



Brussels and Geneva, 18 October 2018

**To IndustriALL Global Union and industriAll European Trade Union affiliates  
in Croatia**

## **IndustriALL Global Union and industriAll European Trade Union call on Government of Croatia to reconsider planned pension reforms**

Dear Brothers and Sisters,

We are writing this letter to you on behalf of [IndustriALL Global Union](#) and [industriAll European Trade Union](#), both representing millions of workers in mining, energy and manufacturing industries in Europe and worldwide, to join you in your call to the Government of Croatia to reconsider its current plans to reform the pension system in Croatia, and engage in meaningful dialogue with social partners on how to ensure both financial sustainability and adequacy of the current pension system, in order for it to better meet the needs of current and future pensioners.

We condemn the fact that the forthcoming pension reforms have been decided without genuine consultation and negotiation with unions, who were explicitly informed by government officials that there was no room for negotiation on the planned reforms.

We share your serious concerns with regard to the negative impacts of the pension reforms. While the stated intention of the reforms is to bring greater financial suitability to the pension system and encourage greater participation of older workers in employment, in practice they will likely come to the detriment of income security for many of Croatia's current and future pensioners.

Although life expectancy has risen slightly in Croatia in recent years, the projections show that it will not be at the average EU level by the end of this century and healthy life expectancy in Croatia remains among the lowest in the European Union – standing at 58 years for women and 57 years for men. It is therefore unacceptable that the proposed pension reform seeks to raise the retirement age to 67 years of age. Such an increase is unrealistic and will unfairly penalise the many workers who will not be physically equipped to work until this age. It should moreover be pointed out that Article 26 of ILO Convention 102 on Social Security, which Croatia has ratified, sets out that the prescribed age for old age benefits shall not be higher than 65 without due regard to the working ability of elderly persons.

Such reforms will also likely further exacerbate poverty among pensioners. Nearly 30% of the elderly population in Croatia is already at risk of poverty and social exclusion, according to the European Commission's 2018 Pension Adequacy Report. By significantly raising the contribution requirements to such unrealistic levels, many more workers will not be capable of acquiring rights to a full pension – thereby further weakening the capability of the pension system to provide sufficient income security to allow pensioners to live in dignity.

We also support you in your opposition to the planned provision to reduce funds for the first pillar pension due to increasing payments to second pillar. As outlined in ILO Recommendation 202, the state has the overall and primary responsibility to ensure basic income security for those in old age. It is unacceptable that the government of Croatia is considering to reduce the financing base of the first pillar, whose redistributive elements ensure certain minimal safety net, for the sake of increasing payments to the second pillar, which can't fulfil this function.


The government of Croatia must instead ensure that the first pillar of the pension system remains adequate and able to ensure intergenerational solidarity.

Therefore, we join you in calling on the government to reconsider the reforms, with the retirement age set at 65. They are moreover calling for the possibility for full retirement at 60 years of age combined with 41 years of contributions, and are calling for the sanctioning of employers who force workers who retire early. Unions also call for the so called 'privileged pensions', such as those for former MPs and war veterans, to be separated into a separate fund, rather than subsidised through workers' pension funds, and harmonised with the general rules for retirement in order to ensure fair conditions for all. Such reforms would simultaneously bring greater financial sustainability to the system while providing crucial protections for older workers in the labour force and helping to ensure that first pillar pensions remain adequate and fair.

IndustriALL Global Union and industriAll European Trade Union Unions wish to express its full support to the protests you are planning to hold on 20 October to bring public attention to the disastrous consequences such provisions would have on workers and their livelihoods.

We wish you much success in your struggle, and we stand firm in solidarity with you.

In solidarity,



**Valter Sanches**  
**General Secretary**  
**IndustriALL Global Union**



**Luc Triangle**  
**General Secretary**  
**IndustriAll European Trade Union**