperation and after numerous consultations with all representative social partners at the national level (four representative trade union confederations, including the complainant, and Croatian Employers Association (CEA), and with professional assistance of experts from ILO and national experts, as was the previous one, of 2012. According to the new Act on Trade Unions and Employers Associations Representativeness, in order to obtain the status of a representative trade union, a professional union must fulfil the general criterion, as all other trade unions. No possibility for employer to initiate procedure for establishing trade union's representativeness before the Commission was regulated.

Although the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining adopted in 2012, (by which, as complainant believes, the system of collective bargaining was completely destroyed), is no longer in force, the Government would like, nevertheless, to present circumstances preceding its adoption.

Activities for the preparation of a single regulation which would determine in a satisfactory manner the criteria for establishing representativeness of higher-level employers' and trade union associations for participation in tripartite bodies on the national level, as well as the criteria for establishing representativeness of trade unions for collective bargaining, have begun in 2008, four years prior to the adoption of the Act on the Criteria for Participation in Tripartite Bodies and Representativeness for Collective Bargaining (hereinafter: "Act").

The Government of the Republic of Croatia has tried, in the spirit of social partnership to encourage social partners and enable the conditions for their agreement on the text of the Act on Representativeness, however, the agreement was not reached due to the following reasons:

In June 2008, the Coordination of Croatian trade union confederations assumed the obligation of submitting a proposal of the Act on Representativeness to the Government, so that it may be submitted for legislative procedure. This deadline has been repeatedly extended upon request of the trade unions, given that the trade unions were unable to reach an agreement on the text of the Act, even though experts from the International Labour Organisation have provided them with expert assistance. In July 2009, the representatives of trade union confederations declared that they had not reached an agreement on the content of the Act and proposed that the draft act be prepared by the Government, which had also prepared the working draft, with professional assistance from ILO and national experts, however, these proposals were not accepted. Therefore, it was agreed that the Government would prepare the working draft of the Act, while any disagreements arising in connection with it should be settled by an arbitrary body consisting of independent experts. However, in spite of previous agreement, after the Ministry had prepared two working documents, three out of five trade union confederations, refused arbitration. Subsequently, in 2011, the draft act was to be prepared in consultation with social partners by a group of national and foreign

experts proposed by employers and trade unions. The trade union confederations failed to submit their official proposal of experts, so an expert team, consisting of an appointed representative of ILO and two professors of law proposed only by the Croatian Employers' Association and one trade union confederation, was appointed, however, even then their proposal was not acceptable.

After a series of meetings and consultations with social partners, the Act on the Criteria for Participation in Tripartite Bodies and the Representativeness for Collective Bargaining was adopted and entered into force on 28th July 2012.

Furthermore, data indicate that the implementation of the Act did not, in practice, block or negatively influence the procedures of collective bargaining.

For example, in the period of 28 months starting from the application of the Act, 57 new collective agreements applicable on the whole area of Republic of Croatia and 60 amendments to applicable collective agreements were signed, according to the record of collective agreements kept by the Ministry of Labour and Pension System, not including the number of new collective agreements and amendments signed in this period and applied only at local level, the record of which is kept by state administration offices in (21) counties, which means the stated figures are actually higher. As for the influence of the Act on the additional fragmentation of trade unions and hindering the process of collective bargaining, as has already been mentioned, in this period, the trend of increased founding of trade unions on the national level was not recorded, while the number of newly concluded collective agreements (57) and amendments to applicable ones (60) on the national level was slightly higher than the average, which implies that the implementation of the Act did not influence the limitation of the procedures of collective bargaining neither with respect to limiting their extended application nor with respect to criteria and procedure.

Conciliation and voluntary arbitration procedure for the settlement of labour disputes

The complainant itself acknowledges that in RoC there is a normative framework and technical conditions for peaceful settlement of collective, as well as individual labour disputes.

With respect to the prescribed period of five days, including non-working days and holidays, for which complainant believes that is too short and thus does not favour the obligatory conciliation procedure in collective labour disputes, the Government would like to explain that conciliation procedure determined by the Labour Act and the Ordinance on the method of selection of conciliators and the conduct of the mediation in collective labour disputes must be completed within five days, except if the parties to the dispute reach an agreement on the different deadline for the completion of mediation procedure.

Pursuant to the Art 205 of the Labour Act, one of the preconditions for organizing legal strike is conducting of the mediation procedure as an alternative amicable dispute resolution method, except when the parties have reached an agreement on an alternative method for its resolution. A method of alternative amicable dispute resolution in cases of collective labour disputes depends on the parties to dispute and, for instance, can be agreed in collective agreement.

So, if the parties to the dispute have agreed otherwise, an alternative method of resolving collective labour dispute shall be just that, agreed, procedure.

Consequently, conciliation procedure determined by the Labour Act and the Ordinance on the method of selection of conciliators and the conduct of the mediation in collective labour disputes must be completed within five days, except if the parties to the dispute reach an agreement on the other deadline for the completion of that procedure.

It should be noted as well that, according to the Article 12 of the Ordinance on the method of selection of conciliators and the conduct of the mediation in collective labour disputes, the parties to the dispute may at any time by mutual agreement propose to the conciliator the suspension of the conciliation procedure in order to enable them to resolve the dispute by own, and, if in that case one of the parties to the dispute state to another that it is not possible to reach an agreement outside of the conciliation procedure, the conciliation proceedings are continuing. The period of suspension of the procedure is not included in the deadline of five days for the conducting of the conciliation procedure.

In practice, short deadline of five days is in favour of trade union, as trade unions sometimes tend to initiate mediation procedure on late Friday afternoon, thus shortening the deadline of five days for the mediation. For that reason, when drafting rules on mediation, the Government proposed that period for obligatory mediation would be five working days, but it was rejected by trade unions.

- *Please find enclosed Article 205, Labour Act*

As regards *arbitration*, pursuant to the Article 210 of the Labour Act, parties to a dispute may agree to bring their collective labour dispute before an arbitration body and the appointment of an individual arbiter or an arbitration board and other issues related to the arbitration procedure may be regulated by a collective agreement or by an agreement of the parties made after the dispute has arisen.

- *Please find enclosed Article 210, the Labour Act*

Right to strike

With respect to the complainants' statement that higher level trade unions are not authorized to call a strike, and that consequently, the right to strike is limited, the Government refutes that allegations as incorrect.

Article 205 of the Labour Act prescribes that in the event of any dispute related to conclusion, amendment or renewal of a collective agreement, the right to call and undertake a strike shall have trade unions which have been **determined as representative, under specific provisions, for collective bargaining** and conclusion of a collective agreement and which have negotiated the conclusion of a collective agreement.

As regards higher level trade unions, specific provisions to which Labour Act is referring and which apply, is contained in the Article 4 of the 2014 Act on Trade Unions and Employers Associations Representativeness, by which representative union organisation of a higher level participating in tripartite bodies at national level, shall have the right to participate in collective bargaining over collective agreements covering employees who work for employers which are members of a higher-level employer organisation.

Since determined as representative for collective bargaining, under specific provisions, in the event of any dispute related to conclusion, amendment or renewal of a collective agreement which have negotiated, representative union organisations of a higher level are entitled to call on strike.

- *Please find enclosed Article 4 of Act on Trade Unions and Employers Associations Representativeness and Article 205 of the Labour Act*

Equal approach to all

As regards the allegation that the Government suspended some material rights only to public service employees, but not to the rest of the public sector owned by the State, which the complainant deems contrary to the equality principle, the Government would like to emphasize that salaries and other material rights of employees in trading companies and other legal persons owned by the State are not ensured in state budget. Accordingly, the Government is not entitled to negotiate and is not a party to their collective agrements. Each collective agreement for respective company is negotiated between management and representative trade unions. Respecting the economic situation, in processes of restructuring, most of companies independently amended or renegotiated their collective agreements.

Finally, the Government would like to highlight few issues:

Firstly, the cancellation of the BCA is only the final result of the fact that the collective bargaining, in undoubtedly deteriorated economic circumstances, failed to result in an agreement, which, under conditions of an economic crisis, is in its basis oriented to the maintenance and protection of worker's rights as far as practicable. Technical procedure for the cancellation of BCA was conducted legally, as the Government followed the procedure provided in the Agreement itself (Art 23), after having exhausted all possibilities of coming to an agreement. The new BCA was signed on 12 December 2012, before the cancellation of the previous Agreement entered into force, and the collective bargaining were carried out with the bargaining committee of the trade unions established in accordance with the Act on criteria for the participation in tripartite bodies and the representativeness for the collective bargaining, which entered into force in the meantime (28 July 2012). It was signed by a total of 6 out of 11 **representative** trade unions.

Further, civil servants in this case were, in practice, discriminated against, since the material rights for both categories of employees were ensured in the state budget. For that reason, the Government decided to regulate the rights contained in Annex I of the BCA equally for all, both civil servants and public service employees, under the Act of 20 December 2012. Those rights have been suspended to a minimum extent for a fixed term and equally to all, with a reasonable cause for actions due to the significant disruption of the economic system.

It should be noted that the institute of salaries and other material benefits continue to remain in force, in the application and payment, under the freedom of collective bargaining.

The Act of suspension of payment of certain rights to public service employees is no longer in force, from 1 January 2016.

All branch collective agreements had been concluded in 2013 and 2014, except branch collective agreement for science and higher education, although the Government entered into negotiations with the complainant in May 2013.

The Government would also like to state that it is necessary to consider the economic and macro-economic environment in the past and future trends projections, as in 2013, the real GDP continued to decrease, whereas the unemployment rate continued to increase. During 2014, recessionary trends in the domestic economy continued for the sixth year in a row. The lack of economic growth adversely affected the employment trends. Since the state deficit exceeds 3% of GDP and the share of the public debt in the GDP has exceeded 60%. the excessive deficit procedure was launched within the framework of the EU Stability and Growth Pact. The framework of fiscal consolidation was adopted in January 2014 and determined by the recommendations of the Council of Ministers of the EU to address the situation of excessive budget deficit. In 2016, the share of the public debt in the GDP has exceeded 90%, therefore, the focus of economic policy remains on fiscal consolidation, whereat the Government will continue to prioritize retaining workplaces.

The right to strike is not limited and a normative framework and technical conditions for peaceful settlement of collective, as well as individual labour disputes is established, pursuant to international agreements.

Finally, the Government would like to state that the right to organise, as a basic precondition of the realisation of the freedom of association and freedom/ right of collective bargaining is guaranteed by Constitution and labour law, as well as international labour standards and agreements, as well as that the position of the trade unions in the Republic of Croatia is not endangered, since the concept of representativeness strengthens the position of trade unions and positively influences social dialogue.

In 2013, 308 trade unions and 23 higher-level union associations were registered on the national level and 313 trade unions and 3 higher-level union associations were registered on the local level. In 2015, 320 trade unions and 22 higher-level union associations were registered on the national level, and 316 trade unions and 3 higher-level union associations were registered on the local level.

MINISTER

Nada Šikić, Ph.D.

ENCLOSURE

Basic Collective Agreement 2010

Article 23 CANCELLATION OF THE AGREEMENT

1. This Agreement may be cancelled in writing with a notice period of 3 months.

2. This Agreement may be cancelled by either party in the case of significantly changed economic circumstances.

3. Before cancelling the Agreement, the party which cancels the Agreement is required to propose the amendments to the Agreement to the other party.

Act on Financial Transactions and Accounting of Non-Profit Organizations

Article 37 *VIII. PUBLICATION OF ANNUAL FINANCIAL REPORTS*

(1)The annual financial reports of non-profit organizations shall be published through the Register of non-profit organizations.

(2) A non-profit organization whose annual financial reports are publicly available via the Register of non-profit organization is not required to submit the same to the request.

(3) Publication of the annual financial reports referred to in paragraph 1 of this Article shall not apply to trade unions and employers' associations.

(4) Trade unions and employers' associations referred to in paragraph 3 of this Article may submit their annual financial reports of the parties concerned if this does not violate their free and independent functioning.

Article 205 Labour Act *Strike and solidarity strike*

(1) Trade unions shall have the right to call and undertake a strike in order to protect and promote the economic and social interests of their members or on the ground of non-payment of remuneration and compensation, or a part thereof, if they have not been paid by their maturity date.

(2) In the event of any dispute related to conclusion, amendment or renewal of a collection agreement, the right to call and undertake a strike shall have trade unions which have been determined as representatives, under specific provisions, for collective bargaining and conclusion of a collective agreement and which have negotiated the conclusion of a collective agreement.

(3) A strike must be announced to the employer, or to the employers' association, against which it is directed, whereas a solidarity strike must be announced to the employer on whose premises it is organized.

(4) A strike may not begin before the conclusion of the mediation procedure, when such a procedure is provided for by this Act, or prior to the completion of other amicable dispute resolution procedures agreed upon by the parties.

(5) A solidarity strike may begin even if the mediation procedure has not been conducted, but not before the expiration of two days from the date of commencement of the strike in whose support it is organized.

(6) A letter announcing the strike must state the reasons for the strike, the place, date and time of its commencement, as well as the method of its execution.

Article 4 Act on Trade Unions and Employers Associations Representativeness

Representative union organisations and employer organisations of a higher level participating in tripartite bodies at national level, shall have the right to:

1) propose to the Government of the Republic of Croatia their representatives for tripartite delegation of the Government of the Republic of Croatia at the International Labour Conference and appoint their representatives to other international and European bodies and organizations

2) appoint their representatives, in accordance with law and other special regulations, and otherwise participate in the work of the Economic and Social Council and other bodies through which tripartite social dialogue is promoted at national level

3) appoint their representatives to other bodies for which the participation of union and employer representatives at national level has been provided for in specific regulations or agreements

4) **participate in collective bargaining over collective agreements covering employees who work for employers which are members of a higher-level employer organisation.**

Article 206 Labour Act *Disputes in which mediation is mandatory*

(1) In case of dispute which could result in a strike or other form of industrial action, the mediation procedure must be conducted as prescribed by this Act, except when the parties have reached an agreement on an alternative method for its resolution.

(2) The mediation referred to in paragraph 1 of this Article shall be conducted by the mediator selected by the parties to a dispute from the list established by the Economic and Social Council or determined by mutual agreement.

Article 210 Labour Act *Resolution of disputes by arbitration*

(1) Parties to a dispute may agree to bring their collective labour dispute before an arbitration body.

(2) The appointment of an individual arbiter or an arbitration board and other issues related to the arbitration procedure may be regulated by a collective agreement or by an agreement of the parties made after the dispute has arisen.