

The Challenge of Workplace Health and Safety in Croatia

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ABSTRACT

In this manuscript, the authors examine the current state of workplace health and safety in Croatia during the recent recession and highlight efforts by international and regional organizations to assist the relatively young Croatian government with efforts to provide a safer work environment for Croatia's workers. Responsible managerial actions in the public, private and nonprofit sectors to address Croatian worker safety and health issues are provided.

INTRODUCTION

Occupational safety and health issues impact governments, labor and business organizations throughout the world affecting economies, profits and most importantly, the lives of residents. In addition, the recent world economic downturn labeled 'The Great Recession' exposed structural problems in many countries. Croatia is an independent country that was established when Yugoslavia broke apart following the end of the Cold War. The country has made a formal application for membership in the European Union and is now a candidate for membership after signing the EU Accession Treaty in December 2011. Croatian citizens are awaiting ratification of their country's EU status from the current 27 EU countries, with a target date of July 2013 (CIA World Factbook, n.d.).

Current economic problems in Croatia include a drop in Gross Domestic Product (GDP), decreased personal income, high unemployment and a weak governmental financial balance sheet. These problems have led to a weakened and unstable government and to problems both within the country and to a lesser extent with other nations. The effects of this financial crisis on occupational safety, occupational health and motor vehicle safety have yet to be fully explored. The purpose of this article is to provide a preliminary overview of this subject so that data collection and further analysis can be undertaken in a subsequent project.

THE CROATIAN ECONOMY

To understand the fragility and tumult of the "Great Recession" in Croatia, it is helpful to have a snapshot of this young country. Croatia is currently a country of 4,416,000 people (United Nations Data, 2009) and is considered part of Southern Europe (see Figure 1: Map of Croatia). The country achieved independence from Yugoslavia in 1991 and subsequently transitioned through four Prime Ministers from 1991 until 2000. In 2000, a parliamentary republic system was implemented and the Prime Minister's position became the official head-of-government. The longest serving Prime Minister from 2000 – 2012 was Ivo Sanader (December 23, 2003 – July 6, 2009) and he is currently awaiting trial on corruption charges. His party's (Croatia Democratic Union, abbreviated HDZ) successor, Jadranka Kosor, served as Prime Minister until December 23, 2011 when the Social Democratic Party (SDP) put in place Zoran Milanović. The SDP has also controlled the Croatian Presidency since January 2010 when Ivo Josipović was elected. In a span of 20 years, the Croatian government has been led by eight Prime

Ministers and three Presidents. Because Croatia has reported as many as 116 registered political parties as recently as 2011, it is not uncommon to see coalitions being formed and reformed in each election cycle. Thus, there are numerous philosophical approaches being introduced into the Croatian economy and political systems – with some being of moderate duration (5 years) and others more cursory (30 months).



Figure 1: Map of Croatia

(CIA World Fact Book, last updated October 4, 2012)

Croatia also has some unique history shared with its former Yugoslavian counterparts (e.g., Slovenia, Serbia, Macedonia, Bosnia and Herzegovina, Montenegro and Kosovo). Between World War I and World War II it was largely an agrarian society with many small self-sustaining farms (Countriesquest, n.d.). After World War II, Yugoslavia developed an economic system that was a hybrid form of socialism and Western capitalism that became known as "market socialism" (Countriesquest, n.d.). Numerous experiments were undertaken by the centralized government in attempts to find an economic mix that would allow planned and controlled development of industry while allowing workers to benefit individually and collectively for their labor efforts. Once Croatia became its own independent country in 1991, one of the early economic reforms was to privatize companies and industries within the country. Unfortunately, this was addressed in a plan by President Tuđman to reward 200 families with companies at under market prices, resulting in scandal.

By 1993, the Croatian Privatization Fund was formed with a portfolio of greater than 2,000 enterprises (Misak, 2001). The fund managers were particularly active during the period of 2000-2001 turning 647 companies private and reducing the Fund's holdings to 1,203 companies. Most of these privatizations were accomplished during bankruptcy proceedings (n = 392), though some were sold in private auctions (n = 98) or public tendering (n = 28). However, there were strategic efforts made to retain industries that were uniquely Croatian or considered too valuable to privatize. Misak,

Assistant to the Vice President of the Fund, reported that these industries included agriculture and fishing (9.3% of holdings at end of 2001), tourism (21% of holdings), and industry and mining (43% of remaining holdings). At the time, "Industry" represented 25% of GNP and included "textile and clothing, food processing, chemicals and oil processing, metal processing and shipbuilding, wood processing tools and electricity production equipment" (Misak, 2001). Tourism is a critical and identity-oriented business in Croatia given its lengthy coastal area, over 1,000 islands, warm climate, and numerous national parks. The country owned hundreds of campgrounds (autocamps), hotels, youth camps, and a national tourist agency that was widely recognized by foreign and domestic tourists alike. Privatizing tourism was seen as a complicated process due to the need to ensure preservation of historical and ancient sites, to maintain government influence in a major contributing sector of the economy, and as a symbolic gesture to Western countries that the socialist-style era was indeed over. Since this active period at the turn of the century, Croatia has continued its privatization efforts, and as recently as September 2009 was entertaining bids to privatize six shipyards (HINA News Agency, 2009). In those bid requests, it has been reported that "Prospective buyers will also have to estimate and define the number of workers in each shipyard after the restructuring process and to assume the collective agreements for the periods for which they have been signed. In addition to the mandatory criteria, bidders may take upon themselves the obligation to keep the existing number of workers, open new jobs or prove for any redundant labour in accordance with the existing laws." (HINA News Agency, 2009, para. 7 & 8).

Thus, it appears that the Croatian government remains committed to the local workers of these companies in that buyers must assume the collective agreements and make apparent in their bids the number of workers that they intend to employ after the purchase. At the same, with a classic Croatian nod to market socialism, they signal to prospective buyers that indeed they are aware of Westernized approaches to staffing, most notably, downsizing initiatives that might be needed.

In recent years, and like many other countries in the world, Croatia has been adversely impacted by the most severe world economic recession since the end of World War II. Significant current economic pressures include "high foreign debt, anemic export sector, strained state budget, and over-reliance on tourism revenue" (CIA World Factbook, n.d., para. "Economy"). Those who are self-employed, work for small firms, or employed by government experience financial pressures from reduced incomes and economic uncertainty. Larger firms trying to remain solvent in Croatia are hampered by deteriorating plants and equipment, employee concerns, social unrest, and uncertain government actions. A quantitative overview of the Croatia economy is provided in Table 1 labeled Principal Measures of Economic Activity in Croatia.

Table 1: Principle Measures of Economic Activity in Croatia

	2010	2012
Gross Domestic Product	\$79 billion	\$81 billion
Population	4,416,000	4,480,000
Gross Domestic Product per Capita	\$17,500	\$18,400
Change in Gross Domestic Product	-6% (from 2009 to 2010)	0% (from 2011 to 2012)
Budget Deficit as % of GDP	2%	6%
Public Debt as % of GDP	58%	44%
Inflation	1.1%	2.3%
Labor Force	1,800,000	1,717,000
Unemployment	16%	18%

(CIA World Factbook, 2012)

GLOBAL INFLUENCES ON OCCUPATIONAL SAFETY AND HEALTH

Institutional world influence on occupational safety and health is provided through the United Nations. The UN primarily utilizes the long standing International Labor Organization (ILO) and the World Health Organization (WHO) to provide relevant services and information to member countries and their agencies. Some additional input is provided by the United Nations Economic, Social, and Cultural Organization (UNESCO). The ILO addresses a wide variety of labor issues. The organization provides a forum by which hundreds of international agreements or conventions have been reached. About half of these conventions are related to some extent with working conditions. The ILO also provides for the exchange of safety information through its International Occupational Safety and Health Information Center and encourages information flow regarding relevant activities and programs through its Global Program on Occupational Safety, Health, and the Environment. The European Office for Europe of the World Health Organization has actively supported occupational health in Croatia. In 2009 it helped the country establish a national action plan to implement the WHO Global Plan of Action on Worker Health (GPA) and sponsored a national workshop on worker health held in 2010.

Another influence on occupational safety and health in Croatia is the looming and desired participation in the European Union. As the country looks to meeting the standards and expectations imposed by the EU governing bodies, there are numerous and real incentives (or threats) by not joining and becoming part of the "new Europe" that includes as members nearby Slovenia, Italy, and Greece. The European Union provides the European Union Occupational Safety and Health system, located in Brussels. Its operational arm, the European Agency for Safety and Health at Work, provides a communication portal and works toward common structure and toward improved performance in member countries. Some activities include recommended legislation and recommended good practices such as safety in small and medium enterprises, workplace health promotion, dangerous substance safety and participation in European Week for Safety and Health at work campaigns.

The United States also influences Croatia by its diplomatic missions, through the media, and through various organizations. The National Safety Council provides services to members including the publication "International Accident Facts" and by an annual National Safety Congress that frequently features the activities and programs of other countries. OSHA's Voluntary Protection Program Participants Association, building on 25 years of success, increasingly provides strong support and certification for those organizations that operate on a world basis and for companies that are headquartered in other countries.

OCCUPATIONAL SAFETY AND HEALTH IN CROATIA

Worker safety and health are important issues in stable economic cycles, but double-digit unemployment and pressures to control government spending now are even more salient to the lives of most citizens. Within Croatia, the Ministry of Health and Social Welfare coordinates governmental activities such as worker safety and health. Specific governmental agencies include the Croatian Institute for Health Protection and Safety at Work, the Croatian Institute for Insurance and Protection of Workers Health, the Croatian Institute for Public Health, and the Croatian Institute for Retirement Insurance. The State Inspectorate enforces safety codes and issues statistical reports. A private organization, the National Council for Occupational Safety of the Republic of Croatia, coordinates non-governmental activities in Croatia.

In order to increase awareness about these issues, an agency of the World Health Organization sponsored a conference in Groznanj, Croatia in June 2010 entitled "Health Promotion at the Workplace:

The Goals and the Means". The WHO Collaborating Centre for Occupational Health brought international representatives from their organization from Germany, Finland and the Netherlands to keynote the conference and bring the leaders of relevant Croatian institutions together for this four day conference. Since that time, nine South-East European (SEE) countries including Croatia have formed the SEE Network on Workers' Health to continue the collaboration with the WHO (Karadzinska-Bislimovska, 2012). Further, Croatia appears to be in the lead on these developments, having hosted the first SEE Workplace Academy conference "Healthy Workplaces for Health Workers" in Zagreb from June 27 to July 2, 2011 (<http://www.snz.hr>).

It is not possible to estimate the effect of the recent economic crisis upon occupational safety and health in Croatia because the most recent data is for 2009. What is known, according to the U.S. Department of State (2010, p. 38) is that "many industries often did not meet worker protection standards. In 2009 the inspectorate initiated 3,316 requests for misdemeanor proceedings covering 6,635 violations of safety standards. During 2009 courts handed down 5,286 decisions for misdemeanor acts involving work safety, a great number of which concerned cases from 2007 and 2008. The inspectorate expressed concern that of the 11,932 misdemeanor cases reported over the past few years, 4,351 have been thrown out due to the statute of limitations."

Some factors argue for increased numbers of work deaths, injuries and occupational diseases while other factors could lead to decreases in reported accidents during the economic crisis. Reductions in reported work injuries could occur because of under reporting by employers and also by workers who are more careful knowing that a work injury could lead to the loss of employment. Factors which could cause an increase in the number of work injuries and occupational diseases during the recession include economic pressures, even less governmental emphasis, reduced employer support and the decreased influences of trade unions. In short, occupational safety and health is another problem that needs to be better addressed in Croatia.

Motor vehicle accident rates provide another look at safety and health in Croatia. The number of motor vehicles in Croatia has been estimated to be 1,049,000 of .23 per 1000 people (does not compute). There were 612 traffic accident fatalities or 13.6 per 100,000 people reported in 2010. This is more than three times the rate for most northern European countries. Probable causes for these numbers include economic pressure caused by the recent financial downturn, increased traffic, poorer roadway maintenance and increased numbers of immigrant and younger drivers. The authors have included Table 2 as estimated measures of occupational safety and health derived from various identified sources for additional details.

Table 2: Estimated Measures of Occupational Safety and Health in Croatia

Number of Estimated Work Fatalities	40
Per 100,000 workers	6
Number of Estimated Disabling Injuries	25,500
Per 100,000 workers	.17
Number of Days Lost for Estimated Disabling Injuries	867,000
Average Days Lost per Estimated Disabling Injury	34
Current Number of Motor Vehicles	1,400,000
Estimated Number of Traffic Accidents	73,400
Estimated Number of Traffic Accident Injuries	20,500
Estimated Number of Traffic Accident Deaths	6,120

(Hoskin, 2002; Missoni& Kern, 2003; Safe Car Guide, 2010; Takala, 1998, 1999)

RESPONSIBLE MANAGEMENT ACTION STEPS

To reduce the number of occupational fatalities, injuries and accidents in Croatia will require the combined efforts of responsible managerial action steps in the public, private and nonprofit sectors.

With regard to the public sector, establishing and properly administering workers' compensation laws which require employers to better protect their employees would be paramount. Strict legal liability for negligently treating worker safety and health would incentivize the institutionalization of respect for this basic worker human right. Public reinvestment in improving basic transportation infrastructure like roads and bridges as well as enhanced enforcement of product safety and safe working conditions would address macro-level causes. Operationally at the micro-level, providing first aid training and facilities to properly treat those on-site who are injured at work, establishing policies and programs to encourage employee safety which emphasize administrative control and prevention such as maintaining complete records, new public employee safety orientations, and certified safety training on site would also be helpful.

With regard to the private sector, enforcing international industry and trade standards for workplace safety and health, embedding safety and health performance in corporate strategic auditing, and adopting proactive policies that require accurate and complete records and regular reports to the corporate board would be action steps in the right direction. This would be particularly important as the number of immigrant workers in the private sector increase with diverse backgrounds and approaches to worker safety and health. At the operational micro-level, many of the same practices utilized in the public sector should be adopted and worker safety and health would need to be considered in the performance evaluation of any private sector manager.

Finally, in the nonprofit sector, increased media exposure to the high costs to individuals, families and communities when workers are killed or disabled would heighten civic sensitivity to the importance of this dimension of work. The nonprofit funds and social services that are provided to survivors of those who are killed or disabled and the actual medical services provided to injured workers would also need to better supported.

CONCLUSION

This preliminary overview of occupational safety and health and of motor vehicle safety provides a snapshot of yet another problem facing Croatia in the current challenging economic cycle. The authors recommend that responsible managerial action in the public, private and nonprofit sectors can lead to an increased awareness of these issues and the value of appropriate intervention for improved safety and health of Croatian workers. Other information and input that has been provided recently has come from the World Health Organization, the International Labor Organization, and by the European Union, as well as a limited extent by American resources such as the National Safety Council. It is hoped that these international experts and influences along with enhanced domestic managerial efforts will lead to needed improvement and to the increased safety and health of those who call Croatia their home.

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