

BARSERVICE

Towards smart bargaining in the publishing sector in Croatia

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Executive summary

In Croatia, collective bargaining in the publishing sector is decentralized. The sectoral collective agreement for the printing industry ceased to be valid in 2008, and since then, the bargaining has taken place exclusively in-house. On the trade union side, the negotiator in companies that bargain in-house is Croatia's Union of Printing and Media Industry, the only representative union for the publishing sector. Employers at a higher level are united in the Croatian Association of Employers and its Association of Printing and Publishing. In 2021, the coverage of workers by collective agreements in the Information and Communication industry, including the publishing industry, amounted to just over 20%, some half less than the average national coverage. This situation is largely the result of technological changes that have profoundly changed work processes in this sector. Due to technological changes and economic crises in the last twenty years, numerous large publishing companies have collapsed, and the number of workers has significantly decreased. Almost all in-house collective agreements in the publishing sector also determine the salary levels for individual jobs. Social partners at the sector level agree that the biggest challenges facing collective bargaining at the house level are the disinterest of many employers in bargaining and digitization.

I. Sector identification and trends

For this report, desk research was conducted on collective bargaining in the Croatian publishing sector. In addition, during the second half of 2024, three interviews were conducted based on a form consisting of open and closed questions. Interviews were made at the sectoral level with a representative of the **Trade Union in Printing and Publishing Industry of Croatia (SGMH)** and a representative of the **Association of Printing and Publishing at the Croatian Employers' Association (HUP)**. At the house level, an interview was conducted with a union representative at the **Narodne novine** publishing house.

The publishing sector in Croatia was much more significant a couple of decades ago. It was a labour-intensive sector in which many workers were employed at that time. About 20 years ago, a major technological revolution took place in the publishing industry when it switched from analogue preparation to the so-called CTP (computer to plate) system, which significantly reduced the number of workers, primarily typesetters. The preparation segment, which was the most extensive in this way, has been drastically reduced. Today, as a rule, clients have their own preparation, and printers are used only for printing finished material (Interview SGMH, 2024). What is going in a positive direction is packaging printing, which is experiencing continuous and constant growth because the printing industry's products are used in a growing spectrum of packaging materials. The development of this segment of the publishing industry is aided by the high possibility of recycling cardboard and paper as basic raw materials (Interview HUP Association of Printing and Publishing, 2024).

The transition from analogue to digital publishing on a global scale, including in Croatia, has not been done correctly. Newspapers have only recently started charging for their digital content, while previously they were competing with themselves, given that their digital content was for free. This situation unnecessarily put them in a situation where advertising became their only source of income (Interview SGMH, 2024). The financial crisis of 2008 dealt a significant blow to the sector because, immediately before, many publishers had made significant investments in their production facilities, which badly impacted their operations. After 2008, circulations began to drop drastically, and with the decline in printed newspaper readers, the sector began to shrink. Since then, no more large companies have been in Croatia (ibid.). Since 2008, the number of printed stationery and forms has been drastically reduced, and these can now be found on the Internet. This also resulted in a reduction in the number of employees (Interview Narodne novine, 2024).

II. Current state of collective bargaining

The first sectoral collective agreement in publishing was signed in Croatia in 1992 and lasted until 1995. This agreement was signed between the Croatian trade union confederations and the Croatian Chamber of Commerce, which negotiated collective agreements at the time. Later, in 1997-2008, the collective agreement for the printing industry was in force and was renewed on several occasions. It was concluded between the Trade Union in Printing and Publishing Industry of Croatia (SGMH) and the employers' association "Croatian Printer" which brought together a significant part of employers in the publishing sector. However, it did not operate as part of the Croatian Employers Association. This sectoral collective agreement was not extended to the entire activity. In the last fifteen years, bargaining has been carried out exclusively at the house level (Interview SGMH, 2024).

Negotiations are, therefore, decentralized in the publishing sector. The advantage of such a negotiation mechanism is flexibility in determining working conditions. At the same time, the lack of sectoral standards can be singled out as a disadvantage, which consequently causes inequalities among workers (Interview HUP Association of Printing and Publishing, 2024). If a sectoral collective agreement were to exist today, it would probably be extended to the entire activity by the decision of the minister in charge of labour issues, for which there are predispositions within the Labour Law.

In 2024 according to preliminary data the share of gross value added of publishing activities (J58) in gross value added of the services sector in Croatia was 0.3%. This represented a reduction compared to 2020 when the figure was 0.5%. For a wider picture, it could be mentioned that the share of services gross value added in total gross value added in Croatia represented 72% in 2024 (preliminary data), and such relatively high share remained stable in the period of last five years.¹ The number of

¹ Information provided by Croatian Bureau of Statistics upon request.

employees in the sector is around 10,000 (see Table 1), while the number of members of the SGMH sectoral union is around 2,000. However, around 800 sector union members work as traders because they are employees of publishing companies that also deal with trade. About half of the sectoral trade union members print newspapers, while the other half print packaging (Interview SGMH, 2024). Media employees have joined the sectoral union in the last few years. This is a consequence of computer workers replacing typists as part of the so-called CTP processing (ibid.). SGMH is the only sectoral trade union operating in Croatia in the field of publishing. At the higher national level, SGMH is a member of the **Independent Croatian Trade Unions (NHS)**, one of three representative trade union confederations (ibid.).

Table 1. Publishing sector in Croatia

	2019	2020	2021	2022	2023
Number of entrepreneurs	1.043	1.028	1.045	1.043	1.023
Number of employees	10.012	9.667	9.938	9.969	9.862
Operating income (mil. Euros)	961	896	1.074	1.372	1.319
Export (mil. Euros)	312	306	390	530	459

Source: HUP Kompas Bijela knjiga 2025.

The Croatian Employers Association (HUP) is the only representative employers' association in Croatia. It includes about 50% of private-sector employers. The HUP organizes 29 branch associations, one of which is the Association of Printing and Publishing.

Generally, there have been no significant changes in the last ten years regarding the actors involved in collective bargaining. Likewise, it cannot be said that there has been a change in power relations among the actors. Both social partners emphasize that their mutual relations were correct (Interview of HUP Association of Printing and Publishing and SGMH, 2024). In 2012, negotiations were conducted on a sectoral collective agreement covering publishing and the media. However, the conclusion of this contract ultimately did not take place. Regarding a future sectoral collective agreement, SGMH would like to avoid a situation where such an agreement would lower the level of employee rights in companies that now have house agreements (SGMH interview, 2024). Employers do not see this as a problem, stating that the sectoral contract would not discourage in-house bargaining, as it would define minimum rights and leave enough room for further bargaining at the in-house level (Interview HUP Association of Printing and Publishing, 2024).

The rate of coverage of workers by collective agreements in Croatia in 2021 was 46.5% and decreased compared to 2014, when it was 52.7% (Bagić, 2021, 10). This decline, however, cannot be attributed to the weakening of collective bargaining practices,

which is indicated by a relatively equal number of valid collective agreements, but is primarily a reflection of changes in the structure of workers' employment concerning various activities and the size of employers (ibid.). In 2021, the coverage of workers by collective agreements in the field of information and communication, which also includes publishing, amounted to 20.6%. This below-average coverage can be attributed to the results of the restructuring process, which led to the elimination of some old companies in which collective bargaining practices existed and their replacement by new companies in which such practices were not established (Bagić, 2022, 11). For the sake of comparison, in 2014, the coverage of workers by collective agreements in the field of information and communication was higher and amounted to 31% (Bagić, 2016, 116).

According to the union's estimates, the coverage of the members of the sectoral union by collective agreements is about 70% because where the union has more members, there is usually a house collective agreement in force. Today, SGMH has ten active house collective agreements, and the situation is similar to that of ten years ago. However, if a more extended period of 15-20 years is observed, a trend of decreasing the number of collective agreements could be noticed as their number used to be twice as large (Interview SGMH, 2024). In companies with an in-house collective agreement, it is usually concluded for two years (Interview Narodne novine, 2024).

SGMH has used mediation dozens of times in the context of what is defined by Labour Law in the segment of conciliation in collective labour disputes. Therefore, it can be concluded that mediation is quite common (Interview SGMH, 2024). Fifteen years ago, SGMH had 2/3 of industrial actions caused by non-payment of wages, while problems in collective bargaining caused 1/3. After introducing the so-called JOPPD form, which prevents employers from paying wages if contributions have previously not been paid, the number of industrial actions due to non-payment of wages has been significantly reduced. Today, about half of industrial actions are initiated due to non-payment of wages, while the other half are initiated due to collective bargaining (ibid.). Another important trend in the last ten years related to the work of trade unions is the reduction in the number of dismissal disputes. This situation is exemplified by the state of the labour market, where there is a chronic shortage of workers (ibid.).

One of SGMH's strategies for attracting new members among the workers is the creation of tables that show which rights the union has managed to negotiate in the house collective agreement. Namely, workers are often not aware that the numerous material rights they enjoy are the result of collective bargaining because the legal provisions in themselves are minimal and insufficient (Interview SGMH, 2024). For example, the Labour Law guarantees an annual vacation of 20 days. SGMH, in its collective agreements, managed to provide around 30 days per worker, depending on the length of service and level of professional qualification. Likewise, the Labour Law guarantees paid leave for a maximum of 7 days per year, while the union has provided additional days in collective agreements (ibid.). Further rights to which employers are not bound by law and which, as a rule, the union contract as part of collective agreements refer to: working at night, working on Saturdays, working on Sundays, working on holidays, difficult working conditions, overtime work above the legally

prescribed norm, Christmas pay, annual vacation leave pay, sick pay above the legally prescribed minimum of 70% of the basic salary, severance pay, notice periods, medical check-ups, etc.

The SGMH points out that almost all of their collective agreements determine the salary levels for individual job positions. Wages are usually calculated as a base multiplied by a coefficient. A table with coefficients for individual workplaces is usually attached to collective agreements so that these coefficients are known during the entire period for which the collective agreement is signed (Interview SGMH, 2024). In the company Narodne novine, which publishes the official newspaper and stationery, and is 100% owned by the state, collective agreements have been in force without interruption since 1996. The currently valid collective agreement in this company stipulates, among other things, that when certain non-taxable rights are increased at the state level, the same rights are automatically increased in the collective agreement (Interview Narodne novine, 2024).

III. Challenges to collective bargaining

From the perspective of the trade unions, collective bargaining in the field of publishing in Croatia faces challenges related to the preservation of labour rights and digitalization. At the same time, the issues of lifelong learning, education, and related retraining were highlighted as particularly challenging. Trade unions believe these issues are important, but it is not easy to include them in collective agreements, so additional efforts will need to be made in the future (Interview SGMH and Narodne novine, 2024). In addition to labour rights and digitization, which affect the structure of the workforce, employers also see the issue of vulnerable groups as a challenge because, for example, young people and migrant workers are not explicitly discussed as part of collective bargaining (Interview HUP Association of Printing and Publishing, 2024).

Regarding the assessment of the importance of the identified challenges before collective bargaining, the sectoral union considers the following to be important or very important: the low presence of unions in some companies, the hostile attitude of employers in some companies, the insufficient capacity of unions for negotiations in some companies, the fact that some employers are not organized, the lack of interest of some employers to bargain, the fact that some employers do not recognize bargaining as a relevant mechanism for regulating labour relations, low coverage of collective agreements, insufficient legal support for sectoral bargaining, and the practice of breaking the unions (Interview SGMH, 2024). The sectoral employers' association answers regarding the highlighted question are almost identical. However, they attach little importance to the hostility of employers and the practice of breaking the unions (Interview HUP Association of Printing and Publishing, 2024).

In order to overcome the mentioned challenges, the sectoral union believes that it is necessary to encourage sectoral negotiations by the state to a greater extent. In addition, it is necessary to educate citizens about labour relations because pupils and

students rarely come across this topic during their education. In the end, it was pointed out that to overcome the challenges, the representativeness threshold of unions for collective bargaining should be lowered from the current 20% to 10% (interview SGMH, 2024). The sectoral association of employers agrees with the first two measures proposed by the sectoral union but not with the third one because they believe that the currently set representativeness threshold is satisfactory. As additional tools for overcoming the above-mentioned challenges, the representatives of the sector association of employers highlight the training of negotiators, the promotion of the benefits of bargaining, and generally better legal frameworks (Interview HUP Association of Printing and Publishing, 2024). The trade union in the Narodne novine company mentions among the tools for addressing the challenges the designation of more free time for the union commissioners. This would grant them more time for the field work with the current and potential union members (Interview Narodne novine, 2024).

IV. Towards smart bargaining

The representatives of interviewed employers and trade unions in the sector agree with the definition of smart collective bargaining, which "should provide improvements, meet expectations, and ensure a high rate of coverage by collective agreements". Among the potential improvements that could increase the coverage of collective agreements through smart bargaining, all three interviewees mention strengthening of trust between social partners and greater frequency of negotiations. Unlike the others, the sectoral association of employers believes that new unions should be established. Regarding the expectations that should be met to increase the coverage of collective agreements through smart bargaining, all interviewees rated it as important: that bargaining always ends in an agreement, that all parties involved have confidence in the bargaining and that bargaining is recognized as the best way to regulate working conditions.

The employers' sectoral association representative rejects the idea of legally binding employers to collective bargaining to increase bargaining coverage. The employers' association stated that the Labour Law stipulates the obligation of collective bargaining in good faith, which implies a free choice in joining or not joining the bargaining (Interview HUP Association of Printing and Publishing, 2024). Representatives of the sectoral association of employers believe that awareness of collective bargaining as the best way to regulate working conditions can be strengthened through education. As part of these trainings, employers' associations explain to their members how, through collective bargaining, they increase the chances of retaining good workers (ibid.).

The sectoral union believes that collective bargaining in Croatia could be significantly improved if collective agreements specify more favourable rights for union members. This possibility was foreseen as part of the amendments to the Labour Law in 2022, but the Constitutional Court annulled this possibility, ruling that it would lead to discrimination against non-union members (Hanzalek, 2023a). In addition, the sectoral

union points out that establishing a dialogue in which decisions will be discussed before they are made is of key importance for strengthening trust between social partners (Hanzalek, 2023b). Ultimately, according to the assessment of the sector union, as part of smart bargaining, the union must continuously monitor the increase in the cost of living. This must be done to eliminate the real decline in wages and material rights caused by the currently high inflation (Interview SGMH, 2024).

On the way to smart bargaining, trade unions consider it important to have a certain level of flexibility among social partners. For example, they highlight the time of the COVID-19 pandemic, when aid did not go to state-owned companies. This practice hurt the operations of Narodne novine, whose stores were closed, but the company could not receive state aid due to its ownership structure. At that time, the management of Narodne novine accepted the union's proposal to reduce working hours in order not to jeopardize the standards agreed in the collective agreement (Interview SGMH and Narodne novine, 2024).

In order to increase the coverage of workers by collective agreements in the publishing sector and in Croatia in general, the sectoral union considers it important to strengthen the culture of negotiation in society, strengthen trade union organization, strengthen employers' willingness to bargain, strengthen the organization of employers into higher-level associations, engage in more extensive use of existing mechanisms for extending collective agreements and improve the content of collective agreements (interview SGMH, 2024). The sectoral association of employers gave the same answers; they only neutrally evaluated the segment about strengthening trade union organizations (Interview HUP Association of Printing and Publishing 2024). All interviewees agreed with the assessment that there is no "one size fits all" approach to collective bargaining because it is necessary to have sectoral and company-level adjustments.

Regarding the relationship between legislation and collective bargaining, all respondents agreed with the statement that legislation is the basis for more specific regulations in collective agreements. The claim that the legislation in Croatia is too detailed, which leaves little room for negotiation, was supported by the employers' sector association but not by the trade unions that disagree with it. Both unions responded positively to the claim that the social partners should simultaneously support legislative changes and bargaining, while the employers' association responded neutral. Finally, all respondents rated neutrally the statement that collective bargaining should be used as the dominant mechanism for determining working conditions in the sector.

V. European perspectives

The European directive 2022/2041 on adequate minimum wages, adopted in October 2022, aims to promote social convergence and combat wage inequality and poverty. This goal is to be achieved through two main approaches: i) obliging Member States with legal minimum wages to establish clear criteria for the adequacy of their levels

and ii) obliging Member States to develop policies to strengthen autonomous collective bargaining so that the coverage of employees by collective agreements reaches a threshold of at least 80% (IndustriAll, 2024).

According to the opinion of the sector union, the European directive on adequate minimum wages does not significantly impact the publishing sector in Croatia when it is viewed. However, it is positive that the directive forces employers who are weak on improving the level of their workers' rights to follow the provisions on the minimum wage, which now must be regularly increased and improved. Regarding the coverage by collective agreements in the sectoral union, they observe that some concrete moves by the government, such as creating action plans, are still expected (interview SGMH, 2024). The employers' association points out that the directives are implemented in Croatian legislation and that all employers are obliged to comply with their provisions. In addition, they state that paying less than the minimum wage is difficult to implement in practice because, in that case, the tax administration and other state institutions would react (Interview HUP Association of Printing and Publishing, 2024).

The sectoral trade union at the European level has been a member of the **UNI Global Union (UNI)** since 2000, specifically the Printing and Packaging Sector of this association. As part of this membership, the union participates in thematic conferences on collective bargaining, work seminars, and bilateral and other forms of cooperation. The union participates in the work of the executive bodies of the UNI, which has helped them many times in organizing industrial actions (Interview SGMH, 2024). The Printing and Packaging Sector of UNI has recently sought to conclude global framework agreements with targeted multinational companies to lay the foundations for respecting labour rights and promoting collective bargaining in these companies (Hanzalek, 2023c).

The sector union is a member of the **European Trade Union Confederation (ETUC)** and the **International Trade Union Confederation (ITUC)** through its membership in the NHS Confederation (Interview SGMH, 2024). The employers' association is a member of the **Business Europe** association, which is deemed extremely important considering that this association can prepare proposals for regulations and directives at the European level (Interview, HUP Association of Printing and Publishing). The possibility of influencing European legislation through membership in supranational associations is considered of high importance by the sectoral trade union as well (Interview SGMH, 2024).

VI. Conclusions

In Croatia, collective bargaining in the publishing sector has been taking place exclusively at the house level for more than 15 years. Attempts to negotiate a sectoral agreement have not taken off recently, although it would be desirable because the coverage by house agreements is at some 20%. If a sectoral collective agreement existed, it would most likely be extended to the entire activity by the decision of the minister in charge of labour issues, for which there are predispositions within the

Labour Law. However, where house-level collective agreements exist, their content is of high quality because they usually determine wages per different work placements, in addition to numerous other materials and immaterial rights.

In the last ten years, there have been no significant changes regarding the actors involved in collective bargaining or a change in power relations. Both social partners emphasize that their mutual relations were and remain correct. Important challenges recognized by both social partners are the lack of interest of many employers in the house level bargaining and technological changes related to digitalization.

The sectoral trade union advocates lowering the union representativeness threshold for collective bargaining from 20% to 10%, while employers believe that the current threshold is satisfactory. Among the main tools for overcoming the challenges, the sectoral union mentioned educating citizens about labour relations. For the sectoral association of employers, the challenges can be overcome, among other things, by training negotiators and adopting better legal frameworks.

Social partners agree that smart collective bargaining should deliver improvements, meet expectations, and ensure a high rate of collective agreement coverage. On the way to such bargaining, the sector union advocates for developing a culture of dialogue, which means that decisions should not be made unilaterally. They also believe that smart bargaining should continuously consider the increase in the cost of living. For the sectoral employers' association, smart bargaining means strengthening employers' willingness to bargain, which can be achieved through targeted training. However, employers oppose the idea of legally obliging employers to negotiate. The sector union believes that collective bargaining in Croatia could be improved if collective agreements could determine more favourable rights for union members, which is currently not in accordance with the law.

The report proposes a few elements for smart bargaining strategies based on the interviews:

- providing additional trainings for the social partners,
- strengthening of mutual trust between social partners,
- broadening use of existing mechanisms for extending the application of collective agreements,
- strengthening the willingness of private employers to negotiate,
- improving the content of collective agreements.

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Annex

Abbreviations

CTP – Computer to Plate
HUP – Croatian Employers Association
NHS – Independent Croatian Trade Unions

ETUC – European Trade Union Confederation
ITUC – International Trade Union Confederation
SGMH – Trade Union of Printing and Media Industry of Croatia
UNI – Uni Global Union